

# Echelon

**motorcycle**  
insurance policy



**LANTERN**  
insurance

Underwritten by **N4**

# Echelon

## Motorcycle policy

### Welcome

---

Thank you for giving Lantern the opportunity to help you protect the things that matter. We'll do our best to support the choice you've made by providing you with an extensive range of NZI products and services designed to meet your expectations.

### What we do

Lantern Insurance is a specialist for NZI. Our competitive advantage hinges on knowing our customers well enough to deliver relevant NZI products and services that meet their lifestyle needs.

If you have any questions about your policy or think it doesn't provide the cover you need, please ring us straight away – we'll be happy to help.

Phone the Lantern team on **0800 800 800**.

**[www.lanterninsurance.co.nz](http://www.lanterninsurance.co.nz)**

**This document is your Motorcycle Policy wording. Please make sure you read it carefully, as it contains important information you should know, including what your insurance covers – and what it doesn't.**

### Contacting us

---

If you ever have a question, need help, or want to make an insurance claim, you're welcome to phone us any time, 24-hours a day.

In New Zealand, simply call **0800 800 800**.

If you're overseas, call us direct on **+64 9 969 4852**.

If you'd prefer to email us, it's easy. You can reach us at **[contactus@lanterninsurance.co.nz](mailto:contactus@lanterninsurance.co.nz)**.

## Contents

---

<b>Your policy</b>	<b>4</b>		
Reading your policy		Glass cover	
What your policy consists of		Keys and locks	
You can change your mind		Manslaughter defence	
Our commitment to you		Medical expenses	
Our agreement with you		Personal liability	
Keeping us informed		Protection against uninsured drivers	
So what must you tell us?		Replacement motorcycle	
We must tell you about...		Road clearing costs	
Our other responsibilities to you		Temporary repairs	
		Towing costs	
		Transport costs	
<b>Making a claim</b>	<b>5</b>		
What you must do		<b>Exclusions that apply to the whole policy</b>	<b>13</b>
What we'll do		Alcohol, drugs and other intoxicating substances	
Getting our permission first		Confiscation	
Honesty is the key		Excess	
Things that will help us help you		Intentional or reckless acts	
If you have a problem with your claim		Loss of electronic data – computer virus	
We can take action in your name		Mechanical or electrical breakdown	
		Modified vehicle	
		Nuclear and war risks	
		Terrorism	
		Tyre damage	
		Unlicensed drivers	
		Use of the vehicle	
		Unsafe or unroadworthy	
		Wear, tear, depreciation and loss of use	
<b>What you get if we accept your claim</b>	<b>7</b>		
Repair, replace or pay cash?		<b>Policy conditions</b>	<b>15</b>
Parts unavailable in New Zealand		Your obligations	
Goods and services tax		Administering this policy	
<b>Use of the vehicle</b>	<b>8</b>		
		<b>Definitions</b>	<b>16</b>
<b>Type of cover that applies</b>	<b>8</b>		
		<b>Frequently asked questions</b>	<b>18</b>
<b>What your policy covers</b>	<b>8</b>		
Accidental loss			
Accidental death and permanent disablement			
Accommodation costs			
Excess protection			

## YOUR POLICY

### Reading your policy

#### Words in bold

**You'll** notice that some words in **your** policy are in **bold**. This is because they have a special meaning. There is a list of these words and what they mean on page 16.

#### Examples and headings

To make it easy for **you** to understand **your** policy, **we've** included some examples and comments in *italics*. Note these don't affect or limit the meaning of the section they refer to.

Please also note that the headings in this policy wording are designed to help **you** find **your** way around it. **You** mustn't use them when interpreting the policy wording.

### What your policy consists of

**Your** Motorcycle Policy consists of this policy wording, the **schedule** and the information **you** provided in the **application**.

### You can change your mind

If **you're** not happy with this policy **you** are welcome to change **your** mind, but **you** must tell **us** within 15-days of the date it started. **We'll** then cancel it and refund in full any premium **you've** paid. This doesn't apply if **you** have made a claim on **your** policy.

### Our commitment to you

**We'll** do **our** best to:

- provide **you** with helpful, professional service
- act on **your** requests promptly
- provide **you** with policies that suit **your** needs
- give **you** information that will help **you** to reduce the risk of **loss**
- make **you** aware of policy conditions and obligations.

### Our agreement with you

Together, **you** and **we** have an agreement. **You** agree to pay **us** a premium for **your** cover and, in exchange, **we** promise to cover **you** as stated in this policy wording.

## Keeping us informed

When **you** apply for insurance with **us**, **you** have an important 'duty of disclosure'. This means that **you** must:

- give **us** all the information that a prudent insurer needs to decide whether to accept or decline **your application** for insurance. If **we** accept **your application**, it includes information that a prudent insurer needs to decide the cost of **your** insurance and the terms and conditions that will apply (including the **excess**), and
- provide **us** with true, accurate and complete information, even if **you** think it isn't important.

If **you** don't tell **us**, **your** insurance policy may not be valid and **you** may not be covered if **you** want to make a claim.

**You** must also tell **us** about changes that occur during the policy period – see 'Changes in circumstances' on page 15.

If **you're** not sure whether **you** should give **us** some information, tell **us** anyway. Simply call **us** on **0800 800 800** – **we'll** talk the matter over with **you** and let **you** know if it affects **your** policy.

**We** treat all information **you** give **us** in accordance with the Privacy Act 1993.

## So what must you tell us?

**You** must tell **us** about anything that could affect **your** insurance with **us**.

- *For example, you must tell us:*
- *if the motorcycle has been modified in any way*
- *if you, or anyone who may ride the motorcycle, have had their motorcycle licence suspended or cancelled in the last 7 years*
- *if your motorcycle will be used for business purposes*
- *if you, or anyone who may ride the motorcycle, have had any traffic offences, including speed camera fines (not parking tickets) in the last 5 years*
- *if you, or anyone who may ride the motorcycle, have been convicted of a criminal offence in the last 7-years*
- *if there are any changes to who the riders will be*
- *if you move to a different address*

- if you have been declined or refused insurance in the last 5 years
- if there has been any material change in circumstances since the policy started
- if you insure the motorcycle with anyone else

These examples are only a guide.

Remember, **we** provide **your** insurance based on the information **you** gave **us** when **you** applied for it. If anything changes, or if **you** expect something to change, **you** must let **us** know or **your** policy may be unenforceable.

Please ask **us** if **you're** not sure if **you** should tell **us** about something.

## We must tell you about...

**We** must keep **you** updated on **your** insurance.

For example, we must tell you:

- if we change the terms of your policy
- if we add new terms to your policy
- about any other changes to your policy
- before your policy renews, how much your new premium will be

## Our other responsibilities to you

- **We'll** answer **your** questions honestly and accurately
- **We'll** provide **you** with information and advice to help **you** understand **your** insurance and its terms and exclusions
- If **you** need it, **we'll** give **you** a copy of the information **you** gave **us** when **you** applied for **your** insurance
- When **you** first insure with **us**, and when **you** renew **your** policy, **we'll** tell **you** about the financial rating on **our** ability to pay for any claims **our** customers make

If **you** have any questions please call **us** on **0800 800 800**.

## MAKING A CLAIM

When **you** need to make a claim, **we'll** be here to help **you** 24-hours a day, 7-days a week – just call **us** on **0800 800 800**.

## What you must do

If anything happens that could result in a claim under this policy, **you** must:

- do what **you** can to take care of the **motorcycle** and to prevent any further **loss** or liability, and
- tell **us** as soon as possible, and
- notify the police as soon as possible if **you** think the **loss** was caused by a criminal act, and
- allow **us** to examine the **motorcycle** before any permanent repairs are started, and
- not destroy or dispose of anything that is, or could be, part of a claim, and
- as soon as possible, send **us** anything **you** receive from anyone about a claim or possible claim against **you**, and
- give **us** any information or help **we** ask for, and
- consent to **your** personal information in connection with **your** claim being disclosed to **us** and transferred to Insurance Claims Register Limited.

**You** or anyone else entitled to cover under this policy must tell **us** immediately if **you** or they are charged with any offence in connection with the **use** of the **motorcycle** or a **vehicle** which resulted in **loss** of property or **bodily injury** to another person.

## What we'll do

When **you** contact **us** to make a claim under this policy, **we'll**:

- treat **you** fairly and process **your** claim within the terms of the policy, and
- explain how the claim process works, and
- advise **you** as best **we** can, on how to prevent further damage, and

- if possible, register **your** claim straight away after asking **you** questions and recording **your** responses, and
- if possible, accept **your** claim during the first phone call, and
- explain what **we** need to go ahead with **your** claim, and
- if required, arrange for a loss adjuster to inspect the damage and explain the procedure that will be followed, and
- keep **you** updated on **your** claim's progress, and
- give **you** all the information **you** need on how **we'll** settle **your** claim, and
- if **we** decline **your** claim, clearly explain why.

### What's the Insurance Claims Register?

It is an electronic register that holds a central record of claims lodged with participating insurance companies. These companies can access the claims history of a customer. This helps to keep the cost of insurance affordable to **you**.

### Don't forget about your excess

When **you** make a claim, **we'll** deduct the **excess** from the amount **we** would otherwise pay for **your** claim. The **excess** applies to each **event** – unless specifically stated otherwise in another part of this policy.

## Getting our permission first

**You** must ask for **our** permission before **you**:

- incur any expenses in connection with a claim under this policy, or
- negotiate, pay, settle, or admit any allegation that **you** are legally liable, or
- do anything that may prejudice **our** rights of recovery.

**You** or anyone else entitled to cover under this policy must ask **our** permission 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.

*'Rights of recovery' means that we can claim the money that we paid out on your claim back from the responsible person (if someone else that is not insured under this policy was responsible for the loss). You must not do anything that prevents us from doing that, or that disadvantages us when doing that.*

*It is best that you allow us to manage your claim on your behalf. We'll let you know how you can help us when we talk to you about your claim.*

## Honesty is the key

**You** and **we** have an agreement. As part of that agreement, **you** agree to be honest in all **your** dealings with **us**, just as **we'll** be honest with **you**. If **your** claim is dishonest or fraudulent in any way, **we** have the discretion to:

- decline **your** whole claim or part of it, and/or
- declare that this policy, or all the policies **you** have with **us**, are unenforceable from the date of the dishonest or fraudulent act.

## Things that will help us help you

- Keep **your** insurance documents in a safe and easily accessible place.
- Have **your** policy number handy when **you** contact **us**.
- Have any relevant information ready when **you** contact **us**, such as a lost item's brand name, model name, model number and special features.
- Let **us** know if **your** contact details change.
- Ask **us** if there's something **you're** not sure about.

## If you have a problem with your claim

**We'll** always do **our** very best to get things right and provide **you** with the service **you** expect from **us**. However, sometimes things do go wrong – so when they do, **we** want to resolve the problem as quickly as possible.

Here's what to do:

### Your first steps are to contact the office you have been dealing with

#### Step 1

First, discuss **your** problem with the person **you've** been dealing with. Talk through **your** concerns and **we'll** try to resolve it.

#### Step 2

Second, if **you're** still unhappy with their answer, contact their Team Leader. At this stage, it's best to put **your** complaint in writing. But if **you** prefer, **you** can phone the Claims Team Leader instead. They'll acknowledge that **your** complaint has been received, investigate the matter and then inform **you** of the outcome.

## If you're not satisfied with this outcome

### Step 3

Next, write to:

The Head of Lantern Insurance,  
Private Bag 92130,  
Auckland.

**We'll** acknowledge **your** complaint within 3 working days and make sure it's fully investigated. **You'll** receive written advice of the outcome within 10 working days – or, if no decision has been made, **we'll** give **you** an update on the progress of **your** case.

### Step 4

Finally, if **we** are unable to resolve **your** complaint within 2-months **we'll** tell **you**. **We'll** also tell **you** of **your** rights under the Insurance & Savings Ombudsman scheme that considers complaints relating to insurance claims. This is an independent scheme that's free of charge to **you**.

The Insurance & Savings Ombudsman has the authority to make decisions binding upon insurance companies for certain claims up to the value of \$150,000 (excluding GST).

Should **you** wish to have **your** complaint considered by the Insurance & Savings Ombudsman, **you** have to do steps 1 – 3 above first.

Next, **you** must contact the Insurance & Savings Ombudsman office no later than 2-months after the date **we** informed **you** that deadlock has been reached with **your** claim. **You** can contact the Insurance & Savings Ombudsman by phoning 0800 888 202 or (04) 499 7612, by fax at (04) 499 7614 or by writing to PO Box 10 845, Wellington.

**You'll** find additional information and contact details on the web at [www.iombudsman.org.nz](http://www.iombudsman.org.nz).

## We can take action in your name

**We** can take action in **your** name to:

1. negotiate, defend or settle any claim against **you** covered by this policy
2. make a recovery from anyone else for anything covered by this policy, and **you** must cooperate with **us**.

**We'll** pay any costs associated with these actions.

## WHAT YOU GET IF WE ACCEPT YOUR CLAIM

This section explains when **we'll** repair the **motorcycle**, when **we'll** replace it and when **we'll** pay **you** for it, if **we** accept **your** claim. Please make sure **you** read this section carefully. If **you** have any questions, just phone **us** on **0800 800 800**.

## Repair, replace or pay cash?

### Repairable

If the **motorcycle** is economic to repair in **our** opinion, **we** have the option to:

1. arrange for the **motorcycle** to be repaired as near as possible to the condition it was in before the **loss** happened, using parts and practices appropriate in the New Zealand repair industry, or
2. pay **you** the cost of repairs as estimated by **our** assessor.

### Not repairable

If the **motorcycle** is **uneconomic to repair** in **our** opinion, **we'll**:

1. pay **you** the lesser of the **market value** of the **motorcycle** and the **sum insured**, or
2. replace the **motorcycle** with a new one of the same model and specification, as long as:
  - (a) the **loss** happened within 12-months of **you** buying the **motorcycle** new, and
  - (b) the same model and specification is available in New Zealand.

Whenever **we** take one of these actions, this policy comes to an end and **we** won't refund any premium.

### Parts unavailable in New Zealand

If any new parts, **accessories** or tools cannot be bought in New Zealand, **we'll** pay the last known selling or list price in New Zealand plus the reasonable fitting cost.

### Goods and services tax

The **sum Insured** excludes GST, if the GST is recoverable by **us** under the Goods and Services Tax Act 1985. All other amounts in this policy include GST.

**We** will add GST to claim payments where applicable.

## USE OF THE VEHICLE

This policy only applies when the **vehicle** is being **used**:

1. for private, domestic, social or pleasure purposes (including community work), or
2. in connection with a business, profession or occupation, as long as the person **using** the **vehicle** is not **using** it in their capacity as a:
  - (a) salesperson, commission agent, service person or commercial traveller, or
  - (b) insurance representative, insurance agent or insurance broker, or
  - (c) land or real estate agent, or
  - (d) mortgage broker or mobile mortgage manager, or
  - (e) stock or station agent, or
  - (f) courier driver, delivery person or taxi driver, or
  - (g) member of a motor trade.

**You're** not covered when the **vehicle** is being **used**:

1. to carry fare-paying passengers (except when car pooling or car sharing) or for hire, or
2. to carry, haul or tow any goods, plant, machinery or samples in connection with any trade or business other than farming, or
3. to practice for, or take part in, any race, rally, pace-making, reliability trial or speed test, or
4. on any racetrack.

*You're probably wondering why we've used the word 'vehicle' in this section and not 'motorcycle'. This is because we're not only referring to the motorcycle that's shown in the schedule. We're also including any other motorcycle that you don't own, but that's used by you, as long as you have the owner's permission to use it.*

*Please read the definition of 'vehicle' on page 17. It will give you the full meaning of the word.*

## TYPE OF COVER THAT APPLIES

### Cover options

There are two cover options:

- FC** 1. Full cover
- TPO** 2. Third Party, Fire & Theft

The type of cover that applies to **you** will be shown in **your schedule**.

**You** will note that **we've** used symbols for each cover option. **We've** used these symbols throughout this policy to help **you** know if a benefit applies to **you** or not.

### **FC** Full cover

If **your schedule** shows 'Type of cover: Full cover', then **you** are fully covered under 'What your policy covers'.

### **TPFT** Third Party Only

If **your schedule** shows 'Type of cover: Third Party Only' then **you**:

1. have no cover under 'What your policy covers' except for:
  - (a) 'Personal liability', and
  - (b) 'Protection against uninsured drivers', and
  - (c) 'Road clearing costs',

during the **period of insurance** in New Zealand (including transit between places in New Zealand).

## WHAT YOUR POLICY COVERS

This section explains what **your** policy does and doesn't cover. Please read it carefully – and if **you** have any questions, call **us** on **0800 800 800**.

### Accidental loss

#### **FC** THIS SECTION APPLIES IF 'FULL COVER' IS SHOWN IN YOUR SCHEDULE.

**You're** covered for sudden and **accidental loss** to the **motorcycle** that happens during the **period of insurance** and in New Zealand (including transit between places in New Zealand).

#### **TPO** THIS SECTION APPLIES IF 'THIRD PARTY ONLY' IS SHOWN IN YOUR SCHEDULE.

**You** are not covered under this 'Accidental loss' benefit.

#### What you'll get

See 'What you get if we accept your claim' on page 7 for details on what **we'll** pay.

#### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## FC Accidental death and permanent disablement

**We** will pay the amounts shown under 'What you'll get' below, as long as:

1. **you** or **your partner** were injured because of a **loss** covered by the 'Accidental loss' benefit of this policy, and
2. the **injury** happened while **you** or **your partner** were riding the **motorcycle**, and
3. any of, or a combination of the **events** happens within 90-days from the date of the **injury**.

### What you'll get

Event	Amount
1. Death	\$10,000
2. Permanent total loss of sight of an eye	\$2,500
3. Permanent total loss of use of a hand	\$2,500
4. Permanent total loss of use of a foot	\$2,500

If **you** suffer a combination of events 2, 3 or 4, the amount **we** pay will be cumulative. The most **we** will pay during the **period of insurance** is the death amount. If more than one person is entitled to payment, **we'll** pay proportionately to the number of persons entitled.

### What isn't covered?

**We** will not pay for death resulting from suicide, or any self-inflicted **injury**.

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## FC Accommodation costs

**You're** covered for accommodation costs for **you**, **your partner**, **your family** or any other passengers on the **motorcycle**, if the **motorcycle** can't be ridden following a **loss** covered by the 'Accidental loss' benefit of this policy.

### What you'll get

**You're** covered for reasonable costs. The most **we'll** pay is \$750 for any **event**.

### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## FC Excess protection

1. **You** won't pay an **excess** if an identifiable driver of another vehicle causes **loss** that is covered by this policy, as long as **you**:
  - (a) give **us** enough information to establish that the driver of the other vehicle was completely at fault, and
  - (b) give **us** the correct registration number of the other vehicle or information **we** need to positively identify the driver (including name and address), and
  - (c) give **us** reasonable help to recover **your** claim from the driver of the other vehicle, or from its owner.
2. **We** won't deduct the **excess** if the **loss** to the **motorcycle** is from actual or attempted theft or illegal conversion while it was fitted with an activated electronic engine immobiliser approved by **us**.

## FC Glass cover

If a claim is only for sudden and **accidental loss** to the headlight of the **motorcycle**, **you** won't have to pay an **excess**.

### What you'll get

See 'What you get if we accept your claim' on page 7 for details on what **we'll** pay.

### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## FC Keys and locks

**You're** covered if any of the keys to the **motorcycle** are lost, stolen or believed on reasonable grounds to have been duplicated without **your** permission, during the **period of insurance**.

### What you'll get

**We'll** pay the reasonable cost of replacing keys, locks, barrels, coded keypads or coded alarms, up to a maximum of \$1,000, during the **period of insurance**.

A \$100 **excess** applies to this 'Keys and locks' cover.

### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## FC Manslaughter defence

**You're** covered for costs necessarily and reasonably incurred for:

1. legal defence, to defend a charge of manslaughter, or dangerous driving causing death or careless driving causing death, and
2. legal representation at any inquiry or coroner's inquest in connection with a death,

resulting from:

- (a) **you** or **your partner** riding the **motorcycle**, or
- (b) any member of **your family** riding the **motorcycle** with **your** permission, or
- (c) **you** or **your partner** riding any motorcycle that **you** or **your partner** do not own and are not purchasing, provided that **you** or **your partner** has the owner's permission to ride the **motorcycle**,

during the **period of insurance**.

Personal Liability 'What isn't covered?' – Clause 5 (offences) does not apply to this benefit.

### What you'll get

The most **we** will pay is \$10,000 during the **period of insurance** – and **you** won't have to pay an **excess**.

### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## FC Medical expenses

**You're** covered for costs incurred because of an **injury** that **you**, **your partner**, **your family** and other passengers of the **motorcycle**, suffered during a **loss** covered by the 'Accidental loss' benefit of this policy.

### What you'll get

**We'll** pay reasonable costs incurred by **you**, **your partner**, **your family** and other passengers of the **motorcycle** for medical, surgical, therapeutic, dental and nursing treatment (including x-rays).

The most **we'll** pay during the **period of insurance** is \$500 for any **event** – and **you** won't have to pay an **excess**.

### What isn't covered?

**We** won't pay for any expense that can be claimed from any other source or that results from self-inflicted **injury**.

See also 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## Personal liability

FC

What does 'personal liability' mean?

TPO

'Liability' is the legal liability that a person has for loss or damage suffered by someone else.

*For example, if you crash your motorcycle through a fence on someone else's property, you may be held legally liable for the damage to their property.*

### Your legal liability

**You're** covered for **your** legal liability and legal costs and legal expenses arising from:

1. **accidental loss** to anyone else's property (including loss of use), or
2. **accidental loss** to property where the costs are recoverable from **you** under Section 43 of the Forest and Rural Fires Act 1977, or
3. **accidental bodily injury** to any person,

occurring during the **period of insurance** and caused in connection with **your use** of a **vehicle** in New Zealand (including transit between places in New Zealand).

### General average

**You're** covered for general average or salvage charges that **you** must legally pay as a result of the **motorcycle** being carried by ship between places in New Zealand during the **period of insurance**.

*'General average' is a marine term that describes how the cost of losses will be shared between those persons with property on the ship.*

### Reparation

**We'll** cover **your** legal liability to pay **reparation** to a victim who has suffered **accidental loss** of property or **accidental bodily injury** as a result of **your** committing an offence in connection with **your use** of the **motorcycle**, or any **vehicle**, provided that **you** had the owner's permission to **use** the **vehicle**.

Provided that:

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 **motorcycle** or a **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.

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:

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.

Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.

### Other people's liability

**We'll** cover the legal liability, legal liability to pay **reparation**, and legal costs and legal expenses of any other person caused in connection with their **use** of the **motorcycle** in the same way as **we** cover **you**, as long as:

1. the other person had **your** permission to **use** the **motorcycle**, and
2. the other person's liability is not covered by any other insurance, and
3. the other person meets all the same terms of this policy that **you** must meet.

### Vicarious liability

**We'll** cover **your** employer's vicarious liability while **you**, or any other employee who has **your** permission, **uses** the **motorcycle** for the business of **your** employer, as long as:

1. **your** employer's vicarious liability is not covered by any other insurance, and
2. the other employee **using** the **motorcycle** meets all the same terms of this policy that **you** must meet.

*'Vicarious liability' means that your employer may be held responsible for injury or damage, even if they were not actively involved in the incident.*

### What you'll get

#### Property damage payment

**We'll** pay for:

1. liability, including liability for **reparation**, for **loss** to property, and
2. reasonable legal costs and legal expenses incurred with **our** approval (**we** won't unreasonably withhold **our** approval), and
3. costs awarded against **you** by a Court.

The most **we'll** pay in total for 1, 2 and 3 is \$20,000,000 for any **event** – and **you** won't have to pay an **excess**.

However the most **we** will pay for a claim under 'Your legal liability item 2.' is \$1,000,000 for any **event**.

#### Bodily injury payment

**We'll** pay for:

1. liability, including liability for **reparation**, arising from **bodily injury**, and
2. reasonable legal costs and legal expenses incurred with **our** approval (**we** won't unreasonably withhold **our** approval), and
3. costs awarded against **you** by a Court.

The most **we'll** pay in total for 1, 2 and 3 is \$1,000,000 for any **event** – and **you** won't have to pay an **excess**.

#### Amount payable for a claim for bodily injury and property damage

The most **we'll** pay for a claim for property damage and **bodily injury** for any **event** is \$20,000,000.

#### Settlement of any claim

If **we** pay the full amount under this part of **your** policy (or any lesser amount that **we** can settle **your** liability for), plus **your** defence costs, this will meet all **our** obligations under this part of **your** policy.

#### What isn't covered?

1. **You're** not covered for liability, including liability for **reparation**, for **loss** to any property:
  - (a) owned by **you** or anyone **we** cover and who claims under this policy, or
  - (b) in **your** care or in the care of anyone **we** cover under this policy other than for clothing, personal effects and luggage being carried by and belonging to any passenger on any **vehicle**, or
  - (c) being carried by, loaded into, or unloaded from any **vehicle** attached to any **vehicle** other than specified under (b) above.
2. **You're** not covered for liability created by a contract or agreement unless **you** would have been liable even without such contract or agreement.
3. **You're** not covered for liability in any way connected with any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up) unless the seepage, pollution or contamination happens during the **period of insurance** and is caused by a sudden and **accidental event** that also happens during the **period of insurance**.
4. **You're** not covered for punitive or exemplary damage, fines or penalties.

'Damages' in this context refers to money claimed from you as compensation for harm done, or loss or injury. Exemplary damages is money claimed as punishment. The court awards this to punish someone for their outrageous conduct and to deter others.

5. **You're** not covered for any legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament including any Regulations, Rules or By-Laws made under any Act of Parliament.

See also 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## **TPO** Protection against uninsured drivers

If **your schedule** shows that **you** have 'Third Party Only cover', then **you're** covered for sudden and **accidental loss** to the **motorcycle** during the **period of insurance** in New Zealand (and transit between places in New Zealand), that is caused by an uninsured driver of another vehicle, as long as **you**:

1. give **us** enough information to establish that the driver of the other vehicle was completely at fault, and
2. give **us** the correct registration number of the other vehicle or information **we** need to positively identify the driver (including name and address), and
3. give **us** reasonable help to recover **your** claim from the driver of the other vehicle, or from its owner.

For example:

*If you're waiting at a red light and a car hits your motorcycle, you can claim under this policy up to \$3,000, but only if that person is not insured and if you can give us all the information and assistance that is listed in 1, 2, and 3 above. If that person is insured then you must claim from their insurance company or from them personally.*

### What you'll get

#### Repairable

If the **motorcycle** is economic to repair in **our** opinion, **we** have the option to:

1. arrange for the **motorcycle** to be repaired as near as possible to the condition it was in before the **loss** happened, using parts and practices appropriate in the New Zealand repair industry, or
2. pay **you** the cost of repairs as estimated by **our** assessor.

#### Not repairable

If the **motorcycle** is **uneconomic to repair** in **our** opinion, **we'll** pay **you** the **market value**.

Whenever **we** take this action, this policy comes to an end and **we** won't refund any premium.

### Maximum payment

The most **we'll** pay for any **event** is \$3,000 – and **you** won't have to pay the **excess**.

### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## **FC** Replacement motorcycle

When **you** buy a replacement motorcycle for the **motorcycle**, **we'll** automatically cover **you** for that replacement **motorcycle** under this policy from the date of purchase, as long as:

1. **you** tell **us** within 30-days of the date of purchase, and
2. the replacement motorcycle's purchase price isn't more than \$20,000, and
3. the replacement motorcycle's purchase price will be the **sum insured**, and
4. **you** pay any additional premium that's required.

### What you'll get

See 'What you get if we accept your claim' on page 7 for details on what **we'll** pay.

### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## **FC** Road clearing costs

**TPO**

**You're** covered for costs incurred for removing debris from any road or parking area following a **loss** covered by the 'Accidental loss' benefit of this policy.

### What you'll get

**We'll** pay reasonable costs incurred.

### What isn't covered?

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## **FC** Temporary repairs

**You're** covered for the cost of temporary repairs to the **motorcycle** that are essential to make it roadworthy, to enable **you** to get to **your** destination or to a repairer, following a **loss** covered by the 'Accidental loss' benefit of this policy.

**What you'll get**

We'll pay reasonable costs incurred.

**What isn't covered?**

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

### FC Towing costs

**You're** covered for towing and rescue costs to remove the **motorcycle** to the nearest repairer or place of security if the **motorcycle** isn't rideable because of a **loss** covered by the 'Accidental loss' benefit of this policy.

**What you'll get**

We'll pay reasonable costs incurred.

**What isn't covered?**

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

### FC Transport costs

**You're** covered for transport costs for:

1. **you, your partner, your family** or any other passengers on the **motorcycle**, from the place where the **loss** occurred to **your** home or to **your** nearest immediate destination, and
2. returning the **motorcycle** to **your** home or to another place **you** and **we** agree after the **motorcycle** has been repaired,

if the **motorcycle** can no longer be ridden following a **loss** covered by the 'Accidental loss' benefit of this policy.

If the **motorcycle** is recovered following theft or conversion, **you're** covered for costs to return the **motorcycle** to the place from where it was stolen or to another place that **you** and **we** agree (such as **your** home).

**What you'll get**

We'll pay for reasonable costs incurred.

**What isn't covered?**

See 'Exclusions that apply to the whole policy' on page 13 and 'Policy conditions' on page 15.

## EXCLUSIONS THAT APPLY TO THE WHOLE POLICY

This section explains things **your** policy doesn't cover that are additional to those already mentioned in the previous sections. Please read it carefully – and if **you** have any questions, call **us** on **0800 800 800**.

### Alcohol, drugs and other intoxicating substances

There's no cover under this policy if the person **using** the **vehicle**:

1. has a breath alcohol or blood alcohol concentration that exceeds the legal limit, or
2. refuses to undergo a breath or blood test after an **accident**, when they must legally do so, or
3. is under the influence of a drug or any other intoxicating substance to such an extent that they are incapable of having proper control of the **vehicle**, or
4. fails or refuses to stop, or remain at the scene, following an **accident** (as required by law).

This doesn't apply if the driver of the **vehicle** stole or converted it, as long as **you** lay a complaint with the police.

### Confiscation

**You're** not covered for **loss** connected in any way with the confiscation, nationalisation, requisition, acquisition or destruction of, or damage to property by order of government, public or local authority.

### Excess

For each **event**, **we'll** deduct the **excess** from the amount **we** would otherwise pay for **your** claim – unless specifically stated otherwise under another part of this policy.

If **you** have multiple vehicles insured under this policy, the **excess** applies individually to each vehicle.

### Intentional or reckless acts

**You're** not covered for any **loss** or liability arising from any intentional or reckless act or omission.

## Loss of electronic data – computer virus

**You're** not covered for **loss** of **electronic data** and any liability arising from it, directly or indirectly caused by or in connection with a **computer virus**. This includes loss of use, reduced functionality or any other associated **loss** or expense in connection with the **electronic data**.

## Mechanical or electrical breakdown

**You're** not covered for mechanical **loss**, electrical **loss**, or electronic **loss**.

However, this exclusion does not apply where that **loss** results:

1. in or from a fire, or
2. from a collision, overturning, immersion in water, a flood, intentional damage, theft or conversion, earthquake, volcanic eruption, hydrothermal activity or tsunami.

## Modified vehicle

There's no cover under this policy if the **motorcycle** has been **modified**, unless details of all the **modifications** have been given to **us** and **we** have agreed in writing to continue cover.

## Nuclear and war risks

**You're** not covered for **loss** or liability and any defence costs connected in any way with:

1. operations using the nuclear fission or fusion process, or handling of radioactive material. This includes, but is not limited to:
  - (a) the use of nuclear reactors such as atomic piles, particle accelerators or generators and similar devices, or
  - (b) the use, handling or transportation of radioactive material, or
  - (c) the use, handling or transportation of any weapon or explosive device employing nuclear fission or fusion, or
2. war, invasion, an act of a foreign enemy, hostilities or war-like operations (whether war is declared or not), civil war, mutiny, rebellion or revolution, or
3. civil commotion assuming the proportions of or amounting to an uprising, insurrection or military or usurped power.

## Terrorism

**You're** not covered for any **loss**, damage, death, injury, illness, liability, cost or expense directly or indirectly caused by, resulting from or in connection with:

1. an **act of terrorism**, regardless of any other cause or **event** contributing to the **loss**, damage, injury, illness, liability, cost or expense, or
2. any action taken to control, prevent, suppress or do anything else in relation to an **act of terrorism**.

## Tyre damage

**You're** not covered for:

1. damage to tyres caused by braking, or
2. punctures, cuts or bursts to **your** tyres.

However, this doesn't apply to punctures, cuts or bursts to **your** tyres that result from:

- (a) fire, or
- (b) collision or overturning, or
- (c) immersion in water, or
- (d) flood, or
- (e) malicious damage, or
- (f) theft or illegal conversion, or
- (g) earthquake, volcanic eruption, hydrothermal activity or tsunami.

## Unlicensed drivers

There's no cover under this policy if the driver of any **vehicle**:

1. does not comply with all the conditions of his or her driver licence, or
2. is not legally allowed to drive in New Zealand.

This doesn't apply if the driver of the **vehicle** stole or converted it, as long as **you** lay a complaint with the police.

## Use of the vehicle

**You're** not covered when the **vehicle** is being **used**:

1. to carry fare-paying passengers (except when car pooling or car sharing) or for hire, or
2. to carry, haul or tow any goods, plant, machinery or samples in connection with any trade or business other than farming, or
3. to practice for or take part in any race, rally, pace-making, reliability trial or speed test, or
4. on any racetrack.

## Unsafe or unroadworthy

**You're** not covered if the **vehicle** is being **used** in an unsafe or unroadworthy condition, and:

1. the condition of the **vehicle** contributed to **loss** or liability, and
2. the driver should have been aware of that condition and that the condition could result in damage to the **vehicle**.

## Wear, tear, depreciation and loss of use

**You're** not covered for:

1. depreciation, or
2. wear and tear or rust, or
3. loss of use.

## POLICY CONDITIONS

**Your** Motorcycle policy has some important conditions. This section explains what they are and what happens if **you** don't follow them. Please read it carefully and if **you** have any questions phone **us** on **0800 800 800**.

### If you don't comply with the policy...

**You** and anyone else covered under this policy, must comply with this policy. If any of the terms of this policy are breached, **we** have the sole discretion to decline any claim **you** make – either the whole claim or part of it.

## Your obligations

### True statements and answers

The **application** is the basis of this policy. All statements and answers that **you** give, or any other person gives on **your** behalf, must be honest and accurate when **you**:

1. apply for this insurance, and/or
2. let **us** know about any change in **your** circumstances, and/or
3. make a claim under this policy,

otherwise **we** can:

- (a) decline any claim **you** make under this policy – either the whole claim or part of it, and
- (b) declare that this policy or all the policies **you** have with **us** are unenforceable, from the date of the dishonest or fraudulent act.

### Changes in circumstances

**You** must let **us** know straight away if, after the start of this policy, there are any **modifications** to the **motorcycle**, or any material increase or change in the risk **we** cover.

At any time, **we** may change the terms of this policy in response to what **you** tell **us**.

Information is 'material' where we would have made different decisions about either accepting your insurance or setting the terms of the insurance, if we had known that information. Tell us if this information changes while we insure your motorcycle – as soon as you know that the change will happen.

If you're not sure if information is 'material', tell us anyway.

The 'risk we cover' refers to the actual property or liabilities we insure (known as physical risks), and you or other people covered by this policy (known as moral risks).

### Reasonable care

**You** must always take reasonable care to avoid circumstances that could result in a claim. **You** won't be covered if **you** are reckless or grossly irresponsible.

## Administering this policy

### Cancellation

By you...

**You** can cancel this policy at any time. If **you** do, **we'll** refund any premium due to **you** based on the **period of insurance you** haven't used.

**You** must pay **us** any outstanding payments due to **us**.

By us...

**We** can cancel this policy by writing to or emailing **you** at the last known address **we** have for **you**. The policy will be cancelled on the 30th day after the date of the notice. **We'll** refund any premium due to **you** based on the **period of insurance you** haven't used.

### Changing the terms

**We** can change this policy's terms (including the **excess**) by writing to or emailing **you** at the last known address **we** have for **you**. The change will take effect from 4pm on the 30th day after the date of the notice.

### If the motorcycle is uneconomic to repair

If the **motorcycle** is **uneconomic to repair** and **we've** paid **your** claim:

1. this policy is automatically cancelled, and
2. **we** won't give any refund of premium, and
3. the **motorcycle** will become **our** property.

*This means that you will need to make new insurance arrangements on any replacement motorcycle.*

## Joint insurance

If this policy covers more than one person, all persons are jointly covered.

*This means that if one person breaches the policy it affects everyone's ability to claim.*

## Other insurance

**You** must tell **us** if the **motorcycle** is or becomes covered by another insurance policy. If **you** can claim under that insurance, **we'll** only pay the amount of any **loss** that's above the limit payable by the other insurance. This does not apply to the 'Accidental death and permanent disablement' cover on page 9.

## Other parties with a financial interest

If **we** know of anyone who has a financial interest in the **motorcycle**, **we** can pay them part or all of any claim proceeds. This payment goes towards meeting **our** obligations under the policy. However, anyone recorded as having a financial interest under this policy isn't covered by it and has no right to make a claim.

**We're** also authorised by **you** to disclose personal information about **you** to anyone who holds a financial interest in the **motorcycle**.

*For example, if you borrowed money from the bank or finance company to buy the motorcycle, then the bank or finance company has a financial interest in the motorcycle until you have repaid the full loan amount.*

## DEFINITIONS

---

Here are the special meanings of the words shown in bold in this policy. The definitions apply to the plural and any other versions of the words.

*For example, the definition of 'accident' also applies to 'accidental', 'accidentally' and 'accidents'.*

### accessory

a part of the **motorcycle** not directly related to its function as a vehicle, including any:

- accessories that were sold as part of the **motorcycle** when new, and
- other accessories that **we** have agreed in writing to cover.

### accident

unexpected and unintended by **you** and anyone **using** the **motorcycle** or any **vehicle**.

### act of terrorism

an act by any person or group(s) that includes (but isn't limited to) the use of force or violence and/or the threat of force or violence, whether they are acting alone or on behalf of or in connection with any organisation(s) or government(s). By its nature or context, this act 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 make the public, or any section of the public, afraid.

### application

the information **you** provided to **us** when **you** applied for and bought this insurance.

### bodily injury

the **accidental** death of, or **accidental** bodily injury to, any person, including sickness, disease, disability, shock, fright, mental anguish and mental injury.

### computer virus

a set of corrupting, harmful or otherwise unauthorised instructions or code, including a set of maliciously introduced unauthorised instructions or codes, whether programmatic or not, that propagate themselves through a computer system or network. This includes (but isn't limited to) Trojan horses, worms and time or logic bombs.

### electronic data

facts, concepts and information converted to a form usable for interpreting or processing communications by electronic and electromechanical data processing or electronically controlled equipment. It includes programs, software and other coded instructions for processing and manipulating data or directing and manipulating such equipment.

### event

any one event or series of events arising from one source or original cause.

### EXCESS

this is the amount of the claim that **you** must pay. The amount of the excess is shown in either the **schedule** or this policy wording.

## family

any member of **your** family who permanently resides with **you**.

## injury

a bodily injury caused solely and directly by violent, accidental, external and visible means.

## loss

physical loss or physical damage.

## market value

the reasonable cost to buy, immediately before the **loss** and on the retail market, a vehicle of comparable:

- year,
- make, model and specification (including fitted equipment covered by this policy),
- mileage,
- general condition,

as the **motorcycle** that was damaged, including the value of any fitted equipment under this policy.

## modification

any change to the **motorcycle**, that is different to the manufacturer's original specification or recommendations.

*Examples include:*

- *changes to the engine, steering, performance, suspension, chassis, or*
- *body kits, paintwork, interior modifications, or*
- *tyres or wheels of the motorcycle.*

## motorcycle

the **vehicle** described in the **schedule**, including any:

- standard tool supplied by the **vehicle's** manufacturer or a similar substitute tool, and
- **accessory** or spare part while it is in or on the **vehicle**, and
- **accessory** that has been temporarily removed from the **vehicle** for security purposes, or cleaning or servicing.

## partner

**your** husband or wife or person who **you** are living with in the nature of a marriage.

## period of insurance

the 'Period of insurance' shown in the **schedule**.

## reparation

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.

## schedule

the latest version of **your** 'Policy Schedule' that **we** issued to **you** for this policy.

## sum insured

the 'Sum insured' shown in the **schedule**.

## uneconomic to repair

a total **loss** because the **motorcycle** is:

- uneconomic or unsafe to repair in **our** opinion, or
- stolen and not recovered.

## use

includes riding, parking, garaging or storing of the **motorcycle**.

## vehicle

- the **motorcycle** when it is **used** by **you** or anyone else with **your** permission, and
- any other motorcycle that **you** don't own, that is **used** by **you**, as long as **you** have the owner's permission to **use** it and **your** liability is not covered by any other insurance.

## we

NZI, a business division of IAG New Zealand Limited.

## you

the person(s) or entity shown as the 'Insured' in the **schedule**.

## FREQUENTLY ASKED QUESTIONS

---

You'll probably have a few questions to ask us once you have read your policy. We've added a few frequently asked questions that may help you. Note this section is designed to assist you with possible questions and does not form part of the policy document. If you can't find your question here, or you want more information, just ring us on **0800 800 800**, we'll be happy to help.

### What are assessors, and what do they do?

They help us get the information we need about your claim.

*For example:*

*We may ask an assessor to view the damage to your motorcycle. The assessor will provide us with a report on the extent of the damage, if repairs are possible and estimate the overall cost of the claim.*

### Why does NZI want to know things that I think are private?

We need certain information to decide whether we'll accept your application for insurance. We also use the information to set your premium and excess.

We treat all the information you give us in accordance with the Privacy Act 1993. You can read more about this in 'Keeping us informed' on page 4.

### What happens if I don't give you all the information you ask for?

If we accept your application and the information you've given us is inaccurate or incomplete, your policy may not be valid. You can read more about this in 'Keeping us informed' on page 4.

### Will my premium increase if I make a claim?

Your premium won't always increase when you make a claim. However, every claim is different, so we will give you more information on this when you ring us.

### Now I have insurance, I'm covered for every event – right?

While you're covered for many of life's unexpected events, we don't cover everything. You can find out what your policy doesn't cover in 'Exclusions that apply to the whole policy' on page 13 and 'What your policy covers' on page 8. You must also comply with the 'Policy conditions' on page 15.

### I have friends visiting me for a few weeks. Will they be covered if they ride my motorcycle?

Please ring us first to make sure that your friends will be covered. We must be given the opportunity to ask certain questions. This will help us decide if we are prepared to cover the motorcycle while they are riding it.

### Do I have to pay an excess for every claim?

You'll pay an excess for most claims.

We'll do our best to recover your excess from any other person responsible for your loss, but sometimes we are unsuccessful, or the circumstances don't allow us to recover any money.



Underwritten by **N4**

Form no: LAN0024/2 12/15  
Wording no. VCYLPL1  
Issued: December 2015

**NZI Echelon Motor Vehicle insurance policy**

Lantern Insurance is a specialist for NZI. Lantern and NZI are business divisions of IAG New Zealand Limited.

Copyright (2015) IAG New Zealand Limited

[www.lanterninsurance.co.nz](http://www.lanterninsurance.co.nz)