

Rural Commercial Motor Vehicle

POLICY WORDING CHANGE SUMMARY



For Wording nos. VCYNZR2, VFONZR2, VFTNZR2, VOHNZR2, VTVNZR2

For Form no: NZ2070/4 12/15

The following provides a summary only of the key changes to the NZI Rural Commercial Motor Vehicle Policy Wording. These changes are effective on renewals and new business from December 2015.

CHANGE SUMMARY TABLE

SECTION TWO LIABILITY COVER

A. DAMAGES AND REPARATION *(Updated)*

New clause added which extends the liability cover to include any liability to pay **reparation** awarded by a New Zealand Court to a victim who has suffered **accidental loss** to property or **accidental bodily injury** as a result of **your** committing an offence in connection with **your** use of the **vehicle**.

The cover for **reparation** extends, on the same basis as the legal liability cover, to:

- any other **driver** using the **vehicle** with **your** consent, and
- **you** when driving another vehicle that is not owned nor hired by **you**.

Reparations cover is an additional form of liability to another party which a court may order, therefore, the cover for liability has been extended to include liability to pay reparations to a victim.

The cover for reparations is payable within the existing liability limit.

There are some provisions specified within this cover, including:

- *The requirement to notify us immediately if any person entitled to this cover is charged with an offence with the use of your vehicle which resulted in loss of property or bodily injury to another person.*
- *We must give our written approval before any offer of Reparation is made.*

B. DEFENCE COSTS *(Updated)*

References to 'legal action' updated to 'civil proceeding'.

The defence costs covered under this benefit are for civil matters, so the references have been updated to more clearly align with the intent.

(Note: Specific Criminal Defence costs are set out in C. below).

C. CRIMINAL COURT ACTION / ENQUIRIES / INQUESTS *(Updated)*

An exception to the new Offences exclusion has been added.

As we only cover legal costs and expenses for specific criminal charges set out in this benefit, an exception to the Offences exclusion is required to ensure the criminal defence costs set out here, are covered.

SECTION 2 EXCLUSIONS

I. OFFENCES *(New)*

New exclusion added specifying that the policy does not cover any legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament.

The policy does not cover defence costs or court costs relating to a prosecution of any offence under any Act or Regulations, other than those specifically stated in the policy (i.e. as covered under Section 2 Liability Cover, C – Criminal Court Action/ Enquiries/ Inquests).

GENERAL EXCLUSIONS

D. ALCOHOL, DRUGS AND OTHER INTOXICATING SUBSTANCES *(Updated)*

The heading of this clause has been updated from 'Illegal Activity' to 'Alcohol, Drugs and Other Intoxicating Substances' to reflect the basis of the Exclusion.

K. INTENTIONAL OR RECKLESS ACTS *(New)*

New exclusion added specifying that the policy does not cover any **loss** or liability as arising from any intentional or reckless act or omission.

The policy has never insured intentional or reckless acts (must be sudden, accidental, and unintended), this exclusion is included for clarification to ensure that these actions are formally excluded.

MANAGING YOUR CLAIM

A. YOUR OBLIGATIONS

1. Advise us *(Updated)*

New clause added specifying that **you** or anyone else entitled to cover under the policy must notify **us** if **you** or they are charged with any offence in connection with the use of **your vehicle** (or another vehicle) which resulted in **loss** of or damage to property or **bodily injury** to another person.

We must be notified as soon as possible to ensure that any action which may be required can be considered in a timely manner.

6. Do Not Admit Liability *(Updated)*

New clause added to clarify that **you** or anyone else entitled to cover under the policy must not make any offer of **reparation**, (including as part of any case management conference or sentencing hearing).

This must be first discussed and agreed with us.

DEFINITIONS

reparation *(New)*

New definition to specify what we mean by 'Reparation' – that is, an amount ordered under section 32 of the Sentencing Act 2002.