



**turbo**

# TRACKS & TREADS<sup>®</sup>

Contractors Mobile Plant  
Insurance Policy

Specialised Insurance  
for Heavy Machinery

# TRACKS & TREADS<sup>®</sup>

LLOYD'S INSURANCE POLICY  
effected through TLC INSURANCE LIMITED  
(hereinafter called the Coverholder)

THIS POLICY OF INSURANCE confirms that in return for payment of the Premium shown in the Schedule, certain Underwriters at Lloyd's have agreed to insure You, in accordance with the details shown in the Schedule in conjunction with this Policy wording.

You or Your representative can obtain further details of the syndicate numbers and the proportions of this Insurance for which each of the Underwriters at Lloyd's is liable by requesting them from the Coverholder shown above. In the event of loss, each Underwriter (and their Executors and Administrators) is only liable for their own share of the loss.

In accepting this Insurance, the Underwriters have relied on the information and statements that You have provided on the Proposal Form (or Declaration). You should carefully read this Policy wording and the Schedule attached hereto, and if it is not correct contact the Coverholder. It is an important document and You should keep it in a safe place with all other papers relating to this Insurance.

This Policy of Insurance is issued by the Coverholder shown above in accordance with the authority granted to them by certain Underwriters at Lloyd's under the Agreement Number referred to in the Schedule.

## For Further Information

Our knowledge, expertise and experience are always available to Your broker and You. If You need any further information about this Policy, or any other product or service We provide, then contact Your broker or TLC Insurance at:

**Address:** PO Box 7006, Tauranga, New Zealand  
**Office Phone:** +64 7 544 6686  
**Facsimile:** +64 7 544 6687  
**Freephone:** 0800 TLC INS (0800 852 467)  
**Email:** [info@tlcinsurance.co.nz](mailto:info@tlcinsurance.co.nz)  
**Website:** [www.tlcinsurance.co.nz](http://www.tlcinsurance.co.nz)

# Contractors Mobile Plant Insurance Policy

## Definitions

Where stated in the Policy the meaning of the following words shall be as defined below:

**"Accident"**, "Accidental", "Accidentally" means an unforeseen, unintended and unexpected event which occurs suddenly at a specific time and place in New Zealand.

**"Dry Hire"** means the situation where You hire, rent, loan or (borrow) Your Machine to another person or party whereby Your Machine is not under Your control and is not being operated by You or an operator employed by You.

**"Excess"**, "Deductible" means the first amount You must pay in relation to each and every claim made under Your Policy, as stated on the Schedule.

Where there is more than one Insured item involved with one single event being the subject of a claim under the Policy, then only one Excess shall apply. This Excess will be the highest Excess of any one of the Insured items. However if there is also an admissible claim under any extension to this Policy then the Excess for that additional cover will be cumulative with the highest machine Excess. Where a claim has been admitted under a Policy extension, additional Excess may apply.

**"Liability"** means Your Liability at law, to indemnify third parties for their Loss or injury incurred during the period of the Policy arising from an Accident caused by or in connection with Your machinery specified and Insured under the Schedule of this Policy.

**"Loss"** means sudden physical Loss, damage or destruction to Your Machine caused by an Accident.

"Period of Insurance" means the period shown in the most recent Schedule or the subsequent period for which the Policy has been renewed.

**"Plant"** means any item of Plant, Machinery, Equipment (including self-propelled items) that is specified in the Schedule or any Insured vehicle. This includes:

1. any Ancillary Equipment normally used with the Insured item; and
2. Accessories and spare parts whilst in or on the Insured item.

Ancillary Equipment - interchangeable attachments that are normally used with an item of Plant (e.g. buckets, scoops, blades, pneumatic heads). The value of all ancillary equipment shall not exceed 25% of the total value of the Insured item, unless Insured as a separate item.

Accessories - supplementary items that have been added to the Insured item after manufacture, which do not alter the performance or characteristics of the Insured item.

**"Policy"** means this document, the Schedule and any other notice We give You in writing. Together they form The Agreement.

**"Revenue"** means the money received or receivable for services provided in the course of Your business.

**"Schedule"** means the attachment which forms part of

the Policy and shows Your Policy number, together with the important details of Your cover.

**"Sum Insured"** means the amount shown in the Schedule that any one item of Plant is Insured for.

**"Total Loss"** means if the cost of repairs following an Accident for which a claim has been accepted under this Policy, exceeds the Sum Insured or market value of the damaged item then the item is deemed to be a Total Loss.

**"We", "Us", "Our"** means TLC Insurance Limited, representing the insurer named in the Policy Schedule.

**"You", "Your", "Insured"** means the Person(s) or Company(ies) named in the Schedule including any subsidiary Companies, Directors or Principals representing the Person(s) or Company(ies) named in the Schedule.

**"Your Machine(s)"** means the item of Plant described in the Schedule.

## Cover for Your Machine

We will indemnify You for Loss by paying, at Our option:

- (i) to repair, reinstate or replace Your Machine, or
- (ii) an amount equal to Your Machine's market value, or
- (iii) the Sum Insured shown in the Schedule.

## General Exceptions

We will not pay for:

1. Consequential Loss or financial expense of any kind as a result of You not being able to operate Your Machine.
2. 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:
  - a) war, invasion, acts of foreign enemies, hostilities or warlike operations whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
  - b) any act of Terrorism. For the purpose of this exception, Terrorism means an act including but not limited to the use 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.

This Policy also excludes death, injury, illness, Loss, damage, 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 exceptions.
3. Loss, Liability or damage resulting from depreciation, wear and tear, rust or corrosion.

4. Loss, Liability or damage from failure of, or defect, or fault in, the design or specification of Your Machine.
5. Loss or damage of whatsoever kind arising directly or indirectly out of:
  - a) total or partial destruction, distortion, erasure, corruption, alteration, misinterpretation or misappropriation of ELECTRONIC DATA;
  - b) error in creating, amending, entering, deleting or using ELECTRONIC DATA; or
  - c) total or partial inability or failure to receive, send, access or use ELECTRONIC DATA for any time or at all; or
  - d) any business interruption Losses resulting therefrom; regardless of any other contributing cause or event whenever it may occur, unless such Loss or damage is a direct consequence of otherwise Insured physical damage.

However, any Accidental physical damage to an Insured item, which originates directly from an action of the Insured to the Insured's own property, and which causes or is caused by any of the matters referred to in (5a) to (5c) above, will be covered, subject to all other provisions of the Policy. Any business interruption Loss resulting from such physical damage will also be covered provided business interruption is Insured.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, display, distribution, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for such equipment.

6. Loss, Liability or damage resulting from the explosion or collapse of any pressure vessel which does not have a current certificate as required by any statute or regulation.
7. Loss, Liability or damage if Your Machine is used or operated:
  - a) for any illegal purpose with Your knowledge or consent;
  - b) for or being tested in preparation for any race, trial, test, contest or whilst being tested in preparation thereof.
8. Loss, Liability or damage arising from ingestion or entry of any foreign object into any machine or attachment or accessory thereto.
9. Loss, Liability or damage intentionally caused by You or any person acting with Your express or implied consent.
10. Loss, Liability or damage occasioned by lawful seizure or other operation of law.
11. Loss, Liability or damage discovered only at the time of taking an inventory or during routine servicing.
12. Loss, Liability or damage due to electrical or mechanical breakdown, failure, breakage or derangement, freezing of coolant or other fluid, defective lubrication or lack of oil or coolant, but if as a consequence of such breakdown or derangement an Accident occurs causing external damage, such consequential damage will be indemnifiable.
13. Loss, Liability or damage caused by nuclear fuel, nuclear waste or nuclear material.

14. Loss, Liability or damage or Liability while Your Machine is being operated or used outside New Zealand.
15. Loss, Liability or damage resulting from theft by any person or entity:
  - a) posing as a prospective purchaser or other interested party;
  - b) to whom Your Machine is on hire under any agreement for hire;
  - c) including any agreement for hire purchase or lease; in whose debt Your Machine stands as security under or pursuant to any agreement entered into by any person or entity Insured under the Policy.
16. Theft of or further damage to Your Machine after Loss unless reasonable steps have been taken thereafter to protect or safeguard Your Machine.
17. Damage to the tyres of Your Machine caused by the application of brakes, road punctures, valve leakage, inherent failure due to manufacturer fault or error, staking or spiking.
18. Loss, Liability or damage or Liability whilst left unattended in Excess of 4 hours in any watercourse or body of water and suffers Loss or damage as a direct consequence thereof.
19. Loss, Liability or damage if Your Machine is operated by any person who:
  - a) is under the influence of any intoxicating substance or drug; or
  - b) has a proportion of alcohol in the blood which exceeds the legal limit. This exception will apply notwithstanding the operator may have died as a result of the Accident; or
  - c) has a proportion of alcohol in the breath which exceeds the legal limit; or
  - d) fails to supply a blood or breath sample as required by law; or
  - e) fails to stop, or remain at the scene of an Accident as required by law;

**PROVIDED:**

A certificate of conviction of the driver may be used by Us 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 operator's blood or a reading from an evidential breath testing device of the driver's breath may be used by Us as sufficient evidence of the driver's minimum blood or breath alcohol level at the time of the Accident.

This exception shall not apply in respect of Loss which results from fire, theft or conversion.

We will pay if You did not know or could not reasonably have known that the operator of Your Machine was so affected or refused to undergo an appropriate test at the time of the Accident, but We will not cover the operator of Your Machine.

20. Loss, Liability or damage if Your Machine is used or operated by You or by any person with Your consent who is not licensed to operate Your Machine under any relevant law.



21. Loss, Liability or damage if Your Machine is used in an unsafe or unroadworthy condition and such condition caused or contributed to the Loss, Liability or damage. We will pay if You could not have reasonably detected the unsafe or unroadworthy condition.

22. Loss, Liability or damage resulting from Your Machine:

- a) undergoing a test of any kind other than as required to comply with any statute or regulation;
- b) being used in a manner not in accordance with the manufacturer's instructions or guidelines, or in a manner or purpose other than that for which it was designed.

If an Accident should occur as a result of a testing procedure causing damage to parts of the machine not undergoing the test, then damage to such parts will be indemnified.

23. Loss, Liability or damage to Your Machine or its attachments while underground.

## Sanction Limitation and Exclusion

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America. LMA3100 15 September 2010.

## Standard Policy Extensions

Subject to the same General Exceptions, General Conditions and Claims Conditions of the main wording, We will extend Your Policy to cover the following extensions which shall be payable in addition to the Sum Insured.

### 1. Additional Costs

This Policy is extended to include any additional charges incurred for overtime, night-work, work on public holidays and express freight PROVIDED Our total Liability does not exceed \$10,000 in respect of any one claim under this extension.

### 2. Additions and Deletions

It is agreed that all Plant acquired by You shall be considered as being included in the Policy for a period of up to 3 months from the date of acquisition for the purchase price, up to a maximum limit of \$250,000.

### 3. Agreed Value

Whereby a valuation from an approved Valuer has been received by Us:

- a) prior to any Loss; and
- b) the item is Insured for the value stated on the valuation within the Schedule.

We agree to pay the value stated as the Sum Insured within the Schedule;

Whereby a valuation from an approved Valuer has not been received by Us, the maximum amount We will pay under this Policy will be the Agreed Value shown on the Schedule unless it is determined to be more than 20% above the Market Value in which case We will only pay the lesser of;

- a) the Agreed Value stated on the Schedule; OR
- b) Market Value plus 20%

For the purpose of this extension:

- a) the Agreed Value shall be the amount declared to Us by the Insured on the required proposal or any subsequent schedule for renewal.
- b) the Market Value shall be determined by obtaining valuations from:
  - (i) any approved Valuer who is able to substantiate any valuation provided with examples of machines which are the same or similar make, model and type and in like condition to Your machine that:
  - (ii) have sold within the six month period prior to the Loss; and/or
  - (iii) are for sale on the current market.
- c) We deem an 'approved Valuer' to be a company or person who has reasonable experience and industry knowledge within the New Zealand market of:
  - (i) the type of machine being claimed for; and
  - (ii) the type of industry in which the machine is/was being used.

## 4. Appreciation

It is understood and agreed that the insurance under this Policy is extended to cover appreciation of the Agreed Value of Your Machine due to any cause whatsoever PROVIDED always that such appreciation shall not exceed 25% of the Sum Insured.

## 5. Breach of Warranty

The indemnity provided by this Policy will not be invalidated by reason of any breach of warranty or condition of this Policy where the breach occurs without the knowledge of the Insured named in the Schedule PROVIDED the Insured named in the Schedule has not waived any right of recovery against the driver or operator.

## 6. Cleaning Up Costs

This Policy is extended to include any cost incurred in cleaning up and disposing of any debris resulting from an Accident to Your Machine, including any load carried thereon, PROVIDED Our total Liability does not exceed \$10,000 in respect of any one claim under this extension.

## 7. Consequential Loss

Notwithstanding anything contained herein to the contrary it is understood and agreed that if the business carried on by You be interrupted or interfered with in consequence of Loss or damage (as provided for herein and for which We have admitted Liability) this insurance extends to:

- a) indemnify You against the increase in cost of working directly resulting from such interruption or interference; and also
- b) compensate You for any Loss of Revenue suffered by You directly resulting from such interruption or interference

PROVIDED that:

- (i) the amount payable for any increase in the cost of working shall be the additional expenditure necessarily

and reasonably incurred for the sole purpose of minimising any interruption to the business during the indemnity period in consequence of Insured Loss or damage; and

- (ii) You shall provide all documentation required to establish and verify any claim for Loss of Revenue directly related to Insured Loss or damage; and
- (iii) You shall take all reasonable steps to avoid or reduce any potential Loss of Revenue including reorganising work methods and schedules; and
- (iv) You shall take all reasonable measures to assist with the expedient repair and availability of the machine; and
- (v) no indemnity shall be provided by this extension if replacement or alternative Plant is available at no cost; and
- (vi) no indemnity shall be provided by this extension for the reimbursement of any Deductible or Excess applying under any other section or extension of this Policy; and
- (vii) unless otherwise agreed by Us, Our total Liability under this extension shall not exceed;
  - a) \$5,000 per week subject; or
  - b) \$50,000 per claim; or
  - c) \$250,000 any one Period of InsuranceFor clarity, the maximum amount payable for any one claim under this extension, shall be \$50,000 less the deduction of any applicable Excess
- (viii) where any amount has been paid to You under this extension then, at Your option, You may reinstate cover to the maximum amount. Any such reinstatement will require the payment of an additional premium; and (i) the Excess applying to this extension shall be 10% of each and every claim subject to a minimum of \$2,500; and
- (ix) in addition to (i) above, a 10 day time Excess shall apply to any claim if an approved valuation has not been supplied as required under the Agreed Value extension of this Policy.

## 8. Emergency Services

It is hereby understood and agreed that all cover provided by this Policy will remain in effect and shall not be prejudiced where any organisation requiring emergency assistance, has used or commandeered Your Machine or requested or instructed You to use or operate Your Machine in a hazardous environment for the express purpose of preventing Loss or damage PROVIDED the right of recovery against the organisation has not been prejudiced.

## 9. Employee Death by Accident

In the event of a work related Accident resulting in the death of an employee, We agree to pay to that employee:

- a) \$50,000; and
- b) Reasonable funeral costs, up to a maximum of \$5,000.

Such payments being in addition to any payments under the Accident Compensation Act 2001, equivalent legislation or other applicable insurances.

PROVIDED that:

- (i) This extension is limited to an aggregate of \$100,000 for death and \$10,000 for funeral costs. Extension 18 (reinstatement) does not apply;
- (ii) If one incident results in the death of two or more employees then any indemnity entitlement between those employees will be shared equally;
- (iii) Exclusion 19 does not apply to this extension HOWEVER no cover will be provided if the employee that suffers death was under the influence of alcohol, drugs or other intoxicating substances at the time of the incident. If other employees suffer death as the result of the actions of an employee under such influence those employees will be covered unless also under such influence and that was a factor in their death.

## Definitions:

For the purposes of this extension, the following definitions apply:

- a) Employee means a direct employee of the Insured under a contract of paid employment and includes that employee's estate. For the avoidance of doubt contractors or other staff retained on an ad-hoc basis are not employees;
- b) Funeral Costs includes travel costs for the employee's immediate family which shall be limited to their father, mother, brother, sister, spouse or children;
- c) Work Related Accident means any injury which is caused by immediate, violent, external and visible means which
  - (i) occurs during the ordinary course of employment or while the employee was undertaking an activity at the specific direction of the employer; and
  - (ii) is the direct cause of the employee's death within 12 calendar months of the incident.

## 10. Goods and Services Tax

Provided GST is recoverable by the Insured under the Goods and Services Tax Act 1985, then:

- a) all Sums Insured exclude GST;
- b) GST will be added, where applicable, to claim payments.

## 11. Hired or Borrowed Plant (Liability)

Unless otherwise agreed, this Policy includes cover for items of Plant hired or borrowed for a maximum period of 90 consecutive days and not otherwise Insured, for Your Liability to the owner of the machine for:

- a) Loss or damage to any one machine limited to \$250,000 any one machine; and
- b) Loss or damage up to a maximum total value at risk of \$250,000; and
- c) consequential losses caused by a Loss for which a claim is payable under a) above, subject to a limit any one claim of \$25,000.

If the total combined value of all hired in or borrowed Plant is in Excess of \$250,000, then payment for any claim will be reduced in proportion to the amount at risk.

## **12. Hoists and Hydraulic Lifting Equipment**

Notwithstanding General Exception 12 this Policy is extended to include mechanical breakdown or failure of hoists and hydraulic lifting equipment permanently attached to an Insured machine, which is not due to wear and tear PROVIDED Our total Liability for any one Loss shall not exceed \$5,000 and subject always to a \$1,000 Excess.

## **13. Increased Value**

This Policy is extended to include the increased value of Your Machine which is taken off the road during the Period of Insurance for the purpose of a major overhaul, refit or modification whereby the Sum Insured shall be automatically increased by the value of the work undertaken PROVIDED that the Sum Insured shall not exceed the market value and WARRANTED that You declare amendments of value to Us at each renewal date or immediately where such improvements increase the existing value by more than 10%.

## **14. Interest Clause**

Should Your Machine be subject to any lease, hire or other financial agreement this Policy notes such interests and Loss if any may be payable to the lessor or unpaid vendor whose receipt shall be a full discharge. Should You instruct Us to cancel this Policy, We hereby undertake to advise any interested party by giving 30 days notice of cancellation PROVIDED that:

- a) the interested party has requested their interest to be noted on this Policy;
- b) Your instruction to cancel this Policy is given within the Period of Insurance.

## **15. Mutually Acceptable Loss Adjusters**

It is noted and understood that the appointment of any Loss Adjuster to any claim under this Policy shall be mutually acceptable and agreeable to both You and Us.

## **16. No Excess for Fire or Theft**

Where Your Machine(s) is fitted with a manufacturer (or authorised agent thereof) approved and operational fire suppression or theft prevention system, it is agreed that no Excess will be deducted from any claim directly resulting from the risk of fire PROVIDED that the fire suppression and theft prevention systems are regularly serviced and checked by the manufacturer (or authorised agent thereof) at intervals of no more than 6 months.

## **17. Progress Payments**

In the event of damage or destruction to Your Machine, for which Liability is admitted by Us, You shall be entitled to progress payments PROVIDED that an interim statement of Loss is supplied by You and approved by the assessor.

## **18. Proportional Premium Refund - Total Loss**

Following an Accident for which a claim has been accepted under this Policy it is agreed that if an Insured item suffers a Total Loss whereby the market value is less than the Sum Insured then We agree to refund to You the proportion of premium being the amount of difference between market value and the Sum Insured multiplied by the incepting rate of insurance prorated from the date of Loss through to the expiry of cover.

## **19. Reinstatement of Amount of Insurance**

In the event of a Loss under this Policy the amount of such Loss is automatically reinstated after its occurrence and prior to any additional premium required for such reinstatement.

## **20. Replacement Cost on Parts**

Where a claim has been accepted under this Policy, it is agreed that We will pay the repair costs in line with the following bases of settlement clause: Bases of settlement

- a) Where damage to an Insured item can be repaired We will pay all expenses necessarily incurred to restore Your damaged machine to its state of serviceability immediately before the occurrence of damage. If the repairs are executed by You, We will pay the cost of materials and wages incurred for the purpose of the repairs, plus a reasonable allowance to cover overhead charges.
- b) Where the item Insured is more than 15 years old from the date of manufacture the basis of settlement for any replacement parts shall be;
  - (i) the replacement cost of such parts less an allowance for depreciation to account for wear and tear; OR
  - (ii) the market value of such parts as may be available at the time of repair;whichever is the less.
- c) If any parts are found to be unprocurable Our Liability for these parts shall be limited to the manufacturer's or supplier's latest list price.
- d) Where Your Machine is totally destroyed We will at Our own option either;
  - (i) pay the Agreed Value of Your Machine immediately before the occurrence of damage; or
  - (ii) supply an equivalent replacement item similar in type capacity and condition to Your Machine immediately before the occurrence of damage and pay any costs for ordinary freight and installation.

An item will be deemed to be totally destroyed if the cost of repairs as detailed in paragraph (a) equals or exceeds the Agreed Value of the Insured item.

## **21. Salvage, Recovery and Re-Siting Costs**

Subject to a claim being accepted under this Policy it is agreed that cover will be extended to include the reasonable cost:

- a) incurred in salvaging or recovering of the Insured machine, including the costs of ensuring its safety and delivery to a place of suitable repair or inspection and re-siting any repaired item;
- b) of recovery and/or withdrawal in the event of any item of machinery becoming unintentionally immobilised in or about the site of any contract, (such cost shall be deemed to be "damage" within the meaning of this Policy). You shall be responsible for the standard Policy Excess applying to the Insured item subject to a minimum of \$2,500 of each and every claim.  
PROVIDED always that:
  - (i) Our Liability in respect of all such costs shall not exceed 20% of the Sum Insured of the Insured item subject to a maximum of \$50,000 any one claim;
  - (ii) any claim shall be subject to the General Exceptions contained within this Policy.

## 22. Temporary Repairs

It is understood and agreed that the indemnity provided by this Policy for Loss to Your Machine(s) shall also include the reasonable additional cost incurred in effecting temporary repair of indemnifiable damage up to a limit of \$5,000 PROVIDING the prior approval of the insurer has been obtained.

## 23. Third Party - Road Risk Only

This extension covers Your 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 Your Machine only whilst on a road, including while it is being loaded or unloaded.

We will also indemnify any person who is driving Your Machine who has Your permission to do so, but not during and in connection with the letting out on hire of Your Machine without a driver unless Liability was completely and directly attributable to the failure of Your Machine and outside the control of the hirer or other contracting party.

PROVIDED Our total Liability will not exceed \$10,000,000 unless otherwise agreed and stated in the Schedule (inclusive of all costs and expenses) in respect of any one claim or claims arising from any one Accident. If Our total Liability is insufficient to cover both You and any other party entitled to cover under this Policy it shall apply in priority to You.

PROVIDED also that We shall not be liable in respect of:

- a) Liability in respect of property or injury to any person, who at the time of the Accident, was in charge of Your Machine;
- b) any person who at the time of the Accident out of which bodily injury or damage arose was driving Your Machine;
- c) Liability directly or indirectly caused while any component on the Insured machine is being used or operated for the purpose for which it has been designed (e.g. operation of a crane, log skidder, backhoe and the like);
- d) Liability in respect of any property which belongs to, or is in the care, custody or control of any Insured, other than personal baggage and wearing apparel of any passenger, a building leased or rented by the Insured or a machine (not being the property of the Insured or Insured under this Policy) which is being towed by an Insured machine.

However this does not apply to machines which are towed or recovered for reward where the Insured's business includes a machine recovery service.

For the purposes of this extension only "Road" shall mean any place which the public have access to, whether as of right or not (e.g. service lane, street, motorway, or closed roads such as off highway service roads and the like). Subject always to the Excess stated in the Schedule.

## 24. Tyre Extension

Notwithstanding General Exception 17 this Policy is extended to cover Accidental Loss to any tyre attached to an Insured machine.

We will pay the replacement value of the tyre, less an allowance for depreciation to account for wear and tear.

The maximum payable for any one tyre under this extension shall not exceed the amount stated in the Schedule and subject always to the Excess stated in the Schedule.

## 25. Uninsured Third Party Protection.

In the event that a Third Party or their operator/driver has no valid or collectable insurance, this Policy is extended to cover Your Policy Excess and any uninsured Loss that the Insured may have incurred as a result of an Accident, where:

- a) the Third Party driver was at fault in the Accident; and
- b) the identity of the Third Party and the driver is established; and
- c) the Insured is unable to make any recovery from the Third Party or the driver;

PROVIDED Our total Liability does not exceed \$3,000 in respect of any one claim under this extension.

## 26. Windscreen (Non Forestry)

This Policy is extended to cover Loss that occurs solely to any windscreen or window glass. This Policy will pay the cost of replacement and will be subject the Excess specified in the Schedule. It is understood and agreed that this extension will only indemnify the Insured in respect of the replacement of the actual glass damaged and not any superior alternative or temporary repair involving additional expense unless otherwise agreed by the insurer.

Cover will only apply where an Insured item has been specified within the Schedule and:

- a) the maximum payable is limited to \$5,000 any one claim (or as otherwise agreed and specified within the Schedule);
- b) the damage has not occurred whilst Your Machine is located in any forest;
- c) the Loss must be reported within 60 days of the damage occurring.

## 27. Windscreen (Forestry Only)

This Policy is extended to cover damage to windscreen or windowglass.

PROVIDED:

- a) this Policy is limited to only one event per annual period; and
- b) the maximum payable is limited to \$1,500; and
- c) the Loss must be reported within 60 days of the damage occurring; and
- d) the Excess for this extension is as stated in the Schedule.

## Optional Policy Extensions

Subject to the same General Exceptions, General Conditions and Claims Conditions of the main wording, We will extend Your Policy to cover the following extensions which shall be payable in addition to the Sum Insured.

### 1. Finance Payment Protection

In the event of Loss or damage to the machine for which a claim is accepted, We will indemnify You (calculated on a daily prorata basis) against Your obligation to meet payments on such machine under any finance or lease agreement PROVIDED that:



- a) the amount payable under this extension shall be based on the annual loan repayment amount and calculated on a daily prorata basis limited to the period as described in (e) below; and
- b) We shall not be liable for any more than the limit shown for this extension; and
- c) We shall not be responsible for the first 10% of such Loss with a minimum of \$2,500; and
- d) We shall not be liable for any balloon or residual value payment that may be due during a repair or replacement period; and
- e) the indemnity provided by this extension shall cease after 6 consecutive months or when the Insured item is repaired or replaced, whichever is the earlier; and
- f) no indemnity shall be provided by this extension unless the period of repair or replacement of the Insured item exceeds 14 consecutive days.

## 2. Foreign Objects

Notwithstanding General Exceptions 8 and 12 this Policy is extended to include Accidental Loss caused by the ingestion or entry of any foreign object subject always to the limits and Excess stated in the Schedule.

This extension shall only apply in respect of agricultural implements and machinery.

## 3. Goods On Hook

Notwithstanding anything contained in this Policy to the contrary, cover is extended to include Accidental direct damage to property belonging to You or in Your care, custody or control while being handled by Your Machine

PROVIDED Our total Liability for any one Loss shall not exceed the amount stated in the Schedule and subject always to the Excess stated in the Schedule.

Damage to property arising from a fault in or fragility of such property or its container is not covered.

## 4. Hired-In Plant

Notwithstanding anything contained in this Policy to the contrary, cover is extended to include Loss or damage to any item of Plant that is hired, leased or rented from another party. Such cover is subject to:

- a) A formal written hire, lease or rental agreement signed by both parties being in place at the time of loss; and
- b) Loss or damage to any one machine being limited to \$250,000 any one claim, and \$250,000 in the aggregate, or as otherwise stated within the schedule; and
- c) Maximum period on hire being 90 days; and
- d) Consequential losses (as covered under Standard Policy Extension 7) incurred by the owner of the machine being caused by a Loss for which a claim is payable under (ii) above, subject to a limit any one claim of \$50,000, and \$250,000 in the aggregate, and
- e) The excess applying to any claim under this extension shall be the same as that applying to the main schedule of the policy, subject to a minimum of 1% of the machine value stated in the hire agreement, minimum \$500 for

any one machine hired in; and 10% of the machine value stated in the hire agreement, minimum \$2,500 for cover provided for Consequential Loss under clause (d) above.

## 5. Laid-Up Cover

It is agreed that a premium discount will be applied to any Insured item nominated in the Schedule as being 'Laid Up.' Such discount to be calculated and refunded on a prorata basis at the conclusion of any 'Laid Up' period or expiry of the Policy period, whichever comes first PROVIDED that:

- a) We accept a fully completed 'Laid Up' declaration prior to 'Laid Up' cover becoming effective;
- b) the minimum 'Laid Up' period is 30 days;
- c) any discount will be considered null and void should any item subject to this extension be used in a manner not considered to be 'Laid Up.'

For the purpose of this extension, the term 'Laid Up' shall be deemed to describe the condition whereby an Insured item is out of operation for an extended period of time while being stored in a safe and secure environment. It shall not be considered a breach of this extension should any item be used in an incidental manner such as loading or unloading from a transporter or while being operated during routine servicing.

## 6. Machinery Breakdown

Notwithstanding General Exception 12 this Policy is extended to include

Machinery Breakdown (as defined below) of the item number(s) specified in the Schedule.

Machinery Breakdown shall mean sudden and unforeseen physical Loss or damage causing the actual breaking or burning out of any part of a machine necessitating repair or replacement before normal working can be resumed including (but not limited to) damage resulting from:

- a) defects in material design, construction, erection or assembly;
- b) fortuitous working Accidents such as vibration, maladjustment, loosening of parts, molecular fatigue, centrifugal force, abnormal stresses, defective or Accidental lack of lubrication, water hammer or local overheating, electronic, electrical or mechanical defects or failure of protection devices;
- c) excessive electrical pressure from any cause, failure of insulation, short circuits, open circuits or arcing or the effects of static electricity in any case causing sudden stoppage of the machinery and necessitating repair or replacement before normal operation can be resumed.

PROVIDED that:

- (i) We shall not be liable under this Policy for any more than the manufacturer's or supplier's last published price for any part of any item of machinery that is no longer available to effect repair;
- (ii) Our total Liability under this extension in respect of any single occurrence of breakdown shall not exceed the Sum Insured shown against each item in the Schedule.

Subject otherwise to the terms, conditions and exceptions of this Policy.

The Excess applying to all claims under this extension is as stated in the Schedule.

## **7. Profit Share Clause**

Where nominated in the Schedule this extension is included subject to the completion of a full year of insurance and confirmation of the next renewal of this Policy.

The Loss ratio will be calculated by comparing the total premiums received to the total claims paid and outstanding. Should this Loss ratio be less than 40% then a profit share of 15% of the difference between total premiums received and total claims paid and outstanding shall be refunded or deducted from the next renewal premium.

## **8. Tools and Sundry Equipment**

This Policy is extended to cover market value in respect of Plant, machinery, tools (including employees tools and other personal effects not otherwise Insured), equipment, Mobile Plant and motor machine parts and accessories, tyres, stores of petrol, diesel and oil, mobile and radio telephones including base and handsfree units, office equipment including computers, Your own or for which You are responsible anywhere in New Zealand PROVIDING not otherwise Insured.

This extension does not provide indemnity in respect of buildings, structures or caravans, whether fixed to the ground or not UNLESS otherwise specified It is hereby understood that cover in respect of burglary and/or theft only applies where Loss is resulting from violent and forcible entry or exit from any enclosed building and/or enclosed vehicle/machine.

Our total Liability for any one Loss shall not exceed the amount stated in the Schedule and subject always to the Excess stated in the Schedule.

## **9. Windscreen (Forestry Only)**

Where damage has occurred to the windscreen or window glass of Your Machine whilst located in any forest, this Policy is extended to cover Loss that occurs solely to any windscreen or window glass. This Policy will pay the cost of replacement and will be subject to a \$250 Excess (or as otherwise agreed and specified in the Schedule). It is understood and agreed that this extension will only indemnify the Insured in respect of the replacement of the actual glass damaged and not any superior alternative or temporary repair involving additional expense unless otherwise agreed by the insurer.

Cover will only apply where an Insured item has been specified within the Schedule as having this extension and:

- a) the maximum payable is limited to \$5,000 any one claim (or as otherwise agreed and specified within the Schedule);
- b) the Loss must be reported within 60 days of the damage occurring.

## **General Conditions**

### **1. Cancellation**

You may cancel the Policy by giving written notice to Us and We will (unless a Total Loss has been paid) refund 80% of the unused premium.

We may cancel the Policy by giving You written notice. The notice may be delivered personally or by registered mail to Your last known postal address. Cancellation will take effect at 4.00pm on the 30th day after the notice has been posted or delivered. If We cancel this Policy We will refund You all the unused part of the premium subject to any adjustment required by the terms of the Policy

### **2. Diligence**

You must take all reasonable steps to protect Your Machine and will fully comply with the manufacturer's instructions and all legal requirements regarding the safety, maintenance and operation of Your Machine.

### **3. Disclosure**

- a) Representatives of TLC Insurance Limited and/or the Underwriter shall at any reasonable time have the right to inspect and examine the risk and the Insured shall provide TLC Insurance Ltd with all details and information necessary for the assessment of the risk.
- b) You shall immediately notify TLC Underwriting Agency Limited in writing of any material change in the risk and cause at Your own expense such additional precautions to be taken as circumstances may require, and the scope of cover and/or premium shall, if necessary, be adjusted accordingly.

### **4. Entitlement**

Any other person entitled to cover under the Policy is bound by the terms of the Policy.

### **5. Joint Insurance**

If there is more than one Insured named on the Schedule this Policy insures the Insureds jointly. This means that if one of You does or fails to do anything so that there is no cover there will be no cover for any of You, not just the person or entity responsible.

### **6. Other Insurance**

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

### **7. Subrogation**

We have the sole right and option to act in Your name and on Your behalf to negotiate, defend or settle any claim and to take over for Our own benefit any legal right of recovery You may have. If We do this, it will be at Our own expense.

### **8. Transfer of Interest**

No interest in the Policy can be transferred without Our written consent

## **Claims Conditions**

1. In the event of an Accident that may become the subject of a claim under the Policy, You must immediately notify Us and then forward:
  - a) full details in writing;
  - b) any communication or court documents received.

2. You may appoint a licensed repairer of Your choice, but:
  - a) You must obtain Our agreement before repairs are started;
  - b) You must make Your Machine available for Our inspection;
  - c) We reserve the right to invite, accept, adjust or decline estimates or to arrange at Our expense for the removal of Your Machine to other repairers for quotation purposes.
3. In respect of each claim or potential claim, You must:
  - a) not make any admission of guilt or offer of payment without Our written consent;
  - b) allow Us to have the sole conduct of all negotiations and proceedings;
  - c) give Us all reasonable assistance and co-operation in all regards including recovery from the responsible party;
  - d) notify Us of any other insurance that also provides cover, whether in whole or in part;
  - e) notify the Police as soon as possible in respect of theft of or malicious damage to Your Machine;
  - f) retain any and all parts that are damaged and affected as a consequence of any claim or potential claim and these are not to be disposed of without Our consent.
  - g) complete all repairs or replacement of the Insured property within reasonable period after We accepted Your claim. Unless otherwise agreed, all repairs or replacement must be fully completed and all relevant invoices for payment be presented to Us within 6 months from the date of claim acceptance.



## Complaint Handling Process

If You are not happy, We want to know so that We can help.

Our goal is to have loyal and happy customers. We want our customers to be completely satisfied in all dealings with Us.

TLC is committed to:

- listening to what Our customers and brokers tell Us
- being accurate and honest in telling customers and brokers about Our products and services
- communicating clearly with Our customers and brokers, and
- resolving any customer complaints or concerns.

This is part of Our commitment to the General Insurance Code of Practice.

Customers are encouraged to contact Us with the following messages:

By Phone

"If You have a complaint please preferably phone the number on the back of Your Policy wording or call 0800 852 467 weekdays 8.30am to 5.00pm. Here You can discuss Your concern with one of Our team members."

In Writing

"Send Us the full details of Your complaint, including any support documents and explain what You would like Us to do."

Mail to: P O Box 7006, Tauranga, New Zealand.

In Person

If You would like to come in to talk to us face to face, please call and We will arrange an appointment for a meeting. Phone 0800 852 467 for an appointment.

## TLC Complaint Procedure

When first advised of a complaint:

- a) the complaint will be handled by a person who has authority to deal with it; and this person will review Your complaint
- b) consider the facts and contact You to resolve the complaint as soon as possible, usually within 24 hours.
- c) If the matter cannot then be resolved to Your satisfaction, it will
- d) be referred to the relevant Manager, who will contact You within 5 working days
- e) If You are still not satisfied with the outcome, it will be referred to General Management.
- f) You will receive TLC's final decision in writing within 15 working days from the date You first made the complaint.
- g) If more information is required or We need to assess or investigate Your complaint, TLC will agree a reasonable alternative timeframe with You.

And if the complaint still remains unresolved then You can undertake dispute resolution proceedings directly with the office of the Insurance & Savings Ombudsman as the selected dispute resolution scheme required under the terms of the Financial Service Providers (Registration and Dispute Resolution) Act 2008. Contact details as below;

Insurance & Savings Ombudsman Scheme  
P O Box 10-845, Wellington 6143, New Zealand  
<http://www.iombudsman.org.nz>

For Your further information, TLC Insurance Limited as the Lloyd's Coverholder is registered as a Financial Service Provider (registration number FSP7261) in compliance with the above Act.

## Lloyd's Representative

Any enquiry or complaint relating to this Insurance should be referred to the Coverholder shown above in the first instance as per the complaints handling process outlined above. If this does not resolve the matter or You are not satisfied with the way a complaint has been dealt with, You should write to:

Lloyd's General Representative in New Zealand  
Level 3

101 Molesworth Street

PO Box 5639

WELLINGTON 6145

Telephone Number: +64 4 472 7582

Facsimile Number: +64 4 472 7571

The Underwriters accepting this Insurance agree that any legal proceedings to be served upon the Underwriters may be served upon:

Scott Galloway

Lloyd's General Representative in New Zealand

Level 3

101 Molesworth Street

PO Box 5639

WELLINGTON 6145

who has authority to accept service and to appear on the Underwriters' behalf.



**turbo**

# TRACKS & TREADS<sup>®</sup>

Contractors Mobile Plant  
Insurance Policy



**HEAD OFFICE**

PO Box 7006 / Tauranga 3148 / NZ

**P** +64 7 544 6686 / **E** info@tlcinsurance.co.nz / **F** +64 7 544 6687

**FP** 0800 TLC INS (852 467) / **FF** 0800 TLC FAX (852 327)

**www.tlcinsurance.co.nz**

