

An important update to your Police Fire & General Insurance – Private Motor Vehicle Cover

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 Police Fire & General Insurance – Private Motor Vehicle Cover.

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 Police Fire & General Insurance – Private Motor Vehicle Cover. 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 <i>Insurance</i> . | This is your insurance policy which is underwritten by Lumley, a business division of IAG New Zealand Limited. |
| SECTION 3.2: LEGAL LIABILITY 'What you are insured for' | <p>If there is no other insurance, we will cover the legal liability of:</p> <ul style="list-style-type: none"> the driver, provided he/she is driving with your permission and complies with all the requirements of this policy you, while driving another private car or motorised caravan provided: <ul style="list-style-type: none"> you do not own, lease or rent the vehicle your legal liability would have been covered if the vehicle was shown in the schedule your vehicle is not a motorcycle, trailer or caravan. your employer, if the vehicle is being used by you (or a fellow employee with your permission) for your employer's business, provided the business is not excluded under 'use of the vehicle'. <p><i>New clause</i></p> | <p>If there is no other insurance, we will cover the legal liability, including legal liability to pay reparation, of:</p> <ul style="list-style-type: none"> the driver, provided he/she is driving with your permission and complies with all the requirements of this policy you, while driving another private car or motorised caravan provided: <ul style="list-style-type: none"> you do not own, lease or rent the vehicle your legal liability would have been covered if the vehicle was shown in the schedule your vehicle is not a motorcycle, trailer or caravan. your employer, if the vehicle is being used by you (or a fellow employee with your permission) for your employer's business, provided the business is not excluded under 'use of the vehicle'. <p>This insurance covers you for your legal liability to pay reparation to a victim who has suffered accidental loss of property or bodily injury as a result of your committing an offence during the period of insurance in connection with your use of the vehicle.</p> <p>We will also give you this liability cover for any trailer insured under 'Extensions included in option 3A – full cover – Trailers'. If there is no other insurance, we will cover the legal liability to pay reparation of:</p> <ul style="list-style-type: none"> the driver, provided he/she is driving with your permission and complies with all the requirements of this policy |

| Section | Current wording | New wording |
|--|------------------------|---|
| | | <ul style="list-style-type: none"> • you, while driving another private car or motorised caravan provided: <ul style="list-style-type: none"> - you do not own, lease or rent the vehicle - your legal liability would have been covered if the vehicle was shown in the schedule - your vehicle is not a motorcycle, trailer or caravan. • your employer, if the vehicle is being used by you (or a fellow employee with your permission) for your employer’s business, provided the business is not excluded under ‘use of the vehicle’. <p>Provided that:</p> <ol style="list-style-type: none"> 1. you or any other person entitled to cover for liability to pay reparation must tell us immediately if you or they are charged with any offence in connection with the use of the vehicle, which resulted in loss of property or bodily injury to another person; and 2. we must give our written approval before any offer of reparation is made. <p>There is no cover for your liability to pay reparation for any amounts that are covered under the Accident Compensation Act 2001 (Act), or would be covered but for:</p> <ol style="list-style-type: none"> 1. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, 2. the victim’s decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act, 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>Nothing in this cover for your liability to pay reparation should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.</p> |
| SECTION 3.2: LEGAL LIABILITY ‘What you are not insured for’ | <i>New clause</i> | <ol style="list-style-type: none"> 2. This insurance does not cover you for: <ul style="list-style-type: none"> • any legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament. |
| Special conditions | <i>New conditions</i> | <p>Your obligations</p> <p>If anything happens that may lead to a claim under this policy, you or anyone else entitled to cover under this policy must:</p> <ul style="list-style-type: none"> • tell us immediately if you or they are charged with any offence in connection with the use of the vehicle or any other private car or motorised caravan which resulted in loss of property or bodily injury to another person • obtain our agreement before you or they 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. |
| Definitions | <i>New definitions</i> | <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> |