



# AA Small Business Insurance Policy

Here are the details of your  
**Commercial Vehicle  
Policy Module**



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## Welcome to AA Insurance

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

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

### How to contact us

For sales, service and general queries:

- Call us on **0800 500 213**

For claims enquiries:

- Call us on **0800 500 216**

For more information:

- Go to [aainsurance.co.nz](http://aainsurance.co.nz)

### Your insurance contract

Your insurance contract consists of this policy document and your [policy schedule](#). Your policy document and [policy schedule](#) are designed to be read together. If there is a conflict between the information in this policy document and your [policy schedule](#), your [policy schedule](#) takes priority.

This cover is subject to the limits, terms and conditions which are set out within this policy document.

We agree to provide this cover as long as you have paid the premium due.

If you have any questions or need more information, please contact us.

### If you have a concern

We value our customers and aim to deliver the best service possible. We also appreciate and encourage your feedback – the good and the bad. If you're not satisfied with one of our policies, our service or a decision we make, please tell us. Often a quick conversation with one of our representatives can help resolve things.

If we can't agree or if you are still unhappy, please let us know. We can explain our complaints procedure to you and we have a Customer Resolution Service in place to assist you if needed.

We're here to  
get things sorted.

**0800 500 213**  
[aainsurance.co.nz](http://aainsurance.co.nz)

# Reading your policy

## Headings

Headings in this policy document are there to help guide you. You shouldn't rely on headings to interpret the policy. To understand your policy, the full text should be read.

## Words with specific meaning

We have coloured some words blue. These words have a specific meaning and are explained in the 'Definitions' section at the end of this policy document.

We also use the following common terms throughout this policy document which have the below meanings:

- 'we', 'us' or 'our' means AA Insurance Limited
- 'you' or 'your' means the **insured** and any other **persons insured**.

# Cancelling your policy

## If you change your mind

We provide you with a 21 day cooling-off period. You can cancel your policy within 21 days from the day cover began, provided you have not made a claim. We will then refund in full any premium you have paid.

## Cancellation by you

You may cancel your policy at any time, unless you have made a claim. If you cancel outside the cooling-off period and you have not made a claim, we will refund you any amount we owe after the cancellation date, less any cancellation fee shown on your **policy schedule**.

## Cancellation by us

We may cancel your policy at any time by sending you a notice to this effect. The cancellation will take effect on the 7th day after the notice has been sent. We will refund you any amount we owe after the cancellation date.

# What you are covered for

## Item 1: Cover for loss to your vehicle

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

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

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

However, the **insured vehicle** does not include:

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

## Description of use

The **insured vehicle** is covered when used:

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

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

## Comprehensive

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

## Third Party, Fire & Theft

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

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

## Third Party

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

## Item 2: Legal liability

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

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

We will pay up to:

- \$20million for 'Cover for property damage'
- \$10million for 'Cover for reparations'
- \$1million for 'Cover for exemplary damages'
- \$500,000 for 'Cover for weight damage'.

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

### Cover for property damage

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

### Cover for reparations

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

### Cover for exemplary damages

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

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

### Cover for weight damage

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

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

### Cover for marine liability

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

## Additional liability cover

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

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

## What you are not covered for

This policy does not cover any of the following:

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

# Limits on what we will pay

## Comprehensive

If your [policy schedule](#) shows 'Type of cover: Comprehensive', the most we will pay for any one event is the total of:

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

## Third Party, Fire & Theft

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

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

## Third Party

If your [policy schedule](#) shows 'Type of cover: Third Party' the most we will pay for any one event is the total of:

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

# Automatic extensions

The following extensions are automatically included in your cover.

## Replacement vehicle

We will insure a replacement [vehicle](#) for its [Market Value](#) on the same terms that apply to the [insured vehicle](#), provided:

- you tell us within 30 days of the purchase date of the replacement [vehicle](#)
- you pay any extra premium which we may require.

## Invalidation

We will cover the [insured](#) when the [insured vehicle](#) is being used in a manner to which an exclusion would apply, providing:

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

However, there is no liability cover for the driver or person responsible for the [damage](#) and '[Cover for exemplary damages](#)' does not apply.

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

## Comprehensive extensions

The following extensions only apply if your [policy schedule](#) shows the [insured vehicle](#) has 'Type of cover: Comprehensive'.

## Road cleaning and load recovery costs

We will pay the reasonable costs for any of the following resulting from the [damage](#):

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

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

This automatic extension does not cover any fine, penalty or order for [reparation](#).

## Transport and accommodation

If the [insured vehicle](#) cannot be driven, or you are unfit or unable to drive, we will pay the reasonable costs of:

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

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

## Additional vehicle cover

We will insure an additional **vehicle** for its **Market Value** on the same terms that apply to the **insured vehicle**. We will pay up to the additional **vehicle's Market Value** or \$100,000, whichever is the lesser, provided:

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

## New vehicle cover

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

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

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

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

## Keys and locks

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

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

## Trailers

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

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

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

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

## Tyres and tracks

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

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

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

## Hire of a vehicle following theft of your vehicle

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

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

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

If you hire or borrow a **vehicle** which is a different make or model to the stolen **insured vehicle**, we may reduce proportionately the amount otherwise payable under this extension. No compensation will be paid if you have a free replacement or surplus **vehicle** available. The most we will pay for any one **vehicle** is \$150/day and \$3,000 in total per **event**.

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

## Hoist breakdown

We will cover you for mechanical breakdown or failure of hoists which is not due to wear and tear. The most we will pay for any one **event** is \$5,000.

## Emergency costs

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

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

## Employees' vehicles

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

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

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

## Excess-Free Glass Cover

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

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

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

## Third Party and Third Party, Fire & Theft extension

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

### Cover for accidents with an uninsured third party

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

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

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

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

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

# Additional extensions

If any of the following extensions apply, they will be shown on your [policy schedule](#).

## Entanglement

The '[Entanglement](#)' exclusion on page 10 is deleted.

## Deep frying equipment

If the [insured vehicle](#) is used for any deep frying with oil or fat you warrant that:

- each vat is fitted with a close-fitting steel lid that is shut when the vat is not in use, and the lid is readily available to cover the vat in the [event](#) of a fire
- a fire blanket with minimum dimension of 1.8m by 1.8m is installed in a conspicuous place close to, but not less than 2m from, the frying operation and that the fire blanket is readily accessible for immediate use during any deep-frying operation
- notwithstanding the need for any other fire extinguishers a fully charged fire extinguisher with a minimum 4F rating is installed in a conspicuous place close to, but not less than 2m from, the frying operation and is accessible for immediate use during any deep frying operation
- all thermostats, pans, blankets and extinguishers are always maintained in good working order
- extraction filters are cleaned weekly and extraction flues and ducting inspected monthly and cleaned as necessary
- where the fryer is an electric fryer a separate non-adjustable manual reset thermostat is fitted to it and set to disconnect the power supply when the temperature of the cooking liquids reaches 220 degrees centigrade, and
- all cooking liquids for disposal are always stored in a metal bin with a close-fitting metal lid until removal from the [insured vehicle](#).

If you are not the user of the [insured vehicle](#) or operator of the equipment you will in writing instruct the user and operator to carry out all the requirements above to ensure that the terms of this warranty extension are always met.

## Hire of a vehicle following an accident

If [damage](#) prevents you from using the [insured vehicle](#) we will cover the reasonable cost of hiring a substitute [vehicle](#) provided:

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

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

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

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

# Making a claim

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

## Claims conditions

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

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

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

As soon as possible you or any driver must also:

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

## If you do not comply with these conditions

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

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

## After your claim is accepted

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

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

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

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

## You will have to pay an excess

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

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

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

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

# How we will settle your claim

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

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

## Repairing your vehicle

We can choose to repair the **insured vehicle** if it has been **damaged** and in our opinion:

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

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

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

## Repairing your vehicle to a better condition

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

## Repairing or replacing parts

We will decide whether **damaged** parts on the **insured vehicle** are repaired or replaced. If we choose to replace any parts, we will use original manufacturer branded parts, except for windscreens and window glass. When available, windscreens and window glass will be replaced with compatible aftermarket glass that meets all Australasian safety standards. The parts we use may be new, recycled or reconditioned. If we have replaced any parts then the **damaged** parts become our property.

## Paying the costs to repair

If we choose to pay you the cost to repair the **insured vehicle** to a standard comparable to the condition of the **insured vehicle** immediately before the **event**, we will pay the lesser of:

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

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

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

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

## Classifying your vehicle as a total loss

We will classify the **insured vehicle** as a total loss if any of the following apply:

- in our opinion, it is not safe to repair the **damage** to the **insured vehicle**
- in our opinion, the cost of repairing the **insured vehicle** is more than the **Agreed Value** or the **Market Value**, or it is uneconomic to repair
- the **insured vehicle** has been stolen and has not been found within 10 days from the date you reported the theft to us or the Police.

When we settle a claim for a total loss:

- we will pay the **Agreed Value** or the **Market Value**, whichever is shown on your **policy schedule**
- less your total applicable excess and any **on-road costs** that are not fully paid or up to date, or replace the **insured vehicle** if you meet the criteria under Automatic extension – 'New vehicle cover' and we select that option
- we are entitled to any refund of **on-road costs**
- the **insured vehicle**, including all **modifications** and **accessories** becomes our property, and this includes if it is recovered after it has been stolen but not found within 10 days
- the total premium for the entire **period of insurance** must be paid in full before the claim is settled
- your policy ends on the date of the **damage** and you are not entitled to any refund of premium.

# What you are not covered for

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

## Intentional damage

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

## Existing damage

This policy does not cover an [event](#) which happened before your policy started.

## Driving under the influence or leaving the scene of an accident

This policy does not provide cover if the person using your [vehicle](#) at the time of the [event](#):

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

This does not apply if the driver has stolen the [insured vehicle](#) and you have made a complaint to the police.

## Breach of licence or driving conditions

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

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

This does not apply if the driver has stolen the [insured vehicle](#) and you have made a complaint to the police.

## Faulty workmanship

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

## Wear, tear or gradual damage

This policy does not cover any loss, [damage](#) or liability, directly or indirectly caused by, arising from or involving wear and tear, rust, corrosion, action of micro-organisms, rot, mould, mildew, fungi, smoke, particles, and action of light, atmospheric or climatic conditions.

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

## Undamaged property

This policy does not cover any loss, [damage](#) or liability:

- associated with the cost of painting, repairing or replacing an area, set or part of the [insured vehicle](#) that was not [damaged](#) in the [event](#), or that is not related to your claim, or
- arising because paint, features, fabrics or other parts or the [insured vehicle](#) are not able to be matched.

## Consequential loss or incurred costs

This policy does not cover any of the following:

- loss of use of the [insured vehicle](#)
- consequential losses of any kind
- costs or expenses you may incur in order for you to prove or assist us with your claim
- repairs that are not related to your claim.

This includes any loss of income, loss of or reduction in value, additional costs or expenses, compensation for your time or anyone else's time or materials used, and any other liability incurred due to the [insured vehicle](#) not being able to be used.

## Tyre damage

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

## Weight damage

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

## Water damage

This policy does not cover any loss, [damage](#) or liability, directly or indirectly caused by, arising from or involving water [damage](#) as a result of defective or blocked drainage systems, leaking seals or gaskets.

### **Mechanical or electrical breakdown**

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

### **Damage by pests**

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

### **Excesses and other insurance**

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

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

### **Entanglement**

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

### **Vehicle use**

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

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

### **Overloaded or unsafe vehicles**

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

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

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

### **Pollution or contamination**

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

### **Accident Compensation Act 2001**

This policy does not cover amounts which are covered under the provisions of the Accident Compensation Act 2001 (or any replacement Act) and any subsequent amendments, regardless of whether:

- there is a failure by a victim to claim any amount they would be entitled to claim under the Act within the time required under the Act, or for any other reason, or
- the Accident Compensation Corporation decides to decline a claim or limit its liability in whole or in part and for any reason.

### **Confiscation**

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

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

### **War, terrorism or nuclear incidents**

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

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

### **Unlawful or otherwise prohibited to insure**

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

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

## You must tell us about certain things

Some parts of this policy can cover other parties as well as you. You and any person covered by this policy must meet all the following conditions and obligations to gain benefit of any cover under this policy. No claim will be payable where any person covered under this policy does not meet any of the terms and conditions.

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

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

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

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

### **You must tell us if there is a change in circumstances**

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

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

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

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

## You must comply with certain conditions

### **You must avoid loss, damage or liability**

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

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

### **You must not transfer your legal rights**

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

# How we administer your policy

## Paying premiums

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

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

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

## Sending notices

We will send any notice, [policy schedule](#) or other written documents to your last known physical, postal or email address.

## Noting interested parties

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

## You are jointly insured

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

Each [insured](#) has the right to:

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

## Currency

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

## Governing law

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

# Definitions

## AA Insurance repairers

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

## Accessories

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

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

## Agreed Value

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

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

## Business

The business and occupation described on your [policy schedule](#).

## Damage

Sudden, unforeseen, accidental physical loss, or sudden, unforeseen, accidental physical damage.

## Employee

Any of the following while working for any [insured](#) in connection with the [business](#):

- a person under a contract of service or apprenticeship with any [insured](#)
- a person hired or borrowed by any [insured](#)
- a labour only sub-contractor.

## Event

A sudden, accidental and unforeseen occurrence that causes [damage](#), that is not intended or expected by you.

## Insured

The person, company, or entity listed as 'Who's insured' on your [policy schedule](#) domiciled in New Zealand.

## Insured vehicle

The [vehicle](#) shown on your [policy schedule](#).

### Market Value

The reasonable retail value of the item immediately before the [event](#) occurred, as determined either by us or by an independent valuer.

### Material information

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

### Modification

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

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

### Natural disaster

Earthquake, tsunami, volcanic activity, hydrothermal activity, geothermal activity, or subterranean fire, or fire occasioned by, through or in consequence of any of these.

### Natural disaster damage

Any of the following:

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

### On-road costs

[Vehicle](#) registration fees or road user charges.

### Period of insurance

When your policy starts, to when it ends. It is shown on your [policy schedule](#), unless the policy is ended earlier.

### Personal injury

Any of the following:

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

### Persons insured

Any of the following:

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

### Policy schedule

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

### Reparation

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

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

### Subsidiary company

Any of the following:

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

### Vehicle

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

# Can we help with anything else?

## Home Insurance

Protection for the place you love to call home.

## Contents Insurance

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

## Comprehensive Car Insurance

Comprehensive cover with optional extras to suit your car.

## Third Party, Fire and Theft Car Insurance

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

## Third Party Car Insurance

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

## Landlord Insurance

Protection for your investment property.

## Classic Vehicle Insurance

Specialised cover to protect your pride and joy.

## Motorhome Insurance

Cover for your home away from home.

## Caravan/Trailer Insurance

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

## Motorcycle Insurance

Tailored cover to suit your motorcycle.

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## We're here to help you

Call us anytime

**0800 500 213**

Visit us online

**[aainsurance.co.nz](http://aainsurance.co.nz)**

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