

# Commercial Motor Vehicle Policy

## Summary of Cover

The Lumley Commercial Motor Vehicle policy wording has changed as of 26 August 2016, replacing previous policy wordings. We think you'll find the new policy easier to understand – it outlines clearly what is and isn't covered. It also gives more flexibility of cover, with more automatic and optional extensions. You'll find an overview of the new policy below. The new policy wording will apply to all new policies issued and all policy renewals on or after 26 August 2016.

If you have any questions, or would like to discuss the level of cover or take advantage of any of the optional extensions, please contact your broker.

Thanks for insuring your Commercial Motor Vehicle with Lumley.

The following provides a summary only of the Lumley Commercial Motor Vehicle policy. Please refer to the policy wording for full details.

### Levels of cover

There are three different levels of cover available under this policy:

- ▶ **Full Cover**  
Cover for the accidental loss to an insured vehicle, and for legal liability to other parties as a result of use of an insured vehicle.
- ▶ **Third Party, Fire and Theft**  
Cover for the accidental loss to an insured vehicle caused only by fire, lightning, explosion, theft or illegal conversion, and for legal liability to other parties as a result of use of an insured vehicle.
- ▶ **Third Party Only**  
Cover for legal liability to other parties as a result of use of an insured vehicle.

### Section 1: Cover for the insured vehicle

Covers an insured vehicle for accidental loss occurring during the period of insurance in New Zealand.

### Section 1: Exclusions

The Section 1 exclusions more clearly reflect our intent, providing clarity and assurance as to what is covered under Section 1. One of the key exclusions is the vehicle parts exclusion:

- ▶ **Vehicle Parts (Mechanical/electrical failure and damage)**  
Coverage for mechanical/electrical damage can often be a grey area. This exclusion now clearly sets out which vehicle parts are excluded, and then which perils are exempt from this exclusion. These exempt perils have been extended to include:
  - Accidental operation with petrol in a diesel- powered vehicle or vice versa
  - Loss as the direct result of animals.

Other Section 1 Exclusions are:

- ▶ **Types of Loss not covered**  
Excludes loss such as wear and tear, rust or corrosion or faults or defects in the vehicle's design, specifications or materials.
- ▶ **Ingestion and Entanglement**  
Excludes loss in connection with entanglement, ingestion or entry of foreign objects into agricultural machines but limited cover is available to be selected under Section 1 Optional Extension – Ingestion or Entanglement of Foreign Objects.

▶ **Consequential Loss**

Excludes loss of use (or costs and expenses from that loss of use), and depreciation or loss in value. Limited cover is available for loss of use under Section 2 Automatic and Optional Extensions, Loss of Use, Completion of Journey, Theft – Hire of an Alternative Vehicle.

▶ **Drilling Equipment**

Excludes loss to any drill shaft or bit of any type of drilling rig or machinery whilst being used to drill below ground or surface level.

▶ **Tyres**

Excludes damage or destruction of tyres. Limited cover is provided under Section 1 Automatic Extension – Tyre Damage.

▶ **Vehicles, Hired, Rented or Lent Out**

Excludes cover for theft or conversion by a person to whom the insured vehicle had been hired, rented or lent by the insured.

### Section 1: Automatic Extensions

There are a number of benefits automatically included under Section 1: Automatic Extensions.

Some of the key Automatic Extensions include:

**Damage Caused by an Uninsured Third Party** **\$5,000**

**Death by Accident** **\$10,000**

**Goods in Transit** **\$5,000**

*Limited cover for the insured's goods being transported.*

**Keys and Locks**

Per vehicle per event **\$5,000**

In total for all vehicles per event **\$20,000**

**New Replacement Vehicle**

**Theft – Hire of Alternative Vehicle** **\$2,500**

**Windscreen cover**

*Including tinting and signwriting*

Other Automatic Extensions include:

**Appreciation – Mechanical Plant** *Up to 25% of the value in the vehicle declaration.*

**Claim Preparation Costs** **\$5,000**

**Completion of Journey Costs** **\$5,000**

**Disability Modifications** **\$5,000**

**Employees' Vehicles** **\$50,000**

**Funeral Expenses** **\$5,000**

**Hoists** **\$5,000**

**Load Recovery** **\$5,000**

**Repair Authorisation** **\$1,000**

**Rewards** **\$5,000**

**Salvage and Safety**

**Tyre Damage** **\$5,000**

### Section 1: Optional Extensions

The following optional extensions are available to be selected:

▶ **Agreed Value**

In the event of a total loss, we will pay the agreed value specified.

▶ **Ingestion or Entanglement of Foreign Objects**

Covers loss to agricultural equipment resulting from entanglement, ingestion or entry of any foreign object.

▶ **Loss of Use**

Reasonable costs incurred to hire a replacement vehicle following a loss covered under Section 1. Where no suitable alternative vehicle is available, with our agreement we will pay the daily rate to the insured.

▶ **Portable Electronic Devices**

Covers the replacement cost for portable electronic devices specified, such as scanners, mobile eftpos machines and vehicle remotes. This is covered in addition to the vehicle sum insured.

▶ **Taxi Coverage**

– **De-installation/Re-installation:**

In the event of a total loss we will contribute up to \$2,500 to the de-installation/re-installation costs associated with loss to LPD, CNG units, in vehicle cameras, meters and the like.

– **Employee and passenger effects:**

Provides limited cover up to \$2,500 for loss to passengers' baggage and employees' personal effects.

▶ **Total Loss Signwriting**

Covers the reasonable costs incurred to replicate any signwriting, vehicle wraps and artwork on a replacement vehicle following

a total loss. This is paid in addition to the vehicle sum insured.

## Section 2: Legal Liability

Covers legal liability for accidental bodily injury or accidental loss to property caused by, through or in connection with the use of an insured vehicle.

In addition, the policy covers up to an additional \$1,000,000 for legal defence costs necessarily and reasonably incurred to defend a claim for liability that would be covered under Section 2 Legal Liability.

## Section 2: Exclusions

The Section Exclusions more clearly reflect our intent, providing clarity and assurance as to what is covered under Section 2.

Section 2 exclusions include:

▶ **Airside Liability**

Excludes liability arising from ownership, operation or maintenance of a vehicle within an airport. Limited cover is provided under Section 2 Automatic Extension – Airside Liability.

▶ **Contractual Liability**

Excludes liability arising out of a contract, unless the insured would have been liable without the contract or agreement.

▶ **Criminal Offences**

Excludes defence costs, fines or court costs arising from prosecution of any offence.

Limited cover is provided for legal costs and expenses to defend a charge of manslaughter, or dangerous driving causing death or careless driving causing death under Section 2 Automatic Extension – Criminal Court Action / Inquiries / Inquests.

▶ **Drivers**

Excludes cover for liability to the driver of the insured vehicle.

▶ **Exemplary Damages**

Excludes liability for punitive or exemplary damages. Limited cover is provided under Section 2 Automatic Extension – Exemplary Damages.

▶ **Liability Determined by a Foreign Court**

This policy only covers liability occurring within New Zealand.

▶ **Operation of Plant or Machinery**

Excludes liability arising out of the operation of mechanical plant. A separate general liability policy should be purchased to cover this.

▶ **Property Owned, in Care, Custody or Control**

The policy excludes liability for loss to property that is in the care, custody or control of the insured, except for passenger's personal property or buildings leased or rented by the insured.

▶ **Transporting of a Load**

Excludes liability arising from the transporting of a load to, or away from the insured vehicle (however the actual loading or unloading is covered).

▶ **Vehicles**

Excludes liability for loss of a vehicle which is insured under this policy.

▶ **Vibration or Weight**

Excludes liability for loss of property arising from vibration or the weight of a load or weight of the insured vehicle. Limited cover is provided under Section 2 Automatic Extension – Vibration or Weight Damage.

## Section 2: Automatic Extensions

There are a number of benefits automatically included under Section 2: Automatic Extensions. Some of the key extensions include:

▶ **Airside Liability**

Cover for up to \$1,000,000 for liability arising from the ownership, operation or maintenance of any insured vehicle within the restricted area of an airport used for scheduled commercial flights.

▶ **Hazardous Substance Emergency**

Cover for up to \$5,000 for a charge imposed by the NZ Fire Service for attending a hazardous substance emergency arising from the use of an insured vehicle.

▶ **Hired and Rented Vehicles**

Where the insured rents or hires a vehicle and accepts the rental vehicle owner's statutory offer of insurance, this extension covers legal liability to third parties for the difference between the amount payable for liability under the statutory offer of insurance and the Section 2 Legal Liability Limit, and it covers the difference between the Section 1 excess under this policy and any deductible applicable under the rental vehicle owner's insurance.

Other Automatic Extensions include:

▶ **Clean Up Costs**

▶ **Criminal Court Action/ Inquiries / Inquests**

▶ **Exemplary Damages**

▶ **Financial Charge**

▶ **Hired and Rented Vehicles – Consequential Loss (H)**

▶ **Marine Liability**

▶ **Movement of Other Vehicles**

▶ **Principal's Indemnity**

▶ **Vibration or Weight Damage**

## Automatic Policy Extensions Applicable to Both Section 1 & 2

These Automatic Policy Extensions have been updated. One of the key Automatic Extensions is Additions and Deletions:

▶ **Additions and Deletions**

Covers any vehicle purchased or leased by the insured during the period of insurance.

If an insured vehicle is sold or the lease ends, it ceases to be insured under this policy.

The premium will be adjusted to reflect any additions or deletions.

Other Automatic Extensions include:

▶ **Breach of Condition**

▶ **Invalidation**

## Optional Policy Extensions Applicable to Section to Both Section 1 & 2

The following Optional Policy Extensions Applicable to Both Sections 1 and 2 are available to be selected:

▶ **Burning Cost**

▶ **Profit Share**

Please refer to the policy wording for full list of General Exclusions, General Conditions and other policy terms.