

# UPDATE TO YOUR

**Tracks & Treads Standard**  
**Contractors Mobile Plant**  
**Insurance Policy**



## Tracks & Treads<sup>®</sup> Standard

**Contractors Mobile Plant**  
**Insurance Policy**

Specialised Insurance  
for Heavy Machinery

# Standard TRACKS & TREADS®

We would like to bring to your attention to an update to our Mobile Plant Insurance policy wordings

## CHANGES TO YOUR POLICY

We have updated our Mobile Plant Insurance policy wordings. It's important you read the updated wording below and if you have any questions, please contact your broker or advisor. If you make a claim in any way under this update, the whole claim will be treated as if the update is part of your insurance policy.

Please keep this document in a safe place with your policy documents.

## 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 at:

**Address:** PO Box 7006, Tauranga, New Zealand

**Office Phone:** +64 7 544 6686

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**Freephone:** 0800 TLC INS (0800 852 467)

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SECTION	CURRENT	UPDATE
Definition of an 'accident'	<p>"Accident" means an unexpected event which occurs in New Zealand.</p>	<p>"Accident", "Accidental", "Accidentally", means an unforeseen, unintended an unexpected event which occurs suddenly at a specific time and place in New Zealand.</p>
Definition of 'average' removed	<p>"Average" The meaning of Average shall be as defined in the Insurance Law Reform Act of 1985 and as outlined below.</p> <ol style="list-style-type: none"> <li>1. Part of this insurance Policy contains a provision making it subject to Average.</li> <li>2. That provision will have effect only if the property insured under the Policy is underinsured at the time of Loss.</li> <li>3. If the property insured under the Policy is underinsured at the time of Loss, the following rules apply:                             <ol style="list-style-type: none"> <li>3.1 if You suffer a total Loss, the provision will have no effect;</li> <li>3.2 if You suffer a partial Loss, the maximum amount that You may recover will bear the same proportion to Your actual Loss as the amount for which the property insured bears to the full value of the property;</li> <li>3.3 whatever Your Loss, in no case will You be entitled to recover more than the amount for which the property is insured, e.g. Your property is worth \$20,000. You insured it for \$10,000. You suffer a Loss of \$5,000.</li> </ol> </li> </ol> <p>If Your Policy is subject to Average, the maximum that You may recover will be \$2,500.</p>	<p>N/A</p>
Standard Extension 3		<p><b>3. AGREED VALUE</b></p> <p>Whereby a valuation from an approved Valuer has been received by Us:</p> <ol style="list-style-type: none"> <li>a) prior to any Loss; and</li> <li>b) the item is Insured for the value stated on the valuation within the Schedule.</li> </ol> <p>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 lessor of;</p> <ol style="list-style-type: none"> <li>a) the Agreed Value stated on the Schedule; OR</li> <li>b) Market Value plus 20%</li> </ol> <p>For the purpose of this extension:</p> <ol style="list-style-type: none"> <li>a) the Agreed Value shall be the amount declared to Us by the Insured on the required proposal or Sum Insured declaration form.</li> </ol> <p>NOTE: Market Value conditions will apply if the required proposal or Sum Insured declaration form is not completed and signed by the Insured and received by Us prior to any Loss.</p> <ol style="list-style-type: none"> <li>b) the Market Value shall be determined by obtaining valuations from 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:</li> </ol>

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<p>Standard Extension 3</p>		<p>(i) have sold within the six month period prior to the Loss; and/or</p> <p>(ii) are for sale on the current market.</p> <p>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:</p> <p>(i) the type of machine being claimed for; and</p> <p>(ii) the type of industry in which the machine is/was being used.</p>
<p>Optional Extension 2 – Con Loss</p>	<p><b>2. CONSEQUENTIAL LOSS</b></p> <p>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:</p> <p>(i) indemnify You against the increase in cost of working directly resulting from such interruption or interference; and also</p> <p>(ii) compensate You for any Loss of Revenue suffered by You directly resulting from such interruption or interference;</p> <p>PROVIDED that</p> <p>(a) 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</p> <p>(b) You shall provide all documentation required to establish and verify any claim for Loss of Revenue directly related to insured Loss or damage; and</p> <p>(c) You shall take all reasonable steps to avoid or reduce any potential Loss of Revenue including reorganising work methods and schedules; and</p> <p>(d) You shall take all reasonable measures to assist with the expedient repair and availability of the machine; and</p> <p>(e) no indemnity shall be provided by this extension if replacement or alternative Plant is available at no cost; and</p> <p>(f) 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</p> <p>(g) We will pay a maximum amount of \$5,000 per week subject to Our total liability in any one Period of Insurance not exceeding \$50,000; and</p> <p>(h) 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.</p>	<p><b>2. CONSEQUENTIAL LOSS</b></p> <p>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:</p> <p>a) indemnify You against the increase in cost of working directly resulting from such interruption or interference; and also</p> <p>b) compensate You for any Loss of Revenue suffered by You directly resulting from such interruption or interference;</p> <p>PROVIDED that</p> <p>(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</p> <p>(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</p> <p>(iii) You shall take all reasonable steps to avoid or reduce any potential Loss of Revenue including reorganising work methods and Schedules; and</p> <p>(iv) You shall take all reasonable measures to assist with the expedient repair and availability of the machine; and</p> <p>(v) no indemnity shall be provided by this extension if replacement or alternative Plant is available at no cost; and</p> <p>and</p> <p>(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</p> <p>(vii) Unless otherwise agreed by Us, Our total Liability under this extension shall not exceed;</p> <p>(I) \$5,000 per week subject; or</p> <p>(II) \$50,000 per claim; or</p> <p>(III) \$250,000 any one Period of Insurance</p> <p>For clarity, the maximum amount payable for any one claim under this extension, shall be \$50,000 less the deduction of any applicable Excess.</p> <p>(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</p> <p>(ix) the Excess applying to this extension shall be 10% of each and every claim subject to a minimum of \$2,500.</p>

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<p>Optional Extension 3 – DBA</p>	<p><b>3. EMPLOYEE DEATH BY ACCIDENT</b></p> <p>Employee death by accident-at work and funeral expenses cover In the event of the accidental death of an employee ‘At Work’ We agree to pay the amount specified for this extension. ‘At Work’ is defined as per the Accident Insurance Act 1 998.</p> <p>“Accidental Death’ is defined as bodily injury caused solely and directly by violent, accidental. external and visible means which injury shall independently of any other cause be the sole and direct cause of death occurring within 1 2 calendar months of the Accident.</p> <p>No benefit shall be payable under this extension in respect of any Accident happening to an employee whilst under the influence of an intoxicating liquor or a drug.</p> <p><b>FURTHERMORE:</b></p> <p>Following an Accident for which a claim has been accepted under this Policy, if You or any person employed by You suffer death whilst operating an insured machine then this Policy is extended to cover funeral expenses including reasonable travel costs within New Zealand for any immediate family member of the deceased PROVIDED that:</p> <ul style="list-style-type: none"> <li>(i) immediate family shall mean father, mother, brother, sister, spouse or children of the deceased;</li> <li>(ii) Our total liability does not exceed \$5,000 in respect of any one claim under this extension.</li> </ul>	<p><b>3. EMPLOYEE DEATH BY ACCIDENT</b></p> <p>In the event of a work related Accident resulting in the death of an employee, we agree to pay to that employee:</p> <ul style="list-style-type: none"> <li>a) \$50,000; and</li> <li>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.</li> </ul> <p>PROVIDED that:</p> <ul style="list-style-type: none"> <li>a) This extension is limited to an aggregate of \$100,000 for death and \$10,000 for funeral costs. Extension 18 (reinstatement) does not apply;</li> <li>b) If one incident results in the death of two or more employees then any indemnity entitlement between those employees will be shared equally;</li> <li>c) 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.</li> </ul> <p><b>DEFINITIONS:</b></p> <p>For the purposes of this extension, the following definitions apply:</p> <ul style="list-style-type: none"> <li>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;</li> <li>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;</li> <li>c) WorkRelated Accident means any injury which is caused by immediate, violent, external and visible means which: <ul style="list-style-type: none"> <li>(i) occurs during the ordinary course of employment or while the employee was undertaking an activity at the specific direction of the employer; and</li> <li>(ii) is the direct cause of the employee’s death within 12 calendar months of the incident</li> </ul> </li> </ul>

SECTION	CURRENT	UPDATE
<p>Optional Extension 13 – Tyres - New</p>	<p><b>13. TYRE EXTENSION</b></p> <p>Notwithstanding General Exception 17 this Policy is extended to include the cost of any tyre attached to an insured machine which is accidentally damaged as a result of staking or spiking by static foreign objects lying on or protruding from the ground. We will pay the replacement value of the tyre, less an allowance for depreciation to account for wear and tear.</p> <p>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.</p>	<p><b>13. TYRE EXTENSION</b></p> <p>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</p>
<p>Optional Extension 15 – Tyres – removed, replaced</p>		
<p>Claims Conditions – 3g included</p>		<p>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</p>

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