

Backpackers Motor Insurance Policy

Your duty of disclosure

When You apply for insurance You have a legal duty of disclosure. This means You must disclose all information You know or could reasonably be expected to know would influence the judgement of a prudent insurance underwriter whether to accept the risk of insurance; and, if accepted, on what terms and at what cost.

Information You will need to disclose includes:

- circumstances which could increase the risk of an insurance claim;
- any criminal offences or convictions;
- any cancellation, refusal to renew insurance or imposing of special terms by another insurer;
- insurance claims You have made in the past.

Information You do not need to disclose includes:

- circumstances which would diminish the risk of an insurance claim;
- anything that We know or would be expected to know in the ordinary course of our business;
- anything that We advise you do not need to disclose.

If in doubt, You should disclose.

Non-disclosure

If You fail to comply with Your duty of disclosure, Your Policy can be rendered void from the beginning.

Introduction

The Certificate of Insurance, Policy and endorsements (if any) are to be read together and any word or expression to which a specific meaning has been given shall bear such meaning wherever it may appear unless otherwise specifically stated. Marginal notes or headings do not form part of this Policy but are used solely for identification purposes.

This Policy sets out the definitions, terms, exclusions and conditions of insurance provided by QBE and the operative sections of this Policy are shown in the Certificate of Insurance.

We ask You to read the Certificate of Insurance, Policy and any endorsements carefully so that You are aware of the terms and conditions and if these are not completely in accordance with Your intentions to contact the appointed agent, the broker or Us.

Please bear in mind that no insurance policy covers everything and in those Policy sections operative, the coverage provided is subject to the definitions, terms, exclusions and conditions of the Policy.

Definitions

In this Policy, unless specifically stated to the contrary:

'Accident' means:

An event resulting in loss, damage or liability neither expected nor intended from the standpoint of the Insured caused by or through or in connection with the Vehicle and occurring in New Zealand.

'Certificate of Insurance' means:

The Proposal & Certificate of Insurance that You completed and received from Us setting out the Vehicle You have insured, a description of how the Vehicle is used by You and important details of Your insurance, including Your policy number.

'Damages' means:

Any amounts which are payable by You as compensation including interest (excluding punitive and exemplary damages), legal costs, disbursements, witness costs, assessors or loss adjusters costs or experts costs.

'Excess' means:

The amounts as stated in the Certificate of Insurance as being payable by You on each and every claim. You are not insured for these amounts.

'Market Value' means:

The amount for which You could purchase the same or a comparable Vehicle having regard to its pre-Accident age and condition.

'Period of Insurance' means:

The Period of Insurance specified in the Certificate of Insurance issued with this Policy wording.

'Policy' means:

The Policy wording, the Certificate of Insurance and any endorsements issued.

'Vehicle' means:

Any mechanically propelled vehicle as specified in the Certificate of Insurance, designed for use on land and its accessories, tools and spare parts while they are in or on the Vehicle.

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

QBE Insurance (Australia) Ltd.

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

The person(s) or entity named in the Certificate of Insurance as the 'Insured'.

Insuring agreement

In consideration of the payment of the agreed premium to Us or our appointed agent and in reliance on the information provided to Us, which will be deemed to be incorporated into and to be the basis of this Policy, We will indemnify You subject to the terms of this Policy for:

Option 1: Third Party Liability

All sums which You become legally liable to pay as Damages in respect of:

- (a) damage to property, other than property belonging to You or in Your physical or legal custody or control or being conveyed into or unloaded from Your Vehicle, or
- (b) bodily injury (which expression includes death, illness and care resulting therefrom, disability, shock, fright, mental anguish or mental injury) to any person other than to You or Your family members,

arising from an Accident occurring during the Period of Insurance and for which a claim for indemnity has been accepted.

Limit of Indemnity NZD 1,000,000

Our maximum liability inclusive of legal costs and other expenses in respect of any one claim or series of claims for Third Party Liability arising out of one Accident will not exceed NZD 1,000,000.

Option 2: Third Party Liability, Fire and Theft

In addition to the indemnity under Option 1, loss or damage to Your Vehicle arising out of fire, theft, attempted theft or illegal conversion arising from an Accident occurring during the Period of Insurance and for which a claim for indemnity has been accepted.

Basis of Settlement

We may at Our option repair, reinstate or replace the Vehicle, or pay You an amount that covers the reasonable cost of repairs to Your Vehicle, or pay You the reasonable Market Value of the Vehicle at the time of such loss or damage.

Limit of Indemnity

The amount that We will pay is limited to a maximum of NZD 3,500.

NOTE: We will not provide indemnity for:

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

General exclusions

This Policy does not insure loss, damage or any third party liability while Your Vehicle is:

Alcohol & drugs - being driven or operated by any person who is

- (a) under the influence of an intoxicating substance or a drug; or

- (b) has a proportion of alcohol in the blood or in the breath, as ascertained by an evidential breath test, which exceeds the legal limit prescribed by law. Note that this exclusion will apply notwithstanding that the driver may have died as a consequence of an Accident whilst driving Your Vehicle; or
- (c) fails to supply a blood or breath sample as required by the law; or
- (d) fails to stop, or remain at the scene, following an Accident as prescribed by law.

Drivers Licence - being driven or operated by any person who is not the holder of a licence for the appropriate class and use applicable to the operation of Your Vehicle, or who breaches any conditions of their licence, or

Racing - being used for racing, pace-making, reliability, trial or speed tests or driven on any race track and or being tested in preparation for any of these activities; or

Unsafe Condition - being driven in an unsafe condition where the unsafe condition causes or contributes to the Accident; and You or the driver was aware, or by the exercise of reasonable diligence ought to have been aware, of the unsafe condition.

Further, We will not indemnify You for:

Contractual Liability - liability which attaches to You by virtue of an agreement or contract You have undertaken without Our written consent, unless such liability would have attached in the absence of such agreement or contract.

Asbestos, Nuclear, War and Terrorism - loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other contributing cause or event:

- asbestos, or any materials containing asbestos in whatever form or quantity; or
- ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or
- the radioactive toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component thereof, or
- war, invasion, acts of foreign enemies, hostilities, war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, or confiscation or nationalisation or requisition or destruction or damage to property by or under the order of any government or public or local authority; or
- 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 or threat of force or violence by 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 committed
- 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.

Also, this Policy does not apply to any loss, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, resulting from or in connection with, any action taken in controlling, preventing, suppressing or in any way relating to the above.

Sanctions - any claim where claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, New Zealand, the European Union, United Kingdom or United States of America or any local autonomous sanctions.

General conditions

Cancellation

This Policy is not renewable and there is no refund of any premium if You cancel this Policy before the expiry date on the Certificate of Insurance.

Changes in the Policy

No change in this Policy will be valid unless agreed in writing by Us nor will any of the requirements of this Policy be deemed to be waived unless We agree in writing.

Claim duties

If anything occurs which could give rise to a claim under this Policy, You must:

- (a) notify Us on the Claims Helpline 0800 77 47 47 Option 2 as soon as practicable;
- (b) promptly take all reasonable steps to prevent further loss or damage;
- (c) inform the Police as soon as possible if the Insured Vehicle is stolen or if theft is suspected;

assist in all measures which We consider necessary to minimise the loss and to investigate, settle or defend the claim.

Fraud

If any claim under this Policy is in any respect fraudulent or if any fraudulent means or devices are used to obtain any benefit under this Policy, or if any loss, destruction or damage be occasioned by Your wilful act or connivance, all benefit under this Policy will be forfeited.

Goods and Services Tax

The Limits of Indemnity under this Policy are exclusive of GST. In the event of a claim We will pay the amount of such claim, subject to a maximum of the Limit of Indemnity, plus GST at the current rate.

Material Facts

The truth of any statements and answers in any claim form or the proposal for the purpose of obtaining this insurance given to Us by You will be a condition precedent to Our liability to make payment under this Policy.

Other Insurance

If at the time of any claim made under this Policy, there is any other valid and collectable insurance covering all or part of the same claim, this Policy will apply only to the amount of any loss in excess of that recoverable under the other insurance.

Policy Disputes

All disputes arising out of or under this Policy will be subject to determination by any court within New Zealand.

Reasonable Precautions

You will take all reasonable precautions to avoid or minimise loss, damage or liability and maintain Your Vehicle in a safe and sound condition.

Subrogation

In the event of a payment under this Policy to or on behalf of the Insured, We will be subrogated to and receive assignment of all Your rights of recovery against any other parties and You will execute and deliver any and all appropriate papers and do all that is necessary to assist Us in the exercise of such rights including prosecuting proceedings in Your name at Our expense.

Insurer financial strength ratings

QBE Insurance (Australia) Limited (New Zealand Branch); ABN 78 003 191 035, Incorporated in Australia, has been given an A+ Insurer Financial Strength Rating by Standard & Poor's (Australia) Pty Ltd.

The rating scale is:

AAA (extremely strong)	AA (very strong)	A (strong)
BBB (good)	BB (marginal)	B (weak)
CCC (very weak)	CC (extremely weak)	D (default)
SD (selective default)	NR (not rated)	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 the 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.

An overseas policyholder preference applies to QBE Insurance (Australia) Limited ('QBE'). This means that in the event that QBE is wound up, Australian law requires that its assets in Australia are applied to satisfy its Australian liabilities, before those assets can be applied to satisfy overseas liabilities, which would include claims by policyholders in New Zealand. However, QBE is required to hold capital which meets minimum regulatory capital requirements.