



MOTORCYCLE INSURANCE

# POLICY

DOCUMENT

**Star Insurance**



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**Whereas** the Insured named in the Schedule has made to Star Underwriting Agents Ltd T/A Star Insurance ("the Agent") on behalf of Lumley General Insurance (NZ) Ltd. ("the Company") a written submission and or proposal, then such submission and or proposal will be the basis of this contract. In consideration of the Insured having paid the Company the agreed premium the Company will provide the insurance in this Policy in respect of events happening during the Period of Insurance, stated in the Schedule.

### DEFINITIONS

**Accident:** Means an unforeseen and unintended happening or event occurring anywhere within New Zealand. Accidental refers to "Accident" as defined above.

**Ridden:** Includes the Insured Motorcycle or any component being used or operated, and reference to the rider will be deemed to include the user or operator of any component, whether or not the rider.

**Insured:** Means the Insured named in the Schedule and any rider authorised by the Insured named in the Schedule to drive the Insured Motorcycle at the time and place of Loss or liability. Where there is more than one Insured named in the Schedule this Policy insures them jointly.

**Insured Motorcycle:** Means any motorcycle, sidecar or trailer specified in the Schedule including all accessories, spare parts and load securing equipment in or on the motorcycle, but excluding any item of electrical or communication equipment not permanently affixed to the motorcycle and wired into the motorcycle's electrical system.

**Loss:** Means sudden physical loss, damage to or destruction of an Insured Motorcycle caused by an Accident.

**Market Value:** Means the price for which the Insured or the owner of the Insured Motorcycle, could purchase the same or comparable motorcycle, having regard for its pre-loss age and condition.

**Schedule:** Means the most current Schedule and endorsements issued to the Insured.

**Scope of Cover:** As specified in the Schedule:

**"Comprehensive":** All Sections apply; or

**"Third Party, Fire & Theft":** Only sections 1 and 2 apply, however in respect of Section 1 the cover is restricted to Loss caused directly by fire; lightning; explosion; theft and Loss covered by the Uninsured Third Party Protection extension. Limit \$15,000 sum insured; or

**"Third Party Liability only":** Only Section 2 and the Uninsured Third Party Protection extension under Section 1 apply; or

**"Fire, Theft, Collision and Overturning of the conveying vehicle":** Only Section 1 applies. Limit \$15,000 applies – third party section of the policy does not apply

# > SECTION 1

## COVER FOR THE INSURED MOTORCYCLE

This Section indemnifies the Insured for Loss by either:

- a: paying for cost of repair; or
- b: paying the amount equal to the reasonable cost of repair; or
- c: replacing the Insured Motorcycle; or
- d: paying any amount equal to the Insured Motorcycle's Market Value at the time of Loss.

The Company will decide whether (a) (b) (c) or (d) will apply. The Company's total liability will not exceed the Market Value at the time of Loss or the sum insured for the Insured Motorcycle as shown in the Schedule, whichever is the lesser. The Company will not be liable for that portion of any repair or replacement which improves the condition of the Insured Motorcycle beyond its condition before the Loss.

If any part of the Insured Motorcycle is no longer manufactured the Company will not be liable for more than the supplier's or manufacturer's last list price.

### EXCEPTIONS TO SECTION 1

This section does not cover:

- i Loss of use or consequential losses of any kind;
- ii Depreciation or loss of value;
- iii Wear and tear, rust, corrosion, deterioration;
- iv Mechanical, electrical or electronic breakdown, failure or breakages;
- v Loss to any part or component of the engine, hydraulic or transmission systems resulting from Exceptions iii. and iv. above (e.g. incorrect gear change other than a genuine attempt to prevent collision or impact, servicing or error in lubricant). However resultant damage to any other part or component of the Insured Motorcycle is not excluded by this exception;
- vi Loss to tyres by application of brakes or by punctures, cuts, splits or bursts unless caused at the same time as other Loss for which a claim is payable;
- vii Loss arising from theft or conversion by a prospective purchaser;
- viii Loss arising from failure of, or defect or fault in the design or specification;
- ix Repair or replacement of any part, spare parts or accessory by theft, burglary or larceny unless the Insured Motorcycle as a whole is taken at the same time;
- x The Deductible in the Schedule for each and every claim. Where more than one Insured Motorcycle is involved in the same Accident, only one Deductible will apply.

# > SECTION 2

## LIABILITY TO THE PUBLIC

This Section covers the Insured against liability at law, including legal expense in defending any claim, to indemnify third parties for their loss or injury in the event of Accident, caused by, or in connection with, any Insured Motorcycle, including while it is being loaded or unloaded.

The Company's total liability will not exceed \$2,000,000 (inclusive of costs and expenses in respect of any one claim or claims arising from any one Accident).

If the Company's total liability is insufficient to cover both the Insured named in the Schedule and any other person entitled to cover under this Policy it shall apply in priority to the Insured named in the Schedule.

### EXCEPTIONS TO SECTION 2

This Section does not cover:

- i Liability in connection with the bringing of a load to the Insured Motorcycle or taking away the load from it;
- ii Liability for any property (including any road) arising from vibration caused by the Insured Motorcycle or from the weight of the load carried by the Insured Motorcycle, or from the weight of the Insured Motorcycle, or from the combined weight of the load and the Insured Motorcycle;
- iii Liability directly or indirectly caused while any component on the Insured Motorcycle is being used or operated for the purpose for which it has been designed (eg. The operation of a crane or back hoe);
- iv Liability in respect of property which belongs to, or is in the care, custody or control of any Insured, other than:
  - (a) buildings leased or rented by the Insured;
  - (b) a motorcycle (not being the property of the Insured or insured under Section 1 of the Policy) which is being towed by an Insured Motorcycle, other than a motorcycle which is towed or recovered for reward where the Insured's business includes a motorcycle recovery service;
  - (c) personal baggage and wearing apparel of any passenger, however this provision does not apply to the Insured's liability as a bailee;
- v liability to any person, who at the time of the accident, was in charge of the Insured Motorcycle;
- vi liability arising as a result of a judgement or order of any court outside New Zealand, or for any debt based on such judgement or order;
- vii the Deductible in the Schedule for each and every claim

# > SECTION 3

## GENERAL EXCEPTIONS

This policy does not cover any Loss or liability;

1. While any Insured Motorcycle is:

- a: being used for any professional or business use unless notified and accepted by the Company, or any racing, pacemaking, reliability trial, hill climbing or speed tests, motor cross, trail riding or off road recreational activity, or being ridden in preparation for any one of these activities;
- b: being ridden in an unsafe condition. For the purposes of this exception unsafe condition includes any condition which is contrary to any recommendation by the manufacturer of the Insured Motorcycle or legal requirement;
- c: being ridden by any person who is not the holder of a licence for the appropriate class and use applicable to the operation of the Insured Motorcycle or its components, or who is breaching any condition of their licence. This exception will not

apply if the rider had held, and is not disqualified from holding or obtaining, and actually obtains a licence, nor if the Insured Motorcycle is being used for the purpose of teaching a learner to drive if all requirements of the law are being complied with;

d: being ridden by any person, who:

- i is under the influence of any intoxicating substance or drug; or
- ii has a proportion of alcohol in the blood which exceeds the legal limit. This exception will apply notwithstanding the rider may have died as a result of the Accident; or
- iii has a proportion of alcohol in the breath which exceeds the legal limit; or
- iv fails to supply a blood or breath sample as required by law; or
- v fails to stop, or remain at the scene, following an Accident as required by law.

A certificate of conviction of the rider, may be used by the Company as sufficient evidence for these exceptions to apply where the offence was committed at the time of or following the Accident;

A certificate of analysis of the rider's blood or a reading from an evidential breath testing device of the rider's breath may be used by the Company as sufficient evidence of the rider's minimum blood or breath alcohol level at the time of the Accident;

- e: loaded or operated in excess of the manufacturer's recommended specifications, or loaded contrary to regulations or statute, or operated for its specialised purpose and not as a vehicle contrary to regulations or statute;

Exceptions 1(a) – 1(e) will not apply in respect of Loss which results from theft or conversion;

2. incurred by the Insured by virtue of an agreement and which would not have attached in the absence of such agreement;
3. which is recoverable from the Accident Rehabilitation and Compensation Insurance Act;
4. which is directly or indirectly caused by:-
  - a: war, invasion, act of foreign enemy, war-like operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power;
  - b: confiscation, nationalisation or destruction or damage to property by order of government, public or local authority;
  - c: nuclear weapons material;
  - d: ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel. Solely for the purpose of this exception 4(d) combustion will include any self-sustaining process of nuclear fission;
5. deliberately brought about by any Insured under this Policy;
6. while any Insured Motorcycle is being used for the purpose or in furtherance of any criminal activity;
7. for any exemplary damages.

## > SECTION 4

### AUTOMATIC POLICY EXTENSIONS

#### ADDITIONS AND DELETIONS

All Insured Motorcycles disposed of during the currency of this Policy will be treated as deleted from the date of their disposal and any motorcycle acquired by the Insured will be covered by this Policy from the date of its acquisition, provided all acquisitions are advised to the Company within thirty days from their date of acquisition and in respect of those motorcycles over \$40,000 immediate notice must be given to the Company. The premium for all additions and deletions will be adjusted on the Company's current premium rates. For declaration purposes, the value for each additional Insured Motorcycle will be its purchase price and in respect of deletions the value declared on the most current Schedule at the time of deletion.

#### CLEANING UP COSTS

Section 2 of this Policy is extended to cover the reasonable costs incurred in the removal of debris from any road, carriageway or parking area; the costs of recovery, reloading or trans-shipping to the nearest place of safe storage, any property carried by the Insured Motorcycle as a load, provided the Company's total liability will not exceed \$2000 in respect of any one Accident. This Extension does not cover any fine or penalty.

#### COMPLETION OF JOURNEY COSTS

If loss occurs more than 100 kms from the city or town from which the insured resides and as a result the insureds journey cannot be continued, this extension covers the reasonable costs incurred in

- a: Returning the insured to where the journey first commenced and
- b: Returning the insured vehicle to the premises where it is normally based following its repair, or recovery costs in the event of theft or conversion.

The Company's total liability will not exceed \$500 in respect of any one accident, nor \$2000 in the aggregate for all accidents in any one period of insurance. This extension applies to New Zealand only.

#### EXEMPLARY DAMAGES

In the event of an Accident giving rise to a claim payable under Section 1 of this Policy, Section 2 is extended to cover the legal liability of the Insured for exemplary damages in respect of death or bodily injury awarded by a New Zealand court, provided that;

1. The Company's total liability will not exceed \$250,000 any one claim and \$500,000 and in the aggregate for all claims during any one Period of Insurance.
2. Each and every claim will be subject to a special Deductible of 10% with a minimum of \$5000 and no other Deductible shall apply;
3. There is no indemnity under this extension:
  - a: If the claimant was involved in any way in driving, operating, directing or controlling the Insured Motorcycle at the time of the Accident;
  - b: Arising from any dishonest, fraudulent or malicious act or omission by the Insured or anyone acting on behalf of the Insured;
  - c: Arising from any claim first notified to an Insured but not notified to the Company within six months of that date.

### **MOVEMENT OF OTHER VEHICLES**

Notwithstanding Section 2 Exception iv, Section 2 is extended to cover liability arising out of the movement by the Insured of any vehicle which was parked in a position which prevented or impeded the loading, unloading or legitimate passage of the Insured Motorcycle.

### **NEW REPLACEMENT MOTORCYCLE**

If there is total or constructive total Loss occurring within 12 months of the Insured Motorcycle, being first registered as a new motorcycle, and where the Insured Motorcycle has traveled less than 20,000km and it's sum insured is its full purchase price, the Company will at its option under Section 1 either provide a new replacement motorcycle or reimburse the price for which a new replacement motorcycle of similar make and model could be purchased, whichever is the lesser and further provided such cost does not exceed \$1000 more than the sum insured.

### **OTHER INTERESTED PARTIES**

If there is any mortgagee, debenture holder, hire purchase company, conditional purchaser or other party with a financial interest in any Insured Motorcycle which have been notified to the Insurers, the proceeds of any claim will be payable to such interested parties in the order of their legal priorities and their receipt will be sufficient discharge and any balance payable to the Insured. The Insurers' total liability will be limited to such amount as would have been payable to the Insured in the absence of this Extension.

### **SALVAGE & SAFETY COSTS**

Section 1 is extended to cover reasonable costs incurred by the Insured in salvaging or recovering an Insured Motorcycle, including the costs of ensuring its safety and delivery to a place of suitable repair or inspection.

### **UNINSURED THIRD PARTY PROTECTION**

If the Third Party or their driver or rider, as the case may be, has no valid and collectable insurance, Section 1 is extended to cover the Insured's No Claim Bonus, Policy Deductible; or uninsured Loss, where;

1. the Third Party's driver was at fault in the Accident; and
2. the identity of the Third Party and the driver are established; and
3. the Insured is unable to make any recovery from the Third Party or the driver.

In respect of Third Party liability only cover, the Company's total liability will not exceed \$3,000 in respect of any one Accident.

## **> SECTION 5**

### **OPTIONAL POLICY EXTENSIONS**

If shown in the schedule and an additional premium has been paid.

### **RIDING APPAREL**

In the event of an Accident giving rise to a claim payable under Section 1 of this Policy, Section 1 is extended to cover the riding apparel of the rider and their pillion passenger (including helmets, gloves & boots) lost or damaged, up to a limit of \$2500 per person and \$5000 in total any one claim.

## **> SECTION 6**

### **CLAIMS CONDITIONS**

It is a precedent to the Company's liability that the following conditions must be complied with:-

1. If there is a claim under Section 1, the Insured and every person entitle to indemnity under this Policy must-
  - a: take prompt steps to minimise Loss and to prevent further Loss;
  - b:
    - i if the Insured Motorcycle can be ridden safely and without causing further loss, take it to any repairer or otherwise have it towed to the nearest suitable repairer or tow-yard; and
    - ii as soon as possible inform the nearest office of the Company and complete a claim form and deliver it to the Company;

**NOTE: NO REPAIRS SHOULD BE CARRIED OUT UNTIL THE COMPANY SURVEYOR/ASSESSOR HAS EXAMINED THE INSURED MOTORCYCLE AND APPROVED ANY REPAIR WORK, UNLESS THIS REQUIREMENT IS SPECIFICALLY WAIVED BY THE COMPANY, PRIOR TO THE COMMENCEMENT OF THE REPAIR;**

2. The Insured is responsible for the payment of the Deductible to the repairer;
3. If a claim is made for total Loss of the Insured Motorcycle by theft, the Company will not be required to settle the claim until the expiry of a period of 30 days from the date of reporting the Loss to the Company;
4. The Insured will notify the Police immediately in respect of Loss or liability as a result of theft, conversion, arson, malicious damage; death or bodily injury to any person;
5. If there is any payment by the Company in respect of the total Loss (or constructive total Loss) of any Insured Motorcycle, the cover granted by this insurance on such Insured Motorcycle ceases entirely from the date of such Loss and no premium will be refundable for the unexpired period of Insurance in respect of that Insured Motorcycle. The Insured Motorcycle then becomes the property of the Company;
6. If there is a claim, or possible claim, under Section 2, the Insured, and every person entitled to indemnity under this Policy:
  - a: must as soon as possible notify the nearest office of the Company to obtain and complete a claim form, if not already completed for a claim under Section 1, and deliver it to the Company; and
  - b: must not, without the written consent of the Company:-
    - i incur any expense in making good any loss to the property of others or incur any legal expense; or
    - ii make any statement or take action which may be considered to be an admission of liability; or
    - iii negotiate, pay, settle, admit or repudiate any claim made by another person, but must refer that person to the Company, which will be entitled to handle the claim on behalf of the Insured;
7. The Insured, or any other person, will as often as may be reasonably required submit to an examination under oath by any person named by the Company, and must cooperate with the Company and supply any information or documentation the Company may reasonably require;

8. If the Company covers the Insured for any loss or liability it shall be entitled to instigate, take over or defend any legal proceeding in the name of the Insured, including any claim or counterclaim, and shall have full discretion to conduct or settle such proceedings;
9. At any time after the happening of any event giving rise to a claim or series of claims under Section 2 of this Policy, the Company may pay to the Insured or agree to pay, as and when incurred by the Insured, the full amount of the Company's liability for a claim under Section 2 and relinquish the conduct of any claim, defence or proceedings. The Company will not be liable for any costs or expenses whatsoever incurred by the Insured or other person after the Company will have paid such amount and relinquished such conduct.

## > SECTION 7

### GENERAL CONDITIONS

#### ALTERATION

This Policy was arranged on the basis of the information supplied to the Company by or on behalf of the Insured. If any circumstance(s) change during the currency of the Policy, the Insured will notify the Company as soon as the Insured becomes aware of such change, for example:

- i Modifications made to the Insured Motorcycle (excluding conversion to LPG or CNG);
- ii change in the use of the Insured Motorcycle;
- iii change in the physical ability of any rider.

#### CANCELLATION

This Policy may be cancelled by the Insured at any time by notice in writing delivered to the Company. The Company will refund to the Insured 80% of the amount of any unexpired premium already paid on a pro rata basis. This Policy may also be cancelled by the Company, by letter to the Insured, or to the Insured's agent delivered personally, posted or facsimiled to the address last known to the Company. Cancellation will be effective from 4.00pm on the 30th day after delivery.

#### DILIGENCE

The Insured will take all reasonable steps to protect the Insured Motorcycle from Loss and will comply with all legal requirements as to safety, maintenance and operation of the Insured Motorcycle.

#### FRAUD

If any fraudulent means or devices are used by the Insured, or anyone acting on behalf of the Insured, when entering into this insurance or to obtain any benefit under this Policy, all benefits under this Policy are forfeited.

#### GOODS AND SERVICES TAX

The market Value in respect of any Insured Motorcycle is exclusive of GST. So for example, a claim for total Loss will be settled by the Company up to the maximum amount insured by this Policy plus GST. However in respect of any Deductible; Policy limit or sub-limit within any Policy Extension these shall include GST.

#### INSTALLMENT PREMIUMS

Where there is total or constructive total loss which is covered by this policy, the Company shall be entitled to deduct from any payment made to or on behalf of the insured or anyone entitled to indemnity under this policy, the difference between the annual premium and the amount of premium paid by installments.

#### OBSERVANCE

The due observance and fulfilment of the terms, provisions, conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the Insured, and the correctness of the statements and answers in the proposal or supporting statements, or in any claim form, or in any statement in support of a claim, will be conditions precedent to the Company's liability to make any payment under this policy.

#### ONE CONTRACT

This Policy, and any Schedule or endorsements will be read together as one contract.

#### OTHER INSURANCE

If at any time any claim arises under this policy there is any other existing insurance covering the Loss or liability, this Policy will only apply in excess of the other insurance, even if there is a similar Other Insurance condition in the other insurance policy.





WE'RE HERE TO

# HELP

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