



auto equity shortfall insurance policy

important notices

Your duty of disclosure

Under Insurance law, you are required to tell us everything you know or could reasonably be expected to know that may influence our decision to insure you and the terms and conditions on which we will insure you.

If you do not tell us those things that may be relevant, we may:

- reduce the amount we pay for a claim;
- refuse a claim;
- cancel the policy; or
- in some cases treat your policy as never having begun.

Cover

The cover provided by your policy may contain unusual terms. It is therefore important that you read and understand your policy. It is your choice whether or not you insure with IAG New Zealand Limited.

Agent authority

The person selling you this insurance is doing so as an Agent of ours and may receive remuneration from us for arranging this insurance.

Money back guarantee

If you request cancellation of this policy within 14 days of the policy commencement date and you have not made a claim, we will refund your premium in full.

Claims Paying Ability Rating

IAG New Zealand Limited has received a Standard and Poor's (Australia) Pty Limited rating of AA "Very Strong" on 1 October 2005.

This means IAG New Zealand Limited has a "Very Strong" claim paying ability, as you can see from the scale below. As a customer, this is important to you, as it is your reassurance that we will be able to pay out on your claims now and in the future.

The rating scale is:-

AAA	Extremely Strong
AA	Very Strong
A	Strong
BBB	Good
BB	Marginal
B	Weak
CCC	Very Weak
CC	Extremely Weak

The ratings from "AA" to "B" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

If you would like further information, a detailed pamphlet is available from the Insurance Council of New Zealand Inc entitled "A Guide to the Insurance Companies (Ratings & Inspections) Act 1994".

Fair Insurance Code

IAG New Zealand Limited proudly supports The Fair Insurance Code. The purpose of this Code is to raise the standards of practice and service in the insurance industry. Brochures on the code are available from our office.

Information on our service commitment and dispute resolution procedure is detailed in the policy.

Our agreement with you

Provided you have paid the premium, we agree to insure you for the type of cover stated in the policy schedule, subject to the terms and conditions of this policy.

We will only give you this cover for the period stated on the policy schedule.

Your contract

Your insurance policy is a contract between you and us.

Your contract is made up of:

1. The proposal;
2. This policy wording;
3. Your current policy schedule.

Together, these documents set out the terms and conditions of your policy.

It is your responsibility to make sure that all details contained on the policy schedule are correct.

Definitions

Words appearing in this policy have the following meaning:

Commencement date means the later of; the date funds are advanced by the financier for the acquisition of the vehicle, or the date you signed the proposal.

Comprehensive Motor Vehicle Insurance Policy means an insurance policy which covers you against theft and accidental loss or damage to the vehicle, and your liability for third party property damage. This does not include Third Party, Fire and Theft Only or Third Party Only type policies.

Finance agreement means the agreement between you and the financier in relation to the vehicle as stated in the policy schedule.

Financier means the financial institution as stated in the policy schedule.

Policy schedule means the most recent schedule we give you describing the details that are specific to your Policy.

Shortfall amount means the amount calculated by deducting the total loss settlement amount from the vehicle finance settlement amount.

Total amount financed means the total amount of all funds advanced by the financier under the finance agreement.

Principal New Zealand office

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Total finance payout amount means the total amount owing on the finance agreement as at the date of loss recorded by the vehicle insurer. This does not include any arrears due to the financier.

Total loss means a claim on the comprehensive motor vehicle insurance policy where the vehicle insurer has declared the vehicle a total loss because the vehicle is uneconomical to repair or it has been stolen and not found.

Total loss settlement amount means the pre-accident value agreed upon by you and the vehicle insurer in final settlement of your claim following a total loss less any policy excess amount applicable to that claim. This does not include any other deductions made by the vehicle insurer for items such as storage, salvage, towing or premiums.

Vehicle means the vehicle described in the policy schedule.

Vehicle finance amount means that portion of the total amount financed used in relation to the purchase price of the vehicle inclusive of delivery charges, government charges, registration charges and any insurance policy premiums for policies providing cover on either the total amount financed or the vehicle. This excludes any amount advanced under the finance agreement that is used for any other purpose.

Vehicle finance settlement amount means the amount owing on the finance agreement in relation to the vehicle finance amount as at the date of loss recorded by the vehicle insurer. This does not include any arrears due to the financier.

If the total amount financed exceeds the vehicle finance amount, the vehicle finance settlement amount will be the same proportion of the total finance payout amount as the vehicle finance amount is to the total amount financed.

Vehicle insurer means the insurance company named in the comprehensive motor vehicle insurance policy.

We, our and us means IAG New Zealand Limited.

You and your means the insured person(s) named in the policy schedule. It also includes the financier to the extent of their interest in the vehicle.

What we will pay

In the event of a total loss and provided the vehicle insurer has accepted your claim, we will:

1. pay you \$1,000 (including GST) for out of pocket expenses; and
2. pay any shortfall amount owing to the financier up to a maximum of \$10,000 (including GST).

We will only pay one claim under this policy.

What we will not pay

In determining the shortfall amount to be paid, we will not pay the following:

1. any rebatable items which are included in the finance agreement; or
2. any additional costs arising from a variation to the original finance agreement.

We may also require other documentation or Statutory Declarations from you depending on the circumstances of your claim. We will ask for this documentation if required.

If your completed claim form is not received by us within 14 days of a total loss settlement, we may refuse a claim or reduce the amount we pay for a claim.

A claim form may be obtained from any of our offices.

When we will not pay

This policy will cease to operate and no claim will be paid where the vehicle:

1. is being or has been used for or tested in preparation for any form of sport;
2. is being used for the purpose of driver instruction or tuition for reward or the conveyance of passengers for hire or reward (this includes taxi and car rental);
3. is being used as a police or emergency service vehicle; or
4. is being used for courier purposes.

Cancelling this policy

You may cancel this policy at any time by writing to us to request cancellation of your policy.

We will also require the financier's permission before we can cancel your policy.

We may cancel this policy where we are legally allowed to do so.

In the event of cancellation, we will retain an amount from the premium to cover the time the policy has been in force and our cancellation fees. We will refund the balance to you or your financier.

When this policy ends

This policy will automatically terminate and all benefits will cease on the earliest of:

1. the date on which the finance agreement is discharged or terminated;
2. the effective date of cancellation by you or us;
3. the date on which a benefit under this policy is paid by us; or
4. five years from the commencement date.

Service commitment

We are proud of our service standards and support The Fair Insurance Code. If you are not satisfied with:

- one of our products;
- our service;
- the service of our agents, loss adjusters or investigators; or
- our decision on your claim,

please contact us and our staff will help you in any way they can. If they are unable to satisfy you, they will refer you to our manager who will immediately deal with the matter.

If our manager cannot resolve the matter, it can be dealt with through our Internal Dispute Resolution process. You need to ask our manager to refer the matter to a Dispute Resolution Officer.

The Dispute Resolution Officer will investigate and try to reach a satisfactory outcome. You will be advised in writing of our final decision, normally within 10 days. Our Dispute Resolution process is a free service to you.

If you do not agree with our decision, your complaint can be reviewed through the Insurance and Savings Ombudsman Office.

The Insurance and Savings Ombudsman Office is an independent disputes resolution body funded by the Insurance and Savings Ombudsman Commission to consider complaints against members within its jurisdiction. The Insurance and Savings Ombudsman's jurisdiction is set out in its terms of reference and it considers complaints about personal insurance policies and makes decisions binding upon member companies up to a maximum of \$100,000.

You do not have to pay to take a complaint to the Insurance and Savings Ombudsman Office.

We must abide by the Insurance and Savings Ombudsman's ruling, but you are permitted to reject the Insurance and Savings Ombudsman's ruling and take your case to an alternative means of dispute resolution.