

Backpackers Motor Insurance Policy

This Policy contains the following limitations:

1. the person using the vehicle must act at all times in accordance with the law as it relates to the ownership and use of the vehicle; and
2. the person using the vehicle must have and act at all times in accordance with the terms of a valid driver's licence.

Any claim may be declined if these limitations are not observed.

General information

Our agreement

In return for You paying the premium to Us or Our appointed agent, We will provide the Insurance cover described in this Policy for the period stated in the Certificate of Insurance on the terms and conditions set out in this Policy and/or the Certificate of Insurance, while the Vehicle is in use by You or another driver with Your permission having, and complying with, the terms of a valid driver's licence and acting at all times in accordance with the law as it relates to the ownership and use of the Vehicle.

The proposal

The proposal that You have completed, along with all other statements made by You or anyone acting on Your behalf are the basis of this contract and shall be considered as incorporated into it. In all cases We treat information provided to Us in support of Your application for this insurance as provided by You. You must tell Us about any facts that might affect Our decision to accept Your proposal or that might affect the premium charged or the amount of any Excess that We might apply. After the Policy is issued, You must also notify Us in writing as soon as possible of every change to the facts or circumstances as they existed when You entered into this Policy.

The policy

The terms and conditions of this Policy and the Certificate of Insurance together form Your Backpackers Motor Insurance Policy. The Policy, Certificate of Insurance and variations to cover (if any) are to be read together and any word or expression in bold type will always have the same meaning whenever it appears.

Definitions

When any of these words appear in bold type in this document this is what they mean:

'You', 'Your' or 'the Insured' means:

The person(s), company, firm or other entity named in the Certificate of Insurance. If more than one, this Policy jointly insures all those named.

'We', 'Us' or 'Our' means:

QBE Insurance (Australia) Limited.

'Accidental Damage', 'Accident' or 'Damage' means:

The sudden physical loss or damage caused by the Vehicle that is unintended and unexpected by You. Accident and Damage shall be interpreted in the same way.

'Certificate of Insurance' means:

The certificate You received from Us setting out the Vehicle/s You have insured, a description how they are used by You, as well as the important details of Your cover and Your policy number.

'Excess' means:

The Policy Excesses as set out in the Certificate of Insurance, and which apply at all times. This is the amount for which You are not insured.

'Market Value' means:

The price for which You could purchase the same or comparable vehicle having regard for its pre-loss age and condition.

'Vehicle' means:

The motor vehicle (being legally compliant) specified in the Certificate of Insurance and as described in the insurance application or proposal. If You change Your Vehicle during the time You are covered by this Policy, the Policy will automatically apply to Your new vehicle. You may be required to provide proof of purchase in the event of a claim. Your Vehicle must only be used for private, social, domestic or pleasure use.

What we cover

Option 1: Legal Liability

You are insured for amounts You legally have to pay as compensation including the costs of defending any civil proceedings and any costs awarded against You as a result of:

- (a) Accidental Damage to property in New Zealand that does not belong to You and for which You are not responsible; or
- (b) physical injury or death of anyone other than You, Your family members or employees, because of an Accident arising out of the use of Your Vehicle.

Option 2: Legal Liability, Fire and Theft

This option covers You for legal liability plus Accidental Damage to Your Vehicle arising out of fire, theft or illegal conversion.

We can settle Your claim in any of the following ways:

- repairing, reinstating or replacing Your Vehicle (or its parts) to at least the condition it was in before the loss or damage; or
- paying You the Market Value of Your Vehicle; or
- paying You an amount that covers the reasonable cost of repairs to Your Vehicle.

The amount payable shall be limited to NZD 3,000 maximum.

Note: There is no cover:

- (a) in respect of theft or illegal conversion of Your Vehicle while it is left unattended, unless it is in a securely locked building or it has been fully locked and secured and the keys have been removed;
- (b) for the theft of wheels, stereos or any other accessories or parts unless the Vehicle has been stolen or illegally converted;
- (c) for loss of use or any consequential loss.

Limit of Liability NZD 1,000,000

Our legal liability shall be limited to NZD 1,000,000 in respect of all claims arising out of any one Accident or series of Accidents arising out of any one event.

What we don't cover

1. Your Excess.
2. Any claim occurring while Your Vehicle is being used in an unsafe or unroadworthy condition unless You could not have reasonably known about this condition.
3. The results of deliberate or criminal action of any Insured under this Policy.
4. Liability that You have accepted or assumed in a contract without Our written authority, unless that liability would have existed anyway.

5. Accidental Damage that occurs or liability that arises outside New Zealand.
6. Your Vehicle whilst being used for or being tested in preparation for any form of motor sport, including racing, pacemaking, reliability trial, speed test or hill climbing test.
7. Accidental Damage that is recoverable under the Accident Insurance Act 1998 or any amendments to or Acts in substitution of it.
8. Alcohol or Drugs.

There is no cover if an Accident happens while the Vehicle is being used by anyone who:

- (a) is under the influence of, or in any way affected by, intoxicating liquor or a drug;
 - (b) has a proportion of alcohol in their blood or breath that is higher than is allowed under the Land Transport Act 1998;
 - (c) subsequently refuses to supply any sample or undergo any test when requested to do so by a person who is authorised under the Land Transport Act 1998;
 - (d) does not stop following the Accident as required by the Land Transport Act 1998 or fails to comply with any other requirements of the Act in connection with the Accident;
 - (e) is issued with a certificate of conviction under section 58 of the Land Transport Act 1998 for an offence which was committed at the time of the Accident or following it. If the driver dies from injuries received in an Accident the proportion of alcohol in any blood sample taken from the body of the deceased person will be assumed to be the same proportion that was in their blood at the time of the Accident.
9. Loss, damage, destruction, death, injury, illness, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss:

- 9.1 war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation or nationalisation or requisition or destruction of damage to property by or under the order of any government or public or local authority;
- 9.2 any Act of Terrorism. For the purpose of this exclusion an 'Act of Terrorism' means an act, including but not limited to the use of force or violence and/or threat, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s) which from its nature or context 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 put the public, or any section of the public, in fear.
- 9.3 (a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
(b) the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.

Also, We do not cover loss, damage, destruction, death, injury, illness, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 9.1, 9.2 and 9.3 above.

General conditions

Statements and fraudulent claims

All statements made in support of any claim must be complete and correct. If You make any fraudulent or exaggerated claim, or any incorrect declaration or statement in support of any claim, or if any Damage is caused wilfully by any Insured, You will lose all benefits under this Policy.

Breach of policy

If any person breaches a policy condition, the Policy will become invalid for every Insured named on it. Any other person covered by this Policy must observe the terms of it.

Statutory compliance

You and anyone else using Your Vehicle shall comply with all statutory requirements (laws, by-laws and regulations) pertaining to the ownership, occupation and use of Your Vehicle.

Legal representation

At Our option, We may at Our own cost, represent You or any person entitled to cover under this Policy at any inquest or other official inquiry or any criminal proceeding arising out of any event that may be covered under this Policy, provided that We shall not be obliged to do so.

Transfer of policy

This Policy cannot be transferred.

Goods and services tax (GST)

The sum insured and all other limits, sub-limits and excesses are GST inclusive.

Insurer financial strength

QBE Insurance (Australia) Ltd has been given an 'A+' Insurer Financial Strength Rating by Standard & Poor's (Australia) Pty Ltd. The rating scale is:

AAA (Extremely Strong)	BBB (Good)	CCC (Very Weak)
AA (Very Strong)	BB (Marginal)	CC (Extremely Weak)
A (Strong)	B (Weak)	R (Regulatory Action)

Plus (+) or Minus (-): The ratings from 'AA' to 'CCC' may be modified by the addition of a plus or minus sign to show relative standing within major rating categories.

Credit ratings issued by Standard & Poor's Ratings Services are solely statements of opinion and not statements of fact or recommendations to purchase or discontinue any policy or contract or to buy, hold or sell any security issued by QBE Insurance (Australia) Limited or make any other investment decisions. Credit ratings may be changed, withdrawn or suspended at any time. Latest ratings can be found at www.standardandpoors.com.

QBE Insurance (Australia) Limited also holds an "A+" rating from A M Best. Details, including links to rating scales, can be found at www.qbe.co.nz.

QBE Insurance (Australia) Limited ('QBE') has a policy of holding actual capital in excess of regulatory capital requirements. In the event that QBE is wound up, the claims of New Zealand policyholders will be paid out of the assets of QBE in New Zealand, and possibly other countries, except for Australia. Australian Law requires that on a winding up of QBE the assets of the company in Australia are to be used to pay its liabilities in Australia before paying liabilities outside Australia.