

# New Zealand Motor Caravan Association Inc

Contents Insurance Policy

**Lumley** 

**COVI**  
INSURANCE 

Underwritten by Lumley, a business division of IAG New Zealand Limited, Lumley Centre, 88 Shortland Street, PO Box 2426, Auckland 1140, New Zealand  
Tel 09 308 1100 [www.lumley.co.nz](http://www.lumley.co.nz)

Rothbury Covi Limited, PO Box 62608, Greenlane, Auckland, New Zealand  
Tel 09 638 4740 **Freephone** 0800 805 965 **Email** [info@covi.co.nz](mailto:info@covi.co.nz)

## Introduction

In consideration of the **insured** agreeing to pay **Lumley** the premium stated in the **schedule**, **Lumley** will provide the **scope of cover** stated in the **schedule**.

## Definitions

The words below (and any derivatives of them) have the following meanings when they appear in bold:

**Accident:** a happening or **event** occurring in New Zealand that is unintended and unexpected by the **insured**.

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

**Certified Member:** certified Members are those Members of the New Zealand Motor Caravan Association (Incorporated) who have applied for and become Members of the Association and have paid their current Subscription to the Association.

**Contents:** anything normally in or around the **Motor Caravan** belonging to or hired by the **insured** or the **insured's** family or in the **insured's** custody or control that the **insured** is responsible for, not being otherwise insured, but excluding:

- (a) Motor Vehicles (unless for domestic use in the garden), trailers, caravans, aircraft or watercraft (other than watercraft designed for propulsion by oars or paddles) or the accessories or spare parts attached to any of them
- (b) Tools of trade or articles used for professional trade or business purposes for reward
- (c) Livestock and pets
- (d) Fixtures and fittings forming part of the **Motor Caravan**
- (e) Any item removed from the **Motor Caravan** for sale, storage or exhibition
- (f) Any item permanently removed from the **Motor Caravan**

**Event:** any one event or series of events arising from on source or original source.

**Insured:** the 'INSURED', named on the **schedule**, so long as they are a **certified member** of the NZMCA or have paid an additional non-member fee included in the insurance premium.

**Motor Caravan:** all Motor or Towed Caravans and Articulated Units (also known as 5<sup>th</sup> Wheelers) of every description, to be collectively described as a **Motor Caravan**, owned by the **insured**.

**Loss:** sudden physical **loss**, sudden physical damage or sudden physical destruction.

**Lumley:** **Lumley**, a business division of IAG New Zealand Limited.

**Present value:** the replacement cost less deduction for wear, tear and depreciation.

**Period of insurance:** the period of time stated in the **schedule**. If this policy is renewed, the period of time stated in the most recent Renewal Invitation.

**Schedule:** the most recent **Schedule** (and any policy endorsements) issued to the **insured**.

**Specified item:** any item that is listed in the **schedule** with a corresponding **specified sum insured**.

**Specified sum insured:** the amount shown in the **schedule** that corresponds with the **specified item**.

## Section 1: Cover For The Contents

### A. Cover

**Lumley** will indemnify the **insured** for **sudden, accidental loss** to Your contents during the **period of insurance**.

1 The most **Lumley** pay for any **event** is the Total Sum Insured shown on the **schedule**.

2 The most **Lumley** pay for any **event** for a **specified item** is the **specified item sum insured**.

### B. Basis of Settlement

3 **Lumley** will, at its option, settle the claim in one of the following ways:

If Your item of **contents** is damaged and is economic to repair, **Lumley** will:

- (a) Repair it as closely as possible to its condition before the **loss** occurred, or
- (b) Pay the **insured** the cost of doing so.

If Your item of contents is lost or is uneconomic to repair, **Lumley** will:

- (c) Pay the cost of replacing it as closely as possible with the equivalent new item, or
- (d) Pay You the cost of doing so.

For the following items the cost of replacement or repair is limited to their **present value**:

- (e) books
- (f) records, audio or video tapes
- (g) clothing or footwear
- (h) computer software
- (i) household linen
- (j) watercraft (designed for propulsion by oars or paddles) including spare parts, accessories and associated equipment.
- (k) Items which the **insured** has decided not to replace or repair.

### 4 **Item Limits:**

Unless specified in the **Schedule** we will not pay more than:

**\$3,000**

- (a) for any item of jewellery or watch (the limit applies unless we receive a valuation prior to the **loss** confirming its sum insured)
- (b) for any camera or item of photographic equipment
- (c) for any bicycle

(d) for each collection of any of the following: stamps, medals, coins, telephone cards or collector cards

**\$2,500** for any item of watercraft (designed for propulsion by oars or paddles) including spare parts, accessories and associated equipment.

**\$500** in total for money, gold or silver or precious metals, unset precious or semi precious stones, negotiable securities and documents of any kind.

**\$800** in total for deterioration of the **contents** of a refrigerator/freezer caused by accidental failure of the refrigerator/freezer unit or electricity/gas supply;

5 **Lumley** is not liable for the Deductible shown below for each **loss** to the **contents**.

**Deductibles** – Applicable to Section 1 of this policy (Unless a different excess is shown on the **Schedule**)

- Damage to the **contents** - \$250 Excess
- **Loss** or damage caused by fire, or if the whole **Motor Caravan** is stolen and not recovered – Nil Excess

### C. Exclusions

1 **Your are not insured for:**

This policy does not insure **loss** caused by or resulting from:

- (a) wear and tear, depreciation, rot, corrosion, rust, gradual deterioration, mildew, insects, vermin or any other gradually operating cause;
- (b) any process of cleaning or dyeing, repairs or renovations;
- (c) mechanical breakdown or failure, electrical breakdown or failure where actual burning out does not occur or electrical breakdown, failure or burning out of any lighting or heating elements, fuses or protective devices or electrical contacts at which arcing occurs in ordinary working;
- (d) error or omission in design, faulty or defective workmanship.

However, the exclusions listed above (Exclusions 1 a-d) apply only to the part or item which is directly affected. This insurance will cover **loss** to any other part or item not otherwise excluded.

Also not covered is any **loss** which arises from:

- (e) theft or deliberate damage (other than fire or explosion) by:
  - (i) Your guests, or
  - (ii) any other person normally living in the **Motor Caravan**.

*Please also refer to the General Exclusions.*

## D. Section 1 Automatic Extensions

These extensions apply automatically. They are otherwise subject to the terms of the policy.

### 1 Automatic Reinstatement Of Sum Insured:

We will not reduce the Sum Insured by the amount of any claim provided you carry out all reasonable recommendations we make to prevent further **loss**.

### 2 Credit Cards

We will pay for **loss** following unauthorised use (other than by a member of the family) of credit cards provided the **insured** has observed the conditions under which the card was issued and notifies the Police and issuing authorities within 24 hours of discovery. Any payment will be limited to a maximum of \$400 for any one credit card.

### 3 Death by Accident

In the **event** of fatal injury to the **insured** or the **insured's** spouse occurring at the specified situation as a result of fire or outward and visible violence by thieves we will pay \$5,000 to the legal representative of the deceased, but:

- (a) Death must occur within 3 months of such injury.
- (b) We will pay no more than \$5,000 in any one **period of insurance**.

## Section 2: Liability To The Public

### A. Cover

**Lumley** will indemnify the **insured** and the **insured's** family against the following:

- (a) Liability for:
  - (i) **accidental bodily injury** to any person;
  - (ii) **accidental loss** to any property;
  - (iii) costs and losses recoverable from the **insured** under section 43 of the Forest and Rural Fires Act 1977.
  - (iv) Levies imposed on the **insured** by a fire authority under Sections 46 or 46A of the Forest and Rural Fires Act 1977.

occurring in New Zealand during the **period of insurance**.

**Lumley** will also pay for defence costs, incurred by the **insured**, with the approval of **Lumley** for liability arising under (i), (ii) and (iii) above.

### B. Basis of Settlement

- 1 **Lumley's** maximum liability under this Section 2 (inclusive of all costs and expenses) will not exceed \$1,000,000 for each claim, or series of claims, arising from one **event**.
- 2 If **Lumley's** maximum liability is insufficient to cover both the **insured** named in the **schedule** and any other party entitled to cover under this Section it shall apply first to the **insured** named in the **schedule**.
- 3 **Lumley** is not liable for the Deductible shown in the **schedule** for each claim or series of claims arising from one **event**.

## C. Exclusions

### This policy does not insure:

- 1 Liability caused by, or in connection with, or arising from:
  - (a) the ownership or use of any:
    - (i) mechanically propelled vehicle (other than a bicycle, domestic garden appliance, wheelchair or electric mobility scooter for personal use only)
    - (ii) trailer
    - (iii) caravan
    - (iv) aircraft or aerial or spatial device unless it is a model or toy not able to carry more than its own weight
  - (b) any business, profession or employment, or earning of any income
  - (c) the ownership of any land or building.
- 2 Liability created by agreement, unless You would have been liable anyway, even without the agreement.
- 3 Liability determined by any court outside of New Zealand.

Please also refer to the General Exclusions.

## General Policy Exclusions

- 1 This policy does not insure any **contents** while it is in a **Motor Caravan**:
  - (a) being driven outside the **description of use**, including being driven on a race track, or for: pace making, reliability trials, hill climbs or speed tests, or being driven in preparation for any one of these activities.
  - (b) being driven in an unsafe condition. This includes any condition:
    - i. which is contrary to any recommendation by the manufacturer of the **Motor Caravan**, or
    - ii. as a result of which the **Motor Caravan** is not fit to deal with any peril likely to be encountered during the course of its operation.

This exclusion only applies if the **insured** or the person in charge of the **Motor Caravan** was aware, or with reasonable diligence ought to have been aware, of the unsafe condition.
  - (c) being driven by any person who is not the holder of a licence for the appropriate class and use applicable to the operation of the **Motor Caravan** or its components, or who is breaching any condition of their licence. This exclusion will not apply if the **driver** had held and is not disqualified from holding or obtaining, and actually obtains a licence, nor if the **Motor Caravan** is being used for the purpose of teaching a learner to drive, if all requirements of the law are being complied with;
  - (d) being driven by any person who:
    - i. is under the influence of any intoxicating substance or drug, or
    - ii. has a proportion of alcohol in the breath or blood which exceeds the legal limit, or
    - iii. fails to supply a blood or breath sample as required by law, or
    - iv. fails to stop, or remain at the scene, following an **accident** as required by law
  - (e) being driven in breach of the law relating to driving hours.

Exclusions 1(a) – 1(f) will not apply in respect of **loss** which results from fire, theft or conversion.

2 This policy does not insure :

- (a) liability for **bodily injury** which is covered by the Accident Compensation Corporation;
- (b) **loss** or liability which is directly or indirectly caused by:
  - (i) confiscation, nationalisation or destruction or damage to property by order of government, public or local authority,
  - (ii) nuclear weapons material,
  - (iii) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel, and for the purpose of this Exclusion 2(c)(iii) combustion includes any self-sustaining process of nuclear fission or fusion;
- (d) liability for exemplary damages.

3 This policy does not insure:

- (a) death, injury, illness, **loss**, damage, 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**:
- (b) war, invasion, act of foreign enemies, hostilities or warlike operations (whether war is declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (c) acts of *terrorism*.

For the purpose of this Exclusion, *terrorism* means an act including but not limited to the use of 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.

This policy also excludes death, injury, illness, **loss**, damage, liability, cost or expense of any nature directly or indirectly caused by, resulting from, or on connection with, any action taken in controlling, preventing, suppressing or in any way relating to, the above exclusion.

4 This policy does not insure any **loss** or damage of whatsoever kind arising directly or indirectly out of:

- (a) the corruption, destruction or alteration of or damage to data, coding programme or software; or
- (b) the unavailability of data or reduction in the functionality, availability or operation of hardware, software and embedded chips; or
- (c) any business interruption losses resulting there from.

This exclusion shall not apply where such **loss** or damage occurs as a direct result of an **accident** which you have a valid claim for any other part or component of the Insured Vehicle for under this policy.

## Claims Conditions

### SECTION 1

#### 1 **Minimise the loss**

If there is a claim under Section 1, the **insured**:

- (a) must take prompt steps to minimise the **loss** and to prevent further **loss**,
- (b) and as soon as possible inform **Lumley** and complete and return a **Lumley** claim form; and
- (c) in the case of **loss**, burglary, theft or vandalism, advise the Police as soon as possible.

#### 2 **Progress payments**

If a claim under Section 1 is covered, **Lumley** will make progress payments to the **insured**. The **insured** must supply interim statements that are approved by **Lumley's** assessor.

## SECTION 2

### 4 Notification and conduct

If there is a claim, or possible claim, under Section 2 the **insured** must, as soon as possible, notify **Lumley** to obtain, complete and return a claim form. The **insured** must forward any relevant correspondence and court documents to **Lumley** as soon as possible.

The **insured** must not, without the written consent of **Lumley**:

- (a) incur any expense in making good any **loss** to the property of others or incur any legal expense;
- (b) make any statement or take action which may be considered to be an admission of liability;
- (c) negotiate, pay, settle, admit or repudiate any claim made by another person.

**Lumley** has the sole right to act in the **insured's** name to defend, negotiate or settle the claim as it sees fit, at its expense.

### 2 Settlement option

**Lumley** has the option to pay to the **insured** the full amount of **Lumley's** liability under Section 2, or any lesser amount for which the claim can be settled, plus defence costs incurred to date.

**Lumley** will then give up the conduct of the defence or proceedings. **Lumley** will not be liable for any further costs or expenses after this.

## APPLICABLE TO BOTH SECTIONS OF THE POLICY

### 1 Additional information

The **insured**, and any other person covered under this policy, must:

- i. agree to be examined under oath by a person named by **Lumley** whenever reasonably required
- ii. supply any information or documentation that **Lumley** reasonably requires
- iii. authorise the disclosure to **Lumley** of any personal information about them held by other parties, which is relevant to the claim or this policy.

### 2 Notification to authorities

The **insured** must notify the police immediately in respect of **loss** or liability as a result of theft, illegal conversion, arson, malicious damage, or **bodily injury** to any person.

### 3 Subrogation

Once **Lumley** agrees to indemnify the **insured**, it may exercise for its own benefit any legal right of recovery the **insured** has in connection with the claim.

**Lumley** will do this at its own expense, but the **insured** must cooperate fully.

### 4 Waiver of subrogation (group companies)

Where the **insured** is a parent or subsidiary in a group of related companies, **Lumley** waives any right of recovery it may have against any other company in the same group.

A 'subsidiary' means a company, with more than half the nominal value of its equity share capital owned by a parent company, either directly or through other subsidiaries. A 'group of related companies' means a group of companies related to one another by virtue of such ownership.

## General Conditions

### 1 Alteration

This policy was arranged on the basis of the information supplied to **Lumley** by the **insured**. If any of the information changes during the **period of insurance** which:

- (a) increases the nature of the risk covered; or
- (b) alters the nature of the risk covered.

The **insured** must tell **Lumley** as soon as the **insured** becomes aware of the change.

Examples of changes are:

- i. a change in the use of the **Motor Caravan**;
- ii. criminal convictions.

### 2 Cancellation

This policy may be cancelled by the **insured** at any time by notice in writing to **Lumley**. **Lumley** will refund to the **insured** 80% of the amount of any unexpired premium already paid on a pro rata basis, subject to our retained premium.

**Lumley** may also cancel this policy by letter to the **insured** either delivered personally, posted or facsimiled to the address last known to **Lumley**. Cancellation will be effective from 4.00pm on the 30<sup>th</sup> day after the day the letter is delivered, posted or faxed.

### 3 Compliance

It is a condition precedent to **Lumley's** liability under this policy that:

- (a) the information given by the **insured**, and anyone on the **insured's** behalf, in connection with this policy and any claim is true and complete; and
- (b) the **insured**, and anyone else covered under this policy, has complied with its terms.

### 4 Diligence

The **insured** must take all reasonable steps to protect the **Motor Caravan** from **loss** and to avoid liability.

There is no cover if the **insured** is reckless or grossly irresponsible.

### 5 Fraud

If the **insured**, or anyone else covered under this policy, is dishonest or fraudulent in any way in connection with a claim, **Lumley** may, at its option:

- (a) decline part or all of the claim; or
- (b) elect to treat the policy as unenforceable by the **insured**, and anyone else covered, from the date of the dishonesty or fraud.

### 6 Goods and Services Tax

The **market value** or **agreed value** of any **Motor Caravan** is inclusive of GST. For example, **Lumley** will settle a claim for total **loss** up to the maximum amount insured by this policy, inclusive of GST.

In respect of any Deductible, policy limit or sub-limit within any policy extension, the amounts shown are inclusive of GST.

### 7 Governing Law

The law of New Zealand governs this policy, and the courts of New Zealand have exclusive jurisdiction.

### 8 Headings

Headings used in this policy are for reference only. They do not form part of the policy and are not to be used as an aid to interpretation.



9        **One Contract**

This policy and the **schedule** are one contract. The proposal or written submission by the **insured** is incorporated in it.

10       **Other Interested Parties**

If there is any mortgagee, debenture holder, hire purchase company, conditional purchaser or other party with a financial interest in any **contents** which has been notified to **Lumley, Lumley** may, at its option, pay any claim under Section 1 of this policy to the interested parties in the order of their legal priorities, and to the extent of their financial interest.

However, **Lumley's** total liability will not exceed the amount it would have paid to the **insured**.

11       **Other Insurance**

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

12       **Several Insurance**

If more than one person or entity is **insured** under this policy, they are **insured** separately as though a separate policy has been issued to each.

However, this will not increase **Lumley's** total liability under this policy.

13       **Unoccupancy**

This cover is suspended immediately if Your **Motor Caravan** is not lived in for more than 60 consecutive days, unless You have given Us prior notice of this and We have agreed in writing. If you do, We may amend the terms of this cover with immediate effect. Cover automatically resumes as soon as someone starts living in it again.