

Off-Road Rider Motorcycle Insurance Policy

GENERAL INFORMATION

This applies to all parts of this policy

OUR AGREEMENT WITH YOU

In return for you paying the premium, we will provide the insurance cover set out in this policy and the schedule. We do so strictly on the basis that when applying for, or renewing this insurance, you have fully fulfilled your obligation to disclose to us all material facts, and that all information provided to us is true and correct.

14 DAY REVIEW PERIOD

Please read the policy carefully. If you are not satisfied with it and you tell us in writing within 14 days of the date cover starts, you can cancel the policy if no claim is made. If you choose to do this, we will return any premium you have paid.

THE WAY WE HANDLE YOUR PERSONAL INFORMATION

We collect personal information from you for the purpose of providing you with insurance products, services, processing and assessing claims.

You can choose not to provide this information; however, we may not be able to process your requests.

We may disclose information we hold about you to other insurers, an insurance reference service, other interested parties or as required by law. In the event of a claim, we may disclose information about you from investigators or legal advisors.

You can request access to and correction of personal information collected according to the provisions of the Privacy Act 1993.

DUTY OF DISCLOSURE: WHAT WE MUST BE TOLD

When you apply for insurance or review it

When you apply for insurance you have a duty to fully disclose all material facts. This means you must tell us everything you know (or could reasonably be expected to know) which would influence the decision of a prudent underwriter:

- whether to give you insurance; and
- if insurance is given, what terms will apply and how much will it cost.

This duty of full disclosure also applies each time your policy renews, and/or when you make any change to it. If you fail to tell us everything we need to know, the policy may be avoided by us and any premium you have paid returned by us to you. If you are not sure whether you need to disclose a particular fact, please ask us.

While insurance is in force

While this policy continues we must be told as soon as you know about any of these:

- any change to your motorcycle which increases its market value;
- anyone becomes a new rider of your motorcycle;
- any rider has their license restricted, suspended or cancelled, or has demerit points added, or incurs any traffic offence or speeding infringement;
- any change of residential address by you or the person who uses your motorcycle the most.

If we are told about a change, we can alter the premium or the terms of this policy (or both) immediately. If we are not told, we have the option to either decline any claim made after the change, or to avoid this policy from the date of the change.

YOUR CONTRACT

Your insurance policy is a contract between you and us. Your contract is made up of:

- The proposal.
- This policy wording.
- The current policy schedule.

Together, these documents set out the terms and conditions of your policy. It is your responsibility to make sure that all details contained on the policy schedule are correct.

DEFINITIONS

Accessory/Accessories

means equipment not factory fitted by the manufacturer when the motorcycle is new, but added later.

It includes any non-standard optional fittings (including sidecar or trailer) that are shown in the schedule. The value of an accessory is included in the market value.

Accidental/Accident

means an event unexpected and unintended by you.

Accidental loss

means physical loss or physical damage to your motorcycle from an accident.

Insurance year

means each period of 12 months from the date this policy first starts, or from the date of any subsequent annual renewal.

Fire

means burning accompanied by flame but does not include damage as a result of any other cause such as malicious damage, explosion or storm or damage where no flame has occurred such as electrical damage, smoke damage, searing or scorching.

Loss

means physical loss or physical damage.

Market value

means the reasonable cost to purchase a motorcycle on the retail market which is the same year, make, model and specification as your motorcycle, has done the same mileage, and is in the same general condition. It includes the value of any fitted accessory which is insured.

One event

means a single event or a series of events which have the same cause.

Period of insurance

means the period shown in the schedule.

Rider/your rider

means a rider of your motorcycle who is eligible to be covered under terms of "The rider of your motorcycle" on page 6 of this policy.

Schedule

means the schedule to this policy which shows details about you and your insurance. When your insurance changes or renews, we will give you a new schedule to replace the previous one.

Total loss

means that your motorcycle is stolen and not recovered, or, if damaged, the reasonable cost to repair it is uneconomic or more than its market value.

We, us and our

means IAG New Zealand Limited.

You and your

means the "Insured" named in the schedule.

Your motorcycle

means the motorcycle and accessories shown in the schedule which you own, lease or are buying under a finance agreement and as more particularly defined in "The motorcycle we cover" on page 5 of this policy.

YOUR MOTORCYCLE, ITS RIDERS, AND ITS USE

This applies to all parts of this policy

Where we provide cover

This policy covers events, which happen anywhere in New Zealand. This includes transport between places in New Zealand.

Transporting your motorcycle

When your motorcycle is transported by sea between places in New Zealand, this policy will meet the cost of General Average and Salvage Charges payable by you according to Foreign Statement or to York-Antwerp rules in accordance with the contract with the carrier or Rules and Regulations and Acts which govern the carrier.

THE MOTORCYCLE WE COVER

What is covered

Your motorcycle includes any of these while in it or on it, or being used in connection with it:

- equipment supplied and fitted by the manufacturer;
- accessories which are noted in the schedule;
- tools and breakdown equipment supplied by the manufacturer which would normally stay with your motorcycle when sold, but no more than \$300 in total.

Named Rider

If you have selected the Optional "Named Rider" cover on the proposal, the policy will only provide cover if your motorcycle is being ridden by the person named as the insured person on the proposal.

What is not covered

- Any motorcycle modified from the manufacturer's original design or specifications.
- Any motorcycle which is unsafe or unroadworthy, but only if it is reasonable to expect you to know about it.
- Any motorcycle which is part of any business stock or stock in trade, other than when it is placed for sale on your behalf.
- Any fitted CB radio, two way radio or telephone.

Modified motorcycles

A modified motorcycle is one where the engine, steering, suspension or wheels have been replaced or changed from the manufacturer's original specification or recommendations.

THE RIDER OF YOUR MOTORCYCLE

When there is cover

This policy provides cover if the rider is:

- you;
- any person you permit to use your motorcycle, provided such person fulfils and complies with all of the conditions and obligations under this policy that you are required to meet.

Where there is no cover

This policy does not provide cover if the rider of your motorcycle:

- is not one of the "Named Riders" if we have made the policy subject to our Named Riders Warranty.

Theft or illegal conversion

This policy does not cover the rider of your motorcycle if they have stolen or illegally converted your motorcycle.

WHAT YOUR MOTORCYCLE CAN BE USED FOR

What is covered

This policy provides cover when your motorcycle is used for any of these:

- any private purpose;
- your business, profession or occupation (excluding courier use) provided you have advised us on the proposal;
- courier use, provided you have advised us on the proposal.

What is not covered

This policy does not provide any cover when your motorcycle is used for any of these:

- carrying any passenger for payment unless your motorcycle is being used for pillion passenger tours for which you and your motorcycle are licensed;
- under a hire agreement, or rider instruction, unless you are the rider;
- taking part in, or practising for, any race, time trial, rally, sprint, drag race, or any similar motor sports, or use on any motorcycle race track unless you are participating in an approved rider course with our consent;
- taking part in, or practising for, any experiment, demonstration, stunt or test;
- being used for fast food delivery or in connection with emergency or law enforcement services.

INSURANCE COVER – YOUR MOTORCYCLE

What is not covered under all sections of this policy

- Wear and tear, corrosion or rust.
- Depreciation.
- The cost to repair or replace:
 - any part which fails or breaks down including any mechanical damage, electrical damage or electronic damage;
 - loss or damage caused by leaking of, lack of, or incorrect amounts or use of fuel, oil, coolant or hydraulic fluid;
 - loss or damage to any tyre or any tube by puncture, cut, bursting or the use of brakes unless such damage is as a direct result of any accidental loss to your motorcycle which is covered by this policy.
- Any consequential losses other than those specifically set out under the terms of “What your motorcycle can be used for” on page 6.
- Any loss or damage deliberately caused by you or any person legally using your motorcycle.
- Any loss or damage caused by failure to properly safeguard the motorcycle after it was stolen and found, or after it has broken down, or after an accident.

Changing Motorcycles

If you buy a replacement motorcycle for your motorcycle, valued at less than \$30,000, this policy covers the replacement motorcycle for 30 days from the date you buy it.

As soon as reasonably possible, but not later than 30 days after you purchase you must:

- give us the details (by completing a written form if we ask);
- pay any additional premium we require;
- meet the Duty of Disclosure.

All the terms of this policy apply to the replacement motorcycle.

Cover for the replacement motorcycle ends at the conclusion of the 30 day period after purchase unless we notify you that it is covered.

FIRE AND THEFT

What is covered

- Loss to your motorcycle during the period of insurance by fire (other than fire in an accidental loss whilst being ridden by you or your rider) or theft.
- If your motorcycle is not fit to ride as a result of being stolen and found damaged, or fire (other than fire in an accidental loss whilst being ridden by you or your rider), the reasonable cost, up to \$500, to transport it to the nearest repairer, or any other place we approve.

What is not covered

- The cost of repairing damage your motorcycle had prior to an incident, which results in a claim.
- The cost of repairing faulty workmanship or incomplete repairs previously carried out on your motorcycle prior to an incident, which results in a claim.
- Wear and tear, depreciation or corrosion.
- Any loss as a consequence of you being unable to use your motorcycle, including the cost of hiring a motorcycle/vehicle.
- Mechanical, structural, electronic or electrical failure.

- The cost of any repairs to your motorcycle that have been carried out without our permission.
- Loss or damage caused by failure to properly safeguard your motorcycle after it was stolen and found.
- Loss or damage deliberately caused by you or a person using your motorcycle with your permission, a person acting on your instructions or on the instructions of a person using your motorcycle with your permission.
- Loss or damage caused to your motorcycle as a result of legal seizure.
- Loss or damage caused by you or a person using your motorcycle with your permission by stealing, absconding or otherwise misappropriating your motorcycle.
- Loss or damage to any clothing or protective wear that may be damaged as a result of an accident or if they are stolen.
- Loss or damage caused by a person acting with the express or implied consent of you or others in charge of your motorcycle.
- Contamination by chemical and/or biological agents, which results from an act of terrorism. Terrorism is any act which may, or may not, involve the use of, or threat of, force or violence where the purpose of the act is to further a political, religious, ideological aim or to intimidate or influence a government (whether lawfully constituted or not) or any section of the public.

Special cover for Transit

We will pay for loss or damage to your motorcycle whilst it is being transported.

We will only pay if the loss or damage is caused by:

1. Fire, flood, collision or overturning of the conveying vehicle, or
2. Lightning, earthquake or explosion, or
3. Storm or rainwater.

How much we pay

Where we are required to pay for accidental loss to your motorcycle we can choose any of these ways to settle a claim:

- pay the reasonable cost of repairs to your motorcycle;
- pay you an amount equal to the reasonable cost of repairs;
- treat your motorcycle as a total loss and pay an amount equal to its market value or the “Sum Insured” shown in the schedule, whichever is the lesser;
- pay the reasonable cost up to the “Sum Insured” in the schedule to replace your motorcycle with one which is the same year, make, model and specification, has done the same mileage and is in the same general condition.

When we settle a claim as a total loss this policy ends, and we keep any premium already paid. If you are paying your premium by instalment the full amount of all instalments not paid, even if not due yet, in the current period of insurance will be deducted from the settlement of your claim.

We become the owner of your motorcycle. If the schedule shows a specific amount for any part of your motorcycle then this is the most that we pay.

The payment or settlement of any claim is subject to any applicable excess shown in the schedule and/or the policy, and as set out in “Excess” on page 11 of this policy.

Reasonable cost of repair

This is based on using parts which are consistent with the age and general condition of your motorcycle.

If the reasonable cost of repairs to your motorcycle will put it in substantially better condition than before the accident, you must contribute an appropriate amount towards this cost if we ask you to. If it is not practicable or reasonable to repair your motorcycle to exactly its condition before the accident, any repairs made to settle a claim will be reasonably comparable with that condition.

Unavailable parts

If any part needed to repair your motorcycle is not available from stock in New Zealand, then the most we will pay is the price most recently published in New Zealand by the manufacturer, plus the estimated reasonable cost of fitting.

SPECIAL PRICE PROTECTION FOR "FIRE & THEFT" POLICIES

This applies if your motorcycle is a total loss within 12 months of the date you buy it.

If your motorcycle is not more than 1 year old at the time of loss.

We pay one of these which you choose:

- the reasonable cost to replace it with a new motorcycle of the same make, model and specification, if one is currently available in New Zealand; or
- an amount equal to its market value.

THINGS NOT COVERED BY ANY PART OF THIS POLICY

This applies to all parts of this policy

There is no cover under any part of this policy for loss or liability in connection with any of these:

- war, terrorism, invasion, act of foreign enemy, warlike operations (whether one has been declared or not);
- civil war, rebellion, revolution, insurrection, military or usurped power;
- confiscation, nationalisation, or requisition by the order of Government, local body, or authority, unless it is to prevent a loss for which a claim would have been covered by a part of this policy;
- nuclear weapons material, ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear wastes which result from the combustion (including self sustaining process of nuclear fission) of nuclear fuel;
- contamination by chemical and/or biological agents which results from an act of terrorism. An act of terrorism is an act, including but not limited to these of force or violence and/or threat thereof, of any person or group(s), whether acting alone or on behalf of or in connection with any organisation(s) or government(s) that from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public in fear.
- bodily injury to any person;
- earthquake or volcanic eruption.

CLAIMS

EXCESS

The excess is the first amount you must pay in relation to each claim on Section 1 of this policy. We will not make any payments to you or any other party in relation to a claim until the excess has been paid in full.

There are two types of excess:

- Basic excess and
- Special excess.

Basic excess

The basic excess is the standard excess applicable to all riders.

- For claims as a result of fire, the basic excess amount is \$250.
- For claims as result of a theft, the basic excess amount is 5% of the market value of the motorcycle.

Special excess

The special excess is based on your motorcycle or the personal record and insurance history of those who ride your motorcycle. If a special excess applies, the amount will be shown on your policy schedule. The special excess must be paid in addition to the basic excess that applies to your policy in the event of a claim.

MAKING A CLAIM

What you must do

You must do all of these things as soon as you know about any event likely to result in a claim on this policy:

- take reasonable steps to minimise any loss or liability, and prevent any further loss or liability;
- take reasonable steps to obtain details of any other person, property or vehicle involved, and any witnesses;
- report any burglary, theft, arson or intentional damage to the Police;
- tell us about it;
- let us know immediately if you receive any request, demand or communication, and pass any written document to us.

What you must not do

- Dispose of any property which is part of a claim.
- Start repairs until we give permission, unless it is necessary to minimise the loss or liability, or to prevent further loss or liability.
- Admit fault or responsibility.
- Start any legal proceedings, unless we give permission.
- Do anything which may prejudice our ability to defend any claim made against you or make recovery of the loss from any person responsible.
- Abandon your motorcycle or any other property to us.

What you must do if we ask you to

- Complete our Claim Form and return it within 30 days.
- Let us inspect the loss to your motorcycle or other property involved.
- Obtain more than one estimate of the cost of repairs, including one from a repairer we choose, which will be at our expense.
- Give us any information or help we reasonably require to support the claim.
- Provide a statutory declaration to verify the loss or liability, or submit to cross-examination under oath by any person we nominate.
- Authorise any other party to disclose personal information about you to us, in connection with your claim.

What we may choose to do once we have accepted a claim

- Act in your name and on your behalf to negotiate, defend or settle any claim. We will pay for this.
- Take over any legal right of recovery you have, and exercise it for our own benefit. We will pay for this. You must give us any information or help we reasonably require to do this.
- Keep any property we have paid a claim for, including any proceeds if it is sold.

Things you must do after we pay a claim

- Tell us if any lost or stolen property which was part of the claim is found or recovered, and hand it over to us if we request it.
- Tell us if any person is ordered to make reparation to you for any loss or cost which is part of the claim, and reimburse us for that payment as soon as you receive any reparation.

CLAIMS PAYING ABILITY RATING

Swann Insurance a business division of IAG New Zealand Limited that received a Standard and Poor's (Australia) Pty Limited rating of AA "Very Strong" on 1 October 2007.

This means IAG New Zealand Limited has a "Very Strong" claim paying ability, as you can see from the scale below. As a customer, this is important to you, as it is your reassurance that we will be able to pay out on your claims now and in the future.

The rating scale is:-

AAA	Extremely Strong
AA	Very Strong
A	Strong
BBB	Good
BB	Marginal
B	Weak
CCC	Very Weak
CC	Extremely Weak

The ratings from "AA" to "B" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

If you would like further information, a detailed pamphlet is available from the Insurance Council of New Zealand Inc, entitled "A Guide to the Insurance Companies (Ratings & Inspections) Act 1994".

OTHER IMPORTANT DUTIES

This applies to all parts of this policy

Taking reasonable care

You must take reasonable care at all times to avoid any loss or liability covered by this policy. We must be allowed to inspect your motorcycle if we ask to.

Telling the truth

All statements made in connection with this policy must be true and correct. This includes any statement made by any person in support of a claim.

OTHER IMPORTANT INFORMATION

This applies to all parts of this policy

Complying with this policy

We will not pay any claim unless you, or any person who acts on your behalf, complies with this policy. This also applies to any other person who can claim under the policy.

Disputes

The law of New Zealand applies to this policy, and only the New Zealand Courts may determine any dispute about it.

Currency and GST

Any amount shown in this policy is in New Zealand dollars. Any sum insured includes GST. Any excess, maximum amount of cover, sub limit or other amount also includes GST.

Period of insurance

If you agree to pay a premium each month then:

- you must use a Deduction Authority which we approve; and
- this policy is for the cover period shown on this schedule, however this policy period will only be valid if you maintain your monthly payments. We may refuse a claim if an instalment is 14 days or more overdue, or cancel your policy if an instalment is 1 month or more overdue.

Other insurance

You must tell us as soon as you know about any other insurance, which covers your motorcycle. If there is another policy which applies, we will only pay over and above the amount payable by the other policy.

Parties with a financial security

If we are advised in writing of any financial security over any property covered by this policy we may choose to pay part or all of any claim to the holder of that security, but limited to the amount of its loss. This payment will meet all obligations we have under this policy for the loss.

You authorise us to disclose personal information about you to any holder of a financial security.

The holder of any security which we note is not covered by this policy unless we confirm this in writing, or this is shown in the schedule.

Notices about this insurance

All notices given about this policy must be in writing.

Any notice you give to us must be delivered in person or posted to our Head Office. Any notice we give to you will be delivered in person or posted to the last known postal address that we have for you, or to your agent or representative if you have one.

Cancellation

You can cancel this agreement by giving notice to us. We will return any unused premium that you have paid.

We can cancel this policy by giving notice to you. We will give at least 14 days notice before we do this. The 14 day period starts on the day we deliver or post the notice.

We will return any unused premium you have paid on a pro rata basis. If we pay a total loss this policy ends at the date of the payment and no refund of premium will be paid.

Fraud

This policy is void if you take any action or make any statement in connection with this policy which is fraudulent in any way.

Acts of Parliament

Any Act of Parliament mentioned in this policy includes any Regulations and Amendments to that Act, and any other Act or Regulation passed as an addition, an amendment or in this place.

Joint Insurance

If the "Insured" in the schedule is more than one individual they are jointly insured. A breach of this policy by any of these persons will be treated as a breach by all of them.

We may choose to pay any claim in full to the person who is named first in the schedule, and this will meet all our obligations under this policy for that claim.

Insurance Law Reform Act

The conditions, obligations and exclusions in this policy are subject to the Insurance Law Reform Act 1974.

OUR SERVICE COMMITMENT

We proudly support the Fair Insurance Code. The purpose of this Code is to ensure member companies of the NZ Insurance Council meet high standards of fairness, promptness and integrity in all dealings with their customers.

If you are not satisfied with:

- one of our products;
- our service;
- the service of our agents, loss adjusters or investigators; or
- our decision on your claim,

please contact your nearest Swann Insurance office where our staff will help you in any way they can. If they are unable to satisfy you they will refer you to a manager who will immediately deal with the matter.

If the manager cannot resolve the matter, it can be dealt with through our Internal Dispute Resolution process. You need to ask the manager to refer the matter to a Dispute Resolution Officer.

The Dispute Resolution Officer will investigate and try to reach a satisfactory outcome. You will be advised in writing of our final decision, normally within 10 days. Our dispute resolution process is a free service to you.

If you do not agree with our decision, your complaint may be reviewed through the Insurance and Savings Ombudsman Office.

The Insurance and Savings Ombudsman Office is an independent disputes resolution body funded by the Insurance and Savings Ombudsman Commission to consider complaints against members within its jurisdiction. The Insurance and Savings Ombudsman's jurisdiction is set out in its terms of reference and it considers complaints about personal insurance policies and makes decisions binding upon member companies up to a maximum of \$100,000.

You do not have to pay to take a complaint to the Insurance and Savings Ombudsman Office.

We must abide by the Insurance and Savings Ombudsman's ruling, but you are permitted to reject the Insurance and Savings Ombudsman's ruling and take your case to an alternative means of dispute resolution.

Guarantee on repairs

We will guarantee the materials and workmanship of any repairs completed by a Swann Approved Repairer. This guarantee will continue for as long as you own your motorcycle.