

Component Policy

Mechanical Breakdown Insurance

This Mechanical Breakdown Insurance (hereinafter referred to as this Component Policy) is between the Purchaser named in the Proposal Form and Virginia Surety Company, Inc. (hereinafter referred to as the Company) which has authorised PROTECTA Insurance New Zealand Limited (hereinafter referred to as PROTECTA Insurance) and its agents to administer this Component Policy.

Roadside Assistance

Telephone assistance 24 hours a day, 7 days a week is provided should your vehicle suffer a failure and cannot be driven. Just **telephone 0800 PROTECT (0800 776832)** and advise you are a **PROTECTA** customer. **Please note:** you will be required to pay any costs incurred and then seek reimbursement if such costs incurred are covered by this Component Policy.

Component Policy Cover

In the event that a Mechanical Breakdown occurs and the Purchaser has complied with the Terms and Conditions of this Component Policy, the Company agrees to contract with it's Authorised Repairer for the repair or replacement of the Parts Covered, based on the rates of labour, parts and outwork negotiated between PROTECTA Insurance (on behalf of the Company) and it's Authorised Repairer. Payment shall include the reasonable cost required to repair or replace the Parts Covered to a condition in no way inferior to that at the commencement date of this Component Policy.

The Purchaser agrees to accept such payment as full and final satisfaction and discharge of all liability of the Company under this Component Policy.

This Component Policy will expire 12, 24 or 36 months after the start date as indicated in the Proposal Form.

Mechanical Breakdown

Mechanical Breakdown means any sudden and unforeseen mechanical or electrical failure of the Parts Covered.

Stand Down Period

This Policy has a stand down period where no claims will be accepted where the loss occurs within 30 days or within 1000km from the commencement date of this Policy.

Component Policy

Parts Covered

The following components are covered by this Component Policy:

AUTOMATIC TRANSMISSION - Casings, All Internal Parts.

BRAKES -Boosters, Callipers, Master Cylinder, Servo, Diesel Vacuum Pump.

COOLING - Engine Oil Cooler, Engine Cooling Radiator, Thermostat, Water Pump.

CLUTCH - All clutch components. (Excluding any failure solely as a result of wear and tear or burning out. In the event of a claim for a clutch, a percentage of the clutch kit will be payable comparable to the unworn percentage of friction material remaining)

DIFFERENTIAL – Casings, All Internal Parts

DRIVE ASSEMBLY - CV Joints, Hub, Propshaft (Excluding any rubber mountings, couplings, bushes or boots).

ELECTRICS - Alternator and Voltage Regulator, Distributor, Electronic Ignition Igniter, Ignition Coil, Starter Motor.

ENGINE - Casings, All Internal Parts, All Driveshafts and Associated Pulley's, Camshaft Belt, Cylinder Head Gasket, Flywheel, Ring Gear, Flexiplate, Manifolds & Studs, Timing Belt/Chain Tensioners, Timing Gears and Chain.

FUEL SYSTEM - Carburettor, Fuel Injection Pump, Fuel Pump.

MANUAL TRANSMISSION - Casings, All Internal Parts.

STEERING –Power Steering Pump, Power Steering Box, Rack and Pinion.

SUSPENSION - Stub Axles, Upper and Lower Control Arms and Upper and Lower Wishbones. (Excluding any rubber mountings, couplings, bushes or boots)

TRANSFER BOX -Casings, All Internal Parts.

TURBOCHARGER/SUPERCHARGER - Casings, All Internal Parts

Important Note – All seals, gaskets and O rings are covered on any vehicle that is less than 8 years or under 100,000km at the time of the claim.

This Component Cover provides coverage for those parts as listed above only. Any part not shown as being covered by this Component Cover is specifically excluded from coverage.

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Limits Of Liability

A. The Company's maximum liability during the period of this Component Policy is limited to the current market value of the vehicle.

The Company's maximum liability in respect of one Mechanical Breakdown is:

- A) in respect of all vehicles with an Odometer reading of up to 100,000km at the date of Purchase
- \$3,500
- B) in respect of all vehicles with an Odometer reading of up to 200,000km at the date of Purchase
- \$2,500
- C) in respect of all vehicles with an Odometer reading of up to 225,000km at the date of Purchase
- \$1,500

Subject to the excess as described under **C.** of this section.

The limits of liability stated above shall include any amounts the Company may become liable to pay for Rental Costs, Towing Costs and Accommodation Cover.

B. The Company will reimburse the Purchaser for:

Rental Costs - The cost of hiring a rental vehicle of a similar size to the vehicle covered by this Component Policy up to a maximum of \$300 in respect of any one Mechanical Breakdown covered by this Component Policy providing the vehicle covered under this Component Policy is unable to be used due to repairs being effected for a period exceeding 72 hours. This cover will only apply when the vehicle covered breaks down more than 50 km from the Purchaser's current residential address. The Company shall not be liable for the normal running costs (e.g. insurance, mileage, petrol, oil) of the rental vehicle.

Towing Costs - The cost of towing the vehicle covered by this Component Policy arising from the vehicle sustaining a Mechanical Breakdown covered by this Component Policy up to a maximum of \$100 on any one claim.

Accommodation Cover - The cost of reasonable accommodation expenses incurred by the Purchaser to a maximum of \$300 per claim through the vehicle sustaining a Mechanical Breakdown covered by this Component Policy when such Mechanical Breakdown occurs more than 100 km from the Purchaser's current residential address.

C. Excess – The Excess nominated in the Proposal form applies to each and every claim.

All dollar amounts expressed are inclusive of Goods and Service Tax.

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TERMS & CONDITIONS

General Exclusions

This Component Policy shall not apply:

- To any item not listed under the heading of Parts Covered outlined in this Component Policy
- Where the vehicle is not maintained and serviced in accordance with the Vehicle Service Programme outlined in this Component Policy or where any repairs have been effected contrary to the Mechanical Breakdown Claim Procedure.
- Where the Mechanical Breakdown is the subject of a recall by the Vehicle Manufacturer or to any costs arising from the rectifying of, or defect or fault in, the design or specification of a component.
- To any Mechanical Breakdown or liability occurring in whole or in part due to any misuse, external damage/cause or act or omission (whether wilful, unlawful or negligent) to the vehicle.
- To any repairs covered by any other form of Insurance, Warranty or Guarantee.
- To any claim arising from defects which were in existence at the time the vehicle was purchased, or at the time this Component Policy was effected.
- To any claims that are fraudulent.
- To any costs arising from contamination of any water, oil, lubricant, fuel, fluid or air system by any external influence, and to any costs arising from corrosion, rust or deterioration.
- To any claim arising from loss of time, loss of use, inconvenience, storage charges, accidental damage, theft, fire, conversion, or any other consequential loss.
- To any claim arising or liability for incidental or consequential damage to the parts covered by the failure of a non-covered component.
- To any Mechanical Breakdown that either has been contributed to, or has arisen, as a result of the vehicle being modified from the manufacturers original specification.
- To any costs arising from, or for rectifying, defective or faulty repair or workmanship.
- To any claim arising from the continued operation of the vehicle once a fault has occurred, including loss of lubricant and coolant.
- To any costs associated with the servicing, maintenance, adjustment or tuning of any component.
- To any costs associated with the servicing/maintenance items including but not restricted to cambelt replacement as a maintenance or precautionary measure, air conditioning refrigerant, aerosols, engine tune-ups, filters, fuel, antifreeze, oil, grease, spark plugs, sundries, hoses, wheel alignment, wheel balancing, fluids, gas, drive belts, points, injector servicing, phone, fax and freight costs.

Component Policy

Qualifying Vehicles

Vehicles Covered

- This Component Policy covers the vehicle declared in the Proposal Form, with the exceptions as set out below, for any Mechanical Breakdown subject to the Limits of Liability and the Terms and Conditions set out in this Component Policy.

Vehicles not Covered

- Any vehicle with an odometer reading in excess of 225,000km at the Commencement Date of Cover or over twenty (20) years of age at the expiry of the Period of Insurance.
- Taxis, Rentals, Couriers, Delivery Vehicles and other Fare Paying Passenger Vehicles.
- Any vehicle with a gross weight exceeding 4500 kg.
- Any high performance vehicle such as but not limited to Alpina BMW, Aston Martin, Ferrari, Honda NSX, Lamborghini, Lotus, Maserati, Morgan, Porsche and TVR.
- Any vehicle used in Racing Competitions, Time Trials or Rallies

Cancellation

PROTECTA Insurance may at any time cancel this Insurance Contract by giving (7) seven days notice in writing to the Purchaser at their last known address. After such cancellation, PROTECTA Insurance will refund the paid premium on a pro-rata basis less an administration fee. The cancellation shall be effective as from 4pm on the seventh day after posting or personal delivery of the notice of cancellation.

The Purchaser may at any time cancel this Insurance Contract by giving notice in writing to PROTECTA Insurance. Where the Purchaser requests cancellation, this Insurance Contract is not refundable unless the request meets the criteria of the Cool-Off Period clause below. No refund will be paid if a successful claim has been made.

Cool-Off Period

If the Purchaser is not satisfied with the cover provided in this Policy, please advise PROTECTA Insurance in writing within 15 days of the Commencement Date of Cover. PROTECTA Insurance may then agree to change this Policy. If the Purchaser wishes to cancel this Policy and there have been no claims PROTECTA Insurance will then refund the paid premium on a pro-rata basis less an administration fee.

Assignment

To assign this Component Policy, please contact either your Selling Dealer or PROTECTA Insurance, presenting a copy of your Service Record, in the first instance. Providing the vehicle has been serviced in accordance with the Vehicle Service Programme and the appropriate fee is paid, the Company agrees to transfer this Component Policy to the new owner.

Component Policy

Claims Procedure

Purchaser's Responsibility

1. In the event of a Mechanical Breakdown, please contact PROTECTA Insurance for your nearest Authorised Repairer on:-

0800 PROTECT (776832)

For all other enquiries please contact our Customer Services Department on

Phone (09) 377 6872 or e-mail contact@protecta.co.nz

2. If the vehicle cannot be driven to the Authorised Repairer without further damage occurring, please contact the Authorised Repairer for assistance.
3. All repairs must be carried out by an Authorised Repairer. Failure to comply may result in your claim being declined.
4. The Purchaser will be required to authorise dismantling to determine the cause of the failure and may need to complete a claim form prior to the commencement of repairs.

Authorised Repairer's Responsibility

Please contact the Claims Department on Phone (09) 915 0820, Fax (09) 377 6878

BEFORE ANY WORK IS CARRIED OUT

and please have your Authorised Repairer's number ready.

The Purchaser will be required to authorise dismantling to determine the cause of the Mechanical Breakdown and may need to complete a claim form prior to the commencement of repairs.

Labour Hours – PROTECTA Insurance will pay for the time taken to repair the vehicle as determined by a recognised and current flat rate manual as supplied by the manufacturer, MTA or similar authority.

Unauthorised Work

Any repair carried out without an order number will not be accepted as a claim under this Policy.

Any work carried out by an unauthorised repairer may result in the claim being declined.

Any unauthorised work undertaken will become the responsibility of the repairer concerned.

Component Policy

Vehicle Service Programme - Petrol Vehicles

Purchasers Responsibility

1. All services should be carried out by an Authorised Service Centre. For the name of your nearest Authorised Service Centre please contact PROTECTA Insurance on:-

0800 PROTECT (776832)

For all other enquiries please contact our Customer Services Department on

Phone - (09) 377 6872 or e-mail contact@protecta.co.nz

2. The **FIRST** Service must be completed prior to the vehicle travelling **5,000km** since purchase.
3. All petrol vehicle services thereafter must be completed every **15,000km or within 12 months; whichever occurs first.**
4. All work carried out in accordance with the Vehicle Service Programme is the responsibility of the Purchaser and failure to complete the minimum service requirements outlined below will lead to the refusal of a claim.

Minimum Service Requirements are:

Change engine oil & filter
Check air cleaner & replace if necessary
Check clutch operation for slippage
Check turbo oil feed pipe for blockages and leaks
Check camshaft belt and all drive belts and replace if necessary
Check all fluid and oil levels and top up if necessary
Check CV joints & boots
Check cooling system for leaks and pressure test
Check transmission oil & filter & service transmission if required
Check engine tuning and adjust as required
Check braking system
Check steering and suspension systems

Note: The Cambelt does not need to be checked if it has been replaced within the last 40,000 km. (Proof will be required).

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Vehicle Service Programme - Diesel Vehicles

Purchasers Responsibility

1. All services should be carried out by an Authorised Service Centre. For the name of your nearest Authorised Service Centre please contact PROTECTA Insurance on:-

0800 PROTECT (776832)

For all other enquiries please contact our Customer Services Department on

Phone - (09) 377 6872 or e-mail contact@protecta.co.nz

2. The **FIRST** Service must be completed prior to the vehicle travelling **5,000 km** since purchase.
3. All diesel vehicle services thereafter must be completed every **10,000km or within 12 months; whichever occurs first.**
4. All work carried out in accordance with the Vehicle Service Programme is the responsibility of the Purchaser and failure to complete the minimum service requirements outlined below will lead to the refusal of a claim.

Minimum Service Requirements are:

1st Service and each 10,000km or 12 months service thereafter:

Change engine oil & filter
Check air cleaner & replace if necessary
Check clutch operation for slippage
Check turbo oil feed pipe for blockages and leaks
Check camshaft belt and all drive belts and replace if necessary
Check all fluid and oil levels and top up if necessary
Check CV joints & boots
Check cooling system for leaks and pressure test
Check transmission oil & filter & service transmission if required
Check braking system
Check steering and suspension systems
Replace fuel filter every 20,000 km service

Intermediate 5000km service:

Change engine oil & filter
Check air cleaner, clean or replace as required
Check all fluid/oil levels & top up if necessary

Note: The Cambelt does not need to be checked if it has been replaced within the last 40,000 km. (Proof will be required).