

AUTOPROTECT MOTORCYCLE INSURANCE

This AutoProtect Motorcycle Insurance (hereinafter referred to as this Policy) is between the Insured named in the Proposal Form and Allianz New Zealand Limited which has authorised PROTECTA Insurance New Zealand Limited (hereinafter referred to as PROTECTA Insurance) and it's agents to administer this Policy.

You are important to Us and We welcome You as a valued customer. You have entrusted Us with the insurance of Your Motorcycle – one of Your most valuable possessions. We value that trust.

Important Information for Policy Holders

- This is Your Motorcycle Insurance Policy which consists of this wording, Your proposal and declaration. Please read it so you know exactly what you are covered for. If you do not fully understand this Policy please contact PROTECTA Insurance, who will be able to explain it to you. Any claims and general enquiries should be directed to PROTECTA Insurance. Please phone 0800 4357 868
- Unless otherwise stated, all cover is subject to the proviso that the Loss or Damage occurs during the period of insurance for which a premium has been received by Us.
- Please examine this wording and the Proposal and if they do not meet Your requirements or if any information is not correctly stated, please return them at once and ask for the correction to be made.
- This insurance has been arranged on the basis of information supplied by You. It may be that We would not cover You if all statements made to Us were not entirely correct and truthful. If there is any information which We have not been given, or if any circumstances change during the period of cover or has changed You must tell Us. Please read the section entitled "Your Duty Of Disclosure" in this Policy.

Definitions

Whenever these words are used this is what they mean:

You or **Your** means the insured person(s), company or other entity named in the Proposal.

We, Our or **Us** means Allianz New Zealand Limited

Injury means bodily Injury (including death), illness, disability, disease, shock, fright, mental anguish or mental Injury.

Excess means the first amount of any claim which You must bear as You are not insured for this amount.

Motorcycle means the motorcycle(s) described in the Proposal including spare parts and accessories whilst fitted to the Motorcycle. This does not include crash helmets.

Proposal means the Proposal, renewal invitation and/or endorsement certificate(s).

Locked Building means a fully enclosed structure which had all exits locked immediately preceding the theft.

Type of Cover

From the Type of Cover selected on the proposal form, under this Policy:

Full Cover will mean that you have cover under Section one and Section two of the policy.

Third Party Fire and Theft will mean that you have full cover under Section two but under Section one you have cover only for accidental loss to your Motorcycle by:-

- Fire
- Theft

Fire and Theft will mean that you have limited cover only under Section one of this insurance, which is restricted to cover for accidental loss to your Motorcycle by: --

- Fire
- Theft

Fire, Theft and Transit will mean that you have limited cover only under Section one of this insurance, which is restricted to cover for accidental loss to your Motorcycle by:-

- Fire
- Theft from a Locked Building

- Damage arising from the conveying vehicle being involved in an accident or overturning.

Description of use

We insure Your Motorcycle only whilst it is being used:

- for Social Domestic and Pleasure purposes.
- for Professional, Business or Farm purposes providing this has been indicated to us on the proposal form.
- by Religious, Social Welfare or Youth Organisation Workers in the course of that work.

But excluding:

- use in connection with motor trades, any form of selling and/or collecting, insurance assessing, Motorcycle riding instruction for reward, carriage of goods or samples in connection with any trade or business, any hire arrangement or agreement, carriage of fare paying passengers, or stock and station agents.

Section 1 – Full Cover

We will cover Your Motorcycle against sudden and unforeseen accidental physical loss or damage occurring in New Zealand and subject to the terms and conditions of this Policy and the Proposal.

Additional Cover Beyond The Sum Insured:

(a) Salvage Costs:

If Your Motorcycle cannot be ridden following an accident, We will pay the reasonable cost of removing it to the nearest repairer or place of safety.

(b) Marine General Average

This is deliberate loss or damage incurred to the Motorcycle in time of peril to prevent the loss of a ship and/or cargo. We will pay for any contributions and/or expenditure which may become legally payable by You as a result of Your Motorcycle being carried by ship between ports in New Zealand. **(c) Completion Of Journey**

We will pay the reasonable costs of accommodation and travel expenses incurred to complete Your journey or return to Your home immediately following an accident to Your Motorcycle and the reasonable costs of also returning Your repaired Motorcycle to Your home provided:

- Our total liability is limited to \$500 for any one accident and \$1,000 during any one period of insurance.
- Cover applies only to You.

(d) Legal Defence

If as a result of riding Your Motorcycle You are charged with manslaughter or reckless or dangerous driving causing death, We will cover the legal costs of defence up to a limit of \$1,000.

The cover provided by extensions (a) to (d) will only apply provided We have accepted a claim under this Section of the Policy.

Variations To The Cover

(1) Named Rider Warranty

If You have selected this benefit and it is noted on Your Proposal it is agreed that should Your Motorcycle be ridden by any person other than those specifically noted on the Proposal, You are not insured for the first \$750 of each and every claim under Section 1, such amount to be additional to any Excess otherwise stated in the Proposal. This additional amount however, shall not be payable by You:

- When loss or damage by fire occurs without impact or collision.
- If the Motorcycle is stolen or illegally converted or when left in the hands of a repairer or sales outlet for service, repairs or sale purposes.

(2) Restricted Riders

When the Proposal shows that the restricted Rider option applies We will not cover any accidental loss, damage or liability, which results in a claim, when the Rider of Your Motorcycle was a person under 25 years of age.

We will not refuse to pay Your claim if the Rider of Your Motorcycle:

- (a) was found guilty of theft or illegal use of Your Motorcycle; or
- (b) was a person paid by You to repair, service or test Your Motorcycle.

Automatic Uninsured Motor Extension

If Your Proposal shows cover type **Third Party, Fire & Theft** We will cover Your Motorcycle for loss or damage arising from an accident caused by the driver of an uninsured vehicle up to a maximum amount of \$3,000 including the cost of protection, removal and towing.

You may only claim under this extension if:

- (a) You can provide Us with the name, address and vehicle registration number of the person responsible for the accident; and
- (b) We accept You did not contribute to the cause of the accident.

No Blame Bonus and Excess Protection

We will not impose Your Excess or penalise Your no claim bonus entitlement at renewal of this Policy if You have been involved in an accident during the period of insurance and:

- (a) You can provide Us with the name, address and vehicle registration number of the person responsible for the accident; and
- (b) We accept You did not contribute to the cause of the accident.

Natural Disaster

In respect of the Motorcycle(s) specified in the Proposal We will cover You up to the market value or sum insured of the Motorcycle(s) specified (whichever is the lesser) for loss or damage caused by Earthquake, Volcanic Eruption, Tsunami or Hydrothermal Activity.

Section 2 –Third Party Liability

We will cover Your legal liability to pay compensatory damages for Injury or loss or damage to property of others occurring during the period of insurance resulting from the use of Your Motorcycle within New Zealand and subject to the terms and conditions of this Policy.

This Liability Cover Is Also Extended:

- (a) To You while You are using another Motorcycle with the permission of its owner provided it is not:
 - (i) owned by You or being leased to You.
 - (ii) being purchased or hired to You under any form of hire or purchase agreement.
- (b) To any other person using Your Motorcycle with Your permission, but subject to the terms and conditions of the Policy.
- (c) To protect Your employer while Your Motorcycle is being used by You (or a fellow employee with Your permission) on Your employer's business or while You are riding another Motorcycle as a servant or agent of Your employer.
- (d) To cover defence, inquiry costs and expenses incurred by You with Our consent plus any costs and expenses (excluding fines) awarded against You. Provided that there is no cover under any of these extensions if there is any cover provided for that person, property or Motorcycle under any other policy.

Amount of Insurance Payable Section 1 – Your Motorcycle

We may choose to repair the damage or to pay You the amount of the loss or damage not exceeding the sum insured shown in the current Proposal or the market value of Your

Motorcycle at the time of the loss or damage, whichever is the lesser.

Amount of Insurance Payable Section 2 –Third Party Liability

Our liability in respect of any one claim or series of claims arising from one occurrence shall not exceed \$10,000,000 for property damage and \$1,000,000 for personal injury and our total aggregate liability in respect of any one claim or series of claims arising from one occurrence for property damage and personal injury combined shall not exceed \$10,000,000.

You are not Insured for (Exclusions) Section 1 – Your Motorcycle

- (1) The following Excess:
If you have a Special Excess as specified on the Proposal Form, this applies to You only, otherwise the following excesses apply
- (i) Basic Excess applicable to all claims:-
 - a) Single Vehicle Accident
If the Motorcycle is damaged and no other vehicle(s) were involved in the accident other than the insured Motorcycle, an excess of 25% of the Sum Insured, subject to a minimum of \$250 shall apply.
 - b) Multiple Vehicle Accident
If the Motorcycle is damaged and other vehicle(s) were involved in the accident, then:
 - (i) If You or anyone riding or having custody or control of the Motorcycle is aged 25 years or more at the time of the loss an excess of 15% of the Sum Insured, subject to a minimum of \$250 shall apply
 - (ii) If You or anyone riding or having custody or control of the Motorcycle is aged less than 25 years at the time of the loss an excess of 20% of the Sum Insured subject to a minimum of \$250 shall apply.
 - c) If the Motorcycle is stolen or catches fire an excess of 20% of the Sum Insured, subject to a minimum of \$250 shall apply.
 - d) Notwithstanding the Basic Excess (i) a), b) and c) above, the excess for all farm Motorcycles and courier Motorcycles shall be 30% of the Sum Insured, subject to a minimum of \$250, for each and every claim.
 - (ii) Additional Excesses
In addition to the above Basic Excesses the following Additional Excesses apply:-
 - a) \$250 if You or anyone riding or having custody or control of the Motorcycle has either a Learner or Restricted licence only.
 - b) \$500 if You or anyone riding or having custody or control of the Motorcycle has a non-New Zealand licence.
 - c) \$500 whilst the Motorcycle is being ridden by or under the custody or control of anyone other than You.

Please note that the maximum cumulative additional excesses under (ii) a) b) and c) shall not exceed \$750 in respect of any one Claim.

- d) If the Insured has taken the "Named Rider" option and someone other than the "Named Rider" is involved in the accident, notwithstanding Special Excess (ii) c) above, the maximum

applicable Additional Excess shall be \$750 in respect of each and every claim.

Special notes in relation to the application of Excesses to the "Type of Cover Selected"

- a) The Excesses as detailed in (i) and (ii) above apply to "Full Cover", "Fire and Theft" and "Third Party Fire and Theft" cover.
- b) The Excess applicable to "Fire, Theft and Transit" cover is as follows:- 7.5% of the sum insured or \$250 whichever is the greater.

Please Note: Notwithstanding Basic Excess (i) a), b) and c) and Additional Excess (ii)a), b) and c), for all Total Loss claims the excess above shall be applied to the Market Value or the Sum Insured, whichever is the lesser.

- (2) Any loss or damage to tyres unless it occurs at the same time as other damage to the Motorcycle for which a claim is payable under the Policy.
- (3) Loss of use of Your Motorcycle and any consequential loss associated with this, depreciation, wear, tear, corrosion, any existing defects.
- (4) Damage to or failure or breakage of the engine, transmission, cooling, lubrication, mechanical, hydraulic, electronic or electrical systems unless it occurs at the same time as other damage to the Motorcycle for which a claim is payable under the Policy.
- (5) Theft of any accessories, spare parts or spare tyres unless stolen with the Motorcycle

You are not Insured for (Exclusions) Section 2 –Third Party Liability

You or any other person to whom this section has been extended are not covered for:

- (1) The Section 2 Excess shown in the Proposal in respect of each and every claim.
- (2) Loss or damage to property belonging to or under the care, custody or control of any person covered under this Policy or Injury to any person which is as a result of an accident which happens whilst that person is either the rider or passenger of Your Motorcycle.
- (3) Any responsibility which You or Your Rider have agreed with any party to accept in connection with any loss or damage for which the law could not otherwise hold You or the Rider responsible.
- (4) Any liability to pay fines and/or other penalties or reparation orders or any punitive, exemplary or aggravated damages awarded against You.
- (5) Liability for personal Injury as defined in The Accident Rehabilitation and Compensation Insurance Act 1992 and/or for which cover is provided under The Accident Rehabilitation and Compensation Insurance Act 1992.

You are not Insured for (Exclusions) Sections 1 and 2

(A) Any loss or damage or liability while any Motorcycle in connection with which insurance is granted under the Policy is:

- (1) left unattended, unless it is in a Locked Building or the steering has been locked and the keys have been removed. This exclusion applies to claims for the Theft of the Motorcycle only
- (2) Let out on hire or is used for the business of carrying fare paying passengers.
- (3) Being tested in preparation for or engaged in any racing, pacemaking, hill climbing, reliability trials, rallying, speed tests, or any other similar motor sporting event.
- (4) Participating in any organised event, club ride, open day, ride day, training day, trial or test, or any similar organised event, that takes place off public roads, without the prior written consent from Us.
- (5) Being used otherwise than in accordance with the Description Of Use or not being used for the purpose it was designed or not as a Motorcycle as defined in the Transport Act 1962 or any Act in substitution.
- (6) Being ridden by any person who does not have a licence which is in full force and

effect at the time and place of the accident or is not complying with the conditions of his or her licence except:

- (i) if he or she is being taught to ride and is complying with all the requirements of the law and is of an age to obtain a licence to ride the Motorcycle.
- (ii) if he or she has held but not renewed a licence and is not disqualified from holding or obtaining a licence without a further driving test.
- (7) Being ridden by any person who is a new resident or visitor to New Zealand and who first entered New Zealand more than 12 months ago and who holds either an overseas licence or an international drivers licence only
- (8) Being ridden in either an unsafe or unroadworthy condition or is being ridden in a manner likely to cause an accident.
- (9) Being ridden by any person who:
 - (i) at the time of any event giving rise to a claim under this Policy has a proportion of breath/alcohol or blood/alcohol concentration which exceeds the legal limit prescribed by law.
 - (ii) following an event giving rise to a claim under this Policy fails or refuses to permit a specimen of blood or breath test to be taken after having been lawfully required to do so.
 - (iii) arising out of the circumstances giving rise to any claim under this Policy is convicted of any alcohol or drug related breach of the law governing the use of Motorcycles.
 - (iv) is under the influence of alcohol or drugs or where alcohol or drugs contribute in any way to the accident.
 - (v) leaves the scene of the accident when it is an offence to do so.

(B) Any loss or damage or liability caused by or arising from:

- (1) war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, insurrection or military or usurped power.
- (2) confiscation or requisition by order of any public authority.
- (3) nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear waste or the combustion of nuclear fuel; for the purpose of this exclusion combustion includes any self-sustaining process of nuclear fission or fusion.
- (4) Earthquake, Volcanic Eruption, Hydrothermal or Geothermal Activity or Tsunami or any event which is covered under the Earthquake Commission Act 1993, except cover provided under the Natural Disaster Extension.

(C) Any loss or damage or liability:

Which is recoverable under the Accident Rehabilitation and Compensation Insurance Act 1992 or any Act in substitution..

Change of Motorcycle

If You replace Your existing Motorcycle, We will automatically cover the replacement Motorcycle provided the value of the replacement Motorcycle does not exceed \$20,000 and You notify Us within 14 days of replacement and pay any additional premium required by Us. Such cover will be subject to the terms and conditions agreed at the time of notification.

Immediately You sell or agree to sell or in any way transfer Your interest in Your Motorcycle, the cover provided by this Policy is automatically cancelled unless We have agreed otherwise in writing.

Makers Specifications

Except as noted by endorsement on the Policy it is agreed by You that Your Motorcycle complies with the maker's standard specifications for the model and year of manufacture and has not been modified in any way.

Replacement Parts Warranty

It is agreed that in the event of an accident to Your Motorcycle necessitating the manufacture of new parts or the importing of parts or accessories, Our liability shall be limited to the latest list price in New Zealand of such parts or accessories or the price of the closest New Zealand equivalent or the cost of making a new part, whichever is the lesser. It is further agreed We will not be liable for any costs incurred:

- due to the inability of any repairer to match existing paint.
- to replace any part or accessory that has not suffered accidental damage.

Other Interested Party

Where any Motorcycle is mortgaged or subject to a Hire Purchase Agreement or similar contract and such interest is noted in the Proposal, payment in respect of any loss under Section 1 will be made to such Interested Party whose receipt will discharge Us completely.

General Conditions

Claims

Notice of a claim must be given by the Insured or their representative to the Company's authorised agent PROTECTA Insurance immediately upon becoming aware of any circumstances which may give rise to a claim by adopting one of the following procedures: -

- i) Telephone PROTECTA Insurance at Auckland, Phone 0800 4357 868 and ask for the Insurance Claims Department OR Fax your request to (09) 915 7831.
- ii) Write to PROTECTA Insurance, P.O. Box 37-371, Parnell, Auckland, requesting a claim form.

Statements

The correctness of all statements made in relation to this Policy or any claim is essential before We have any liability under this Policy.

Changes in Circumstances

If any relevant circumstances change or may change during the period of cover, You must advise Us.

Changes to the Policy

We can change the terms of this Policy by writing to You at Your postal address for this Policy shown on Our records. The change will take effect 30 days after the date of that letter.

Cancellation of the Policy:

- 1) You may at any time cancel Your Policy by giving notice in writing to Us. After such cancellation, We will refund whatever sum is owing (if any) as a matter of law.
- 2) We may at any time cancel Your Policy by giving seven days notice in writing to You. After such cancellation, We will refund whatever sum is owing (if any) as a matter of law.
- 3) The cancellation provisions in clause 2) above shall be effective as from 4pm on the seventh day after posting or personal delivery of the notice of cancellation to You at Your last known address.

Cool-Off Period

If You are not satisfied with the cover provided in Your policy, please advise Us in writing within 15 days of its commencement date. We may then agree to change Your policy to suit You. If You still wish to cancel Your policy, You may do so provided that the Interested Party (if applicable)

agrees in writing to its cancellation and there have been no claims. We will then refund whatever sum is owing (if any) as a matter of law.

Obligations

You and any person in charge of the Motorcycle at any time must:

- take reasonable steps to make sure that the Motorcycle is kept safe and protected from possible loss;
- not cause or facilitate loss or damage or incur liability by any unreasonable, reckless or wilful act or omission;
- inform the Police if it appears that there has been arson, theft, burglary or malicious damage and co-operate fully with the Police in investigation and prosecution;
- tell Us immediately and return the claim form properly completed within 30 days of becoming aware of any circumstances which may give rise to a claim;
- provide Us immediately with full particulars of any claim made against You by another person, all legal documents served on You and allow Us the sole option to negotiate settlement of, or defend the claim in Your name;
- 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;
- take all steps which We consider reasonable to prevent further loss or damage;
- comply with all Our requests relating to Your claim including providing all co-operation, information and assistance;
- not start repairs without Our prior approval;
- not discuss any claim made on You by another person with them. Otherwise We may decline any claim and/or recover any payment already made.

Other Insurance

If any loss or damage or liability covered by this Policy is also covered by any other policy, We will only pay over and above the cover provided by the other policy.

Automatic Reinstatement

The cover provided under Section 1 will not be reduced by any claims paid by Us provided You pay an appropriate additional premium requested by Us.

Goods and Services Tax

Where any part of this Policy specifies any sum insured this amount includes GST.

Jurisdiction

The law of New Zealand shall apply to and the Courts of New Zealand will have exclusive jurisdiction in respect of any litigation arising out of this Policy. Any compensation awarded or costs or expenses of litigation outside New Zealand are not covered.

Your Duty of Disclosure

Before entering into a contract of insurance, the Insured has a duty, at law, to disclose to the Company all material facts.

A material fact is one which may influence a prudent Insurer in deciding whether or not to accept the cover, and if so, on what terms and conditions and for what premium.

Examples of information an Insured may need to disclose include:

- i) Anything that increases the risk of an insurance claim.
- ii) Any criminal conviction or offence.
- iii) If another insurer has cancelled or refused to insure or renew insurance, has imposed special terms, or refused any claim.
- iv) Any insurance claim or loss made or suffered in the past.

These examples are a guide only. If there is any doubt as to whether a particular piece of information needs to be disclosed, this should be referred to the Company.

Non-Disclosure

If an Insured fails to comply with their duty of disclosure, the Company may be entitled to avoid the contract of insurance and reject any claim under it.

Fair Insurance Code

Allianz New Zealand Limited supports the principles of the Fair Insurance Code. The purpose of this code is to increase the standards of practice and service within the insurance industry. Brochures on the code are available from the Company office.

Pursuant to the PRIVACY ACT 1993 the following is brought to your attention:

This Proposal collects personal information about you.

The information is collected to evaluate the insurance you seek.

The intended recipients of the information are Allianz New Zealand Limited and Sovereign Assurance Company Limited.

The information is being collected and held by PROTECTA Insurance New Zealand Limited of PO Box 37-371, Parnell, Auckland.

The collection of this information is required pursuant to the common law duty to disclose all material facts relevant to the insurance sought and is mandatory.

The failure to provide this information may result in your application for insurance being declined, or your insurance being void from the beginning.

You have rights of access to, and correction of, this information subject to the provisions of the Privacy Act 1993.

This policy is underwritten by Allianz New Zealand Limited and Sovereign Assurance Company Limited.

Allianz New Zealand Limited is one of Australasia's main general insurers with an annual premium volume of over NZ\$1.7 billion. Allianz New Zealand Limited is a wholly owned subsidiary of ALLIANZ AG, one of the worlds largest insurance groups operating out of Munich, Germany with an annual premium of over NZ\$110 billion.

Allianz New Zealand Limited has been assigned an Insurer Financial Strength Rating of:

A *Strong Financial Security*

from Standard & Poor's (Australia) Pty. Ltd. on 8th November 2005.

Standard and Poor's Rating Scale is:

AAA	Extremely Strong Financial Security
AA	Very Strong Financial Security
A	Strong Financial Security
BBB	Good Financial Security (Adequate)
BB	Marginal Financial Security
B	Weak Financial Security
CCC	Very weak Financial Security
CC	Extremely Weak Financial Security

R Regulatory Action
NR Not Rated

Plus (+) or Minus (-) signs following ratings from “AA” to “CCC” show relative standings within the major rating categories.

Sovereign Assurance Company Limited is a subsidiary of Sovereign Limited and is part of the ASB Group and the Commonwealth Bank of Australia Group - one of the largest financial institutions in Australasia.

Sovereign has an “A (Excellent)” rating assigned by AM Best Company, Inc of New Jersey, United States of America (“AM Best”). This rating was last confirmed by AM Best as at 24 October 2002.

AM Best is an approved insurance rating agency in terms of the Insurance Companies (Ratings and Inspections) Act 1994 (the “Ratings Act”).

The “A (Excellent)” rating issued to Sovereign by AM Best is a “rating” (known as a “claims paying rating” as that term is defined in the Ratings Act). The AM Best rating chart from which Sovereign’s “A (Excellent)” rating was drawn is set out below.

A++	Superior	C++	Fair
A+	Superior	C+	Fair
A	Excellent	C	Marginal
A-	Excellent	C-	Marginal
B++	Very Good	D	Very Vulnerable
B+	Very Good	E	Under Supervision
B	Adequate	F	In Liquidation
B-	Adequate		