

An important update to your Drive Easy Private Motor Policy

We wanted to let you know about an important change the Government has made as part of the Sentencing Amendment Act 2014 that will affect your Drive Easy Private Motor Policy.

What has changed?

Before, if you caused an accident like a car crash by driving carelessly, a court could only order you to pay for the property damage or emotional harm you caused. Now, you can also be ordered to pay for loss of income or treatment costs not covered by ACC. This won't replace ACC, but means that anyone injured can get a 'top up' if a court approves it.

What does this mean for you?

Because of this change to the Act, we've updated your Drive Easy Private Motor Policy. It now includes a benefit for reparation costs that you may be ordered to pay. This will come into effect the date your policy renews and we recommend you read the information in the table below so you are familiar with all the changes and what you are covered for. Then keep this document along with your latest policy documentation in a safe place.

We're here to help

If you have any questions or would like to know more about these changes, please call us on **0800 781 782**.

CHANGE SUMMARY TABLE

Section	Current wording	New wording
Introduction	This is Your insurance Policy which is underwritten by Lumley Insurance.	This is Your insurance Policy which is underwritten by Lumley, a business division of IAG New Zealand Limited.
Making a claim 'Liability claims'	<i>New clauses</i>	<p>2. You must obtain Our agreement before You negotiate, offer to pay or pay any Reparation, including but not limited to, offers made as part of any case management conference or sentencing hearing.</p> <p>3. You must tell Us immediately if You are charged with any offence in connection with the use of Your Vehicle or any other private vehicle, which resulted in loss of property or Bodily Injury to another person.</p> <p><i>(Previous clauses 2 and 3 are now clauses 4 and 5).</i></p>
Section 1: Cover for Your Vehicle 'What You are also insured for if You have selected Full Cover (these benefits are additional to Your sum insured)'	<p>Legal expenses – manslaughter or dangerous driving This benefit applies if We have accepted a claim under Section 1: Cover for Your Vehicle or Section 2: Cover for Your legal liability. If You or any member of Your Family are charged with manslaughter or dangerous driving causing death arising out of that Loss, We will pay Your legal defence costs. We will pay up to \$1,500 for any Event.</p>	<p>Legal expenses – manslaughter or dangerous driving This benefit applies if We have accepted a claim under Section 1: Cover for Your Vehicle or Section 2: Cover for Your legal liability. If You or any member of Your Family are charged with manslaughter, dangerous driving causing death or careless driving causing death arising out of that Loss, We will pay Your legal defence costs. We will pay up to \$1,500 for any Event.</p>

Section	Current wording	New wording
Section 2: Cover for Your legal liability 'What You are insured for'	<i>New clause</i>	<p>We cover You against Your legal liability:</p> <p>> to pay Reparation to a victim who has suffered Accidental Loss of property or Bodily Injury as a result of Your committing an offence in connection with Your use of the Vehicle.</p> <p>Provided that:</p> <p>1 You or any other person entitled to cover under this benefit must tell Us immediately if You or they are charged with any offence in connection with the use of the Vehicle, or any other private vehicle, which resulted in Loss of property or Bodily Injury to another person; and</p> <p>2 We must give Our written approval before any offer of Reparation is made.</p> <p>There is no cover under this benefit for any amounts that are covered under the Accident Compensation Act 2001 (Act), or would be covered but for:</p> <p>1 a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act,</p> <p>2 the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act,</p> <p>3 a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.</p> <p>Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence, other than under Section 1: Cover for Your Vehicle - 'Legal expenses - manslaughter, dangerous or careless driving'.</p>
Section 2: Cover for Your legal liability 'What You are not insured for'	<i>New clause</i>	2. We do not cover Your legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament.
Special exclusions 'Applying to both Sections 1 and 2'	<i>New clause</i>	<p>Alcohol or drugs</p> <p>There is no cover for Loss or liability under this Policy whilst the driver:</p> <p>4. fails or refuses to stop, or remain at the scene, following an Accident (as required by law).</p>
General conditions	<p>Reckless acts</p> <p>You must not cause or facilitate Loss or incur any liability through any reckless act nor must You knowingly allow or permit anyone else to cause Loss or liability in this way.</p>	<p>Reckless, deliberate or wilful acts</p> <p>You must not cause or facilitate Loss or incur any liability through any reckless, deliberate or wilful act. You must not knowingly allow or permit anyone else to cause Loss or liability in this way.</p>
Meaning of words	<p><i>New definitions</i></p> <p>We, The Company, Lumley Insurance, The Underwriter, Our or Us: means Lumley General Insurance (N.Z.) Limited.</p>	<p>Bodily Injury: means the Accidental death of, or Accidental bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.</p> <p>Reparation: means an amount ordered by a New Zealand Court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002.</p> <p>We, Lumley, Our or Us: means Lumley, a business division of IAG New Zealand Limited.</p>