

One to Ten Commercial Motor Vehicle

Policy Wording Change Summary (For wording CMV001 1215)

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

CHANGE SUMMARY TABLE

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.

Section 2: Liability to the public

A Cover (Updated)

New clause (e) 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 the Insured committing an offence in connection with their use of the Insured Vehicle.

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

- the Insured when driving another vehicle with the owner's permission, and
- any other Driver using the Insured Vehicle with the Insured's consent.

Reparation 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 Reparation 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 the Insurer immediately if any person entitled to this cover is charged with an offence with the use of the Insured Vehicle which resulted in Loss of property or Bodily Injury to another person.*
- *The Insurer must give their written approval before any offer of Reparation is made.*

C Exclusions

7. 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 Automatic Extensions, 3 – Defence Costs).

D Section 2 Automatic Extensions

3. Defence Costs (Updated)

- Updated to delete the reference to reckless driving.
- An exception to the new Offences exclusion has been added, noting that this exclusion does not apply to this Defence costs cover.

Reckless is akin to intentional – this policy has never intended to cover any intentional or reckless act or omission, only accidental. Reckless acts are now formally excluded from cover, so this benefit is being updated to align.

As this benefit does cover defence costs for a charge of manslaughter or dangerous or careless driving causing death, an exception to the Offences exclusion has been added to ensure this defence costs cover does apply.

General policy exclusions

2 (e) (New)

New clause 2 (e) added which excludes Loss or liability arising from any intentional or reckless act or omission.

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

Claims conditions

B Conditions for Section 2

1 Notification and conduct

New clause added specifying that the Insured must notify the Insurer immediately if they or anyone else entitled to cover under this policy is charged with any offence in connection with the use of the Insured Vehicle or another vehicle which resulted in Loss of property or Bodily Injury to another person.

New clause added specifying that the Insured must not negotiate, or offer to pay Reparations, including but not limited to, offers made as part of any case management conference or sentencing hearing.

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

This must first be agreed with the Insurer.