

EXTENDED WARRANTY INSURANCE POLICY

MARAC[®]
MARAC INSURANCE LIMITED

MARAC INSURANCE ROADSIDE ASSISTANCE

24 hours a day, 365 days a year.

Phone 0800 45 10 10

By purchasing the MARAC Insurance Extended Warranty Insurance Policy, your vehicle is eligible for the benefit of Roadside Assistance that includes:

1. Mechanical Breakdown Assistance

In the event of mechanical breakdown we will dispatch a service provider to attempt to mobilise your vehicle. If the problem causing the immobility is a minor mechanical or electrical breakdown, the service provider will attempt emergency mechanical or electrical repair at the roadside to rectify the problem.

2. Towing

In the event that a Vehicle suffers a breakdown and cannot be mobilised, we will tow the Vehicle to the nearest MARAC Insurance *Authorised Repair Facility* from the breakdown site.

If the *Authorised Repair Facility* is not open, the Vehicle will be towed to a place of storage until the vehicle can be delivered to the nearest facility under the above criteria.

If at the time of breakdown the vehicle was towing a caravan, boat or trailer this vehicle will be towed or transported to the nearest *Authorised Repair Facility* or place of safety. Towing and storage costs for a caravan, boat or trailer will be your responsibility.

3. Flat Battery

If the vehicle's battery is flat and you cannot start the vehicle's engine our service provider will arrange to restart your engine.

4. Lost and Locked-in Keys

If you lock your keys in the vehicle or lose your keys, our provider will access the vehicle, or if appropriate, transport the vehicle to the nearest *Authorised Repair Facility*.

5. Change of Flat Tyres

If you require assistance changing a flat tyre we will dispatch a service provider to fit your spare wheel.

6. Out of Fuel

If you run out of fuel we will dispatch a service provider to give you 5 litres of fuel without charge to you.

7. Taxi Option

If we tow your vehicle due to a mechanical breakdown, we will reimburse one taxi ride to the value of \$50 including GST to enable the vehicle occupants to continue their journey. Any taxi fare charged in excess of this limit will be the occupant's responsibility.

8. Emergency Co-ordination

In the event of an emergency we will assist you in arranging accommodation or transportation services. The cost of these services will be your responsibility.

9. Accident, Theft, Vandalism and Collision Co-ordination

Following a motor vehicle accident, theft, vandalism or collision, we will provide advice and assistance. Towing and transportation services can be arranged at your expense in the event that the vehicle is either immobilised or unsafe to drive.

10. Windscreen Repair Referral

In the event your windscreen is damaged we can refer you to the nearest approved windscreen repairer.

11. Message Relay

In the event of a mechanical breakdown or accident, we can relay urgent messages to friends, family or business associates.

12. Travel Delay

In the event of a mechanical breakdown or accident that delays the caller, we can co-ordinate the re-booking of pre-planned travel arrangements, or arrange alternative arrangements as directed.

13. Legal Advice

We can provide access to legal advice (verbal only) on all matters arising from traffic and motor vehicle legislation, and matters arising from the use and ownership of your vehicle. This consultation service is provided at no cost to you.

14. Emergency Personal Assistance

We will provide advice on cancellation of lost or stolen credit cards, cheques, passports and drivers licence.

15. Medical Referral and Advice

Customers travelling away from their home base and in unfamiliar territory may, from time to time, find themselves in need of medical advice or treatment. Our team will provide appropriate advice and refer you to the nearest medical centre for treatment. Consultant and treatment fees are your responsibility.

16. Travel Directions

Should you become lost or require travel directions we can provide help and instructions on how to reach the planned destination and advise of delays in arrival by way of message.

17. Technical Advice

Telephone technical advice will be provided in regard to vehicle operation, instrument warning indicators or technical/mechanical information regarding the vehicle where possible.

Exclusions for Roadside Assistance

Assistance is not available in the following instances:

- if the vehicle is used for hire or reward, in motor racing, rallies, speed or duration testing or any practice thereof.
- claims arising from the loss or damage to the contents of the vehicle.
- claims arising from damage caused through forced entry in an attempt to recover locked keys, whereby the owner or driver has been briefed on the situation by our staff (or the provider in attendance), and the owner or driver has subsequently agreed to indemnify us against any damage caused during entry.
- claims arising from recurring electrical or mechanical limit resulting from improper maintenance or servicing where a fault and repair that is known or should have been reasonably expected to be known has been neglected.
- situations where the vehicle is disabled by floods, snow affected roads, or is not accessible due to other adverse conditions.
- vehicles being bogged in off-road conditions and not easily accessible by normal two wheel drive recovery vehicles.
- vehicles being located off public roads (other than private residence), not accessible by a normal two wheel drive recovery vehicle.
- vehicles exceeding 3.0 tonnes in laden weight.
- vehicles that have been left unattended.
- vehicles modified from standard manufacturer's specifications.
- vehicles other than those confirmed as covered by Roadside Assistance.
- vehicles not displaying a current motor vehicle registration certificate and warrant of fitness.
- costs relating to parts, labour and any associated costs of repair of the vehicle, including replacement batteries and/or tyres that are to be replaced at the owner's expense.
- events as a result of an accident, or misuse of the vehicle. All associated costs of which are the responsibility of the driver.

IMPORTANT NOTICES *read these carefully*

MARAC Insurance Limited (referred to as "We" or "Us" in this Policy) uses IAG New Zealand Limited to underwrite this Policy. First Assistance does not have any liability under this Policy except for the provision of Roadside Assistance.

Your Duty of Disclosure

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.

Agent Authority

The person selling You this insurance is doing so as Our agent and may receive remuneration from Us for arranging this insurance.

Money Back Guarantee

You may request cancellation of this Policy within 30 days of signing the Proposal. We will provide You with a full refund of the premium paid, provided You have not made a claim under the policy.

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; and
3. Your current Policy Schedule.

Together these documents set out the terms and conditions of Your Policy. It is Your responsibility to ensure that all details contained on the Policy Schedule are correct.

MARAC INSURANCE'S SERVICE COMMITMENT

MARAC Insurance is proud of its service standards and supports 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 the MARAC Insurance office on 0800 45 10 10 where Our staff will help You in any way they can.

If they are unable to satisfy You they will refer Your complaint to their manager who will immediately deal with the matter.

YOUR RIGHTS IF THERE IS A DISPUTE

If the 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. You may have other rights under the Consumer Guarantees Act 1993.

THE WAY WE HANDLE YOUR PERSONAL INFORMATION

MARAC Insurance Limited ("We") collects personal information from You for the purpose of providing You with insurance products, services, processing and assessing claims.

We will disclose information to the First Rescue and Emergency (NZ) Limited (First Assistance) about Your rights in respect of towing services.

We will not use Your personal information for direct marketing purposes unless it obtains Your prior consent.

You can choose not to provide this information, however, We may not be able to process Your requests.

We may disclose information We hold about You to other insurers, an insurance reference service or as required by law.

In the event of a claim, We may disclose information to and/or collect additional information about You from investigators or legal advisors.

If you wish to update or access the information We hold about You, contact Us, on 0800 45 10 10.

DEFINITIONS

Authorised Repair Facility

- the authorised dealer who sold you this policy or any other authorised dealer.
- a registered mechanical repair business authorised by MARAC Insurance as an approved repairer.

Authorised Service Facility

- any authorised dealer or service agent.
- a registered mechanical repair business employing at least one (1) fully qualified automotive technician.

Covered Component

means a component of the Vehicle that was originally covered by the Manufacturer's Vehicle Warranty, but excludes those components described under "What is not covered".

First Assistance

means First Rescue and Emergency (NZ) Limited, incorporated Head Office, 602 Great South Road, Ellerslie, Auckland.

Lead replacement fuels

means any bio-fuel, any low sulphur bio-diesel fuel.

Manufacturer's Vehicle Warranty

means the warranty provided by the Vehicle manufacturer covering the mechanical components of the Vehicle.

Mechanical Failure

means the sudden or unforeseen failure of a Covered Component, excluding Normal Wear.

Normal Wear

means the gradual reduction in operating performance of a Covered Component, having regard to the age of the Vehicle and the distance the Vehicle has travelled since new.

Policy Schedule

means the most recent schedule We give You describing the terms and conditions that are specific to your Policy. This also includes any amendments We send You in writing.

Term In Months

means the time period for which You have requested insurance. The Term In Months is stated on the Policy Schedule.

Vehicle

means the Vehicle described in the Policy Schedule.

We, Us and Our

means MARAC Insurance Limited, underwritten by IAG New Zealand Limited.

You and Your

means the insured person(s) named in the Policy Schedule.

PERIOD OF COVER

Cover will commence the later of:

1. The date You signed the Proposal;
2. The date that any part of the Manufacturer's Vehicle Warranty expires.

The Policy will cease:

1. At 4 p.m. on the date that the Term In Months has elapsed from the later of:
 - a) the date the cover commences;
 - b) the date the Manufacturer's Vehicle Warranty completely expires;
2. If any of the events set out in section B, page 3 occurs;
- or
3. When the Vehicle has travelled a total distance of 220,000 kilometres since new.

WHAT IS COVERED?

If Your Vehicle suffers a Mechanical Failure of a Covered Component during the period of cover and You have complied with the terms and conditions of the Policy, We will pay reasonable costs of having the Mechanical Failure repaired by an Authorised Repair Facility.

The most We will pay in relation to any one Mechanical Failure is determined by the kilometres the Vehicle has travelled as at the date of that Mechanical Failure.

Where We believe it is uneconomical to repair the vehicle, We reserve the right to pay You a sum of money instead of paying for the carrying out of repairs.

These limits are as follows:

Kilometres at date	Maximum claim amount of mechanical failure
Non European Vehicles Less than 150,000km	Current market value of vehicle
European Vehicles Less than 150,000km	\$5000 (incl GST)
Non European Vehicles 150,000km or greater	\$4000 (incl GST)
European Vehicles 150,000km or greater	\$3500 (incl GST)

EXCESS

All European New Zealand new and imported vehicles have a \$500 excess regardless to any excess You may have selected when purchasing this warranty. For Non European vehicles You may have elected to pay an Excess per claim. If You have selected this option, it will be shown on the warranty proposal.

You must pay the excess to the Authorised Repair Facility before You collect Your vehicle.

ADDITIONAL BENEFITS

If the Vehicle suffers a Mechanical Failure during the period of cover, We will also provide the following benefits.

1. Quality Guarantee

All repairs to Covered Components authorised by Us prior to the commencement of repairs will be covered by this Policy for the remaining period of cover.

2. Consumable Items

Any items that require periodic replacement as part of normal vehicle maintenance are not covered by this Policy (refer 'What Is Not Covered'). We will, however, pay to replace such items if they are required in relation to a Mechanical Failure.

WHAT IS NOT COVERED?

A. This Policy does not cover:

1. Any Mechanical Failure or costs covered by any other warranty or entitlement including any manufacturer or dealer warranty and/or repairer's guarantee.
2. Any Mechanical Failure attributable to Your failure to comply with the Vehicle servicing requirements.
3. Any repairs required arising from defects which were in existence at the commencement of cover.
4. Any repairs required as a result of continued operation of the Vehicle once a defect or fault has occurred (including loss of lubricants and coolant).
5. Damage attributable to impact or road traffic accident.
6. Any consequential loss, damage or liability incurred as a result of a Mechanical Failure (including personal liability).
7. Any claims where We have not been contacted prior to the commencement of repairs or repairs where We have not issued a work authorisation number.
8. Any claim where the Mechanical Failure has been caused by abuse, misuse, negligence, and/or lack of normal maintenance, improper servicing, and/or any failure caused by the incorrect grade, the contamination of and/or the failure to maintain proper levels of any fluids or lubricants.
9. Any claim attributable to failure to follow the Vehicle manufacturer's operating guidelines or Mechanical Failure attributable to exceeding the manufacturer's operating limitations.
10. Any Mechanical Failure that can be attributed to the Vehicle being fitted with an LPG/LNG/CNG unit other than a unit supplied, fitted or endorsed by the Vehicle manufacturer.
11. Any claims where the repair has been performed by other than an Authorised Repair Facility.
12. Any items that require periodic replacement as a part of normal Vehicle maintenance. These items include (but are not limited to); spark plugs and leads, glow plugs, belts, filters, hoses, brake pads, disc rotors, friction materials, batteries and globes.
13. Tyres, paint work, panel or body work and their components including hinges and handles, components made of glass, trim, upholstery or decorative components.
14. Any maintenance, adjustments, upgrade, modification, and/or re-programming required to any Covered Component.
15. Exhaust system components subject to periodical replacement including: mufflers, pipes and catalytic converters.
16. Shock absorbers and the hydraulic portion of struts, where the failure relates to fluid leakage and/all internal or external seal failure.
17. Any claim relating to the excessive use and/or burning of oil where no Mechanical Failure has occurred and the condition relates to Normal Wear.
18. The cleaning of any component, including the removal of any carbon or sludge:
 - (i) Except where it is a direct cause of the mechanical failure.
 - (ii) Unless authorised by the claims control centre having regard to the repair being performed.
19. Failure caused by corrosion, electrolysis or rust.
20. Any tappings, threads and/or fixing and fastening devices.
21. Diagnostic costs, unless accepted as part of an authorised claim.
22. Audio equipment.
23. Any costs associated with locating, importing or transporting any parts required in conjunction with any repairs, where such parts are not available within New Zealand.

Furthermore, if any parts are unavailable within New Zealand then the costs payable under this contract will be the lesser of;

- (i) The manufacturer's most recent New Zealand list price;
- (ii) The list price of the closest equivalent part available in New Zealand; or
- (iii) The cost of having a new part made in New Zealand.

You may have the right to claim this cost from the manufacturer or importer of the vehicle if the Consumer Guarantees Act applies to Your purchase of the Vehicle.

24. Any costs for repairs due to a recall by the Vehicle manufacturer and/or rectifying any failure of or defect in design or specification of a component.
25. Any costs arising from, or for repairs for rectifying, defective or faulty repair or workmanship.
26. Any claim which is fraudulent.

B. This Policy will cease to operate and no claims will be accepted where the Vehicle:

1. Has been modified from the manufacturer's original specifications after the date You signed the declaration on the application form for this Policy, unless You have notified Us before the modification was made and We have agreed in writing.
2. Is being or has been used or tested in preparation for, or participation in, any form of motor sport.
3. Is being used for the purpose of driver instruction or tuition for reward, or the conveyance of passengers for hire or reward (this includes car rental).
4. Is being used as a Police or other emergency vehicle.
5. Is being used outside New Zealand.
6. Is unroadworthy or unregistered.
7. Is being used for a purpose for which it was not designed.
8. Has not been serviced in accordance with the service requirements detailed under 'Vehicle Servicing'.
9. Odometer reading cannot be determined as accurate by virtue of it having been inoperative, tampered with or removed from the Vehicle.
10. Is being used for courier purposes.

VEHICLE SERVICING

It is a condition of this policy that You have the Vehicle properly, regularly and punctually serviced.

Petrol Vehicles covered by this Policy must be serviced at least every 10,000 kms or 12 months, whichever comes first, from the Policy commencement date unless otherwise specified by the manufacturer.

Petrol turbo and diesel Vehicles covered by this Policy must have an engine oil and oil filter change every 5,000 kms or 6 months, whichever comes first, from the Policy commencement date.

A full service is required every 10,000 kms or 12 months, whichever comes first, from the Policy commencement date unless otherwise specified by the manufacturer.

All Vehicle servicing must be carried out by an Authorised Service Facility. As part of the standard service the following must be checked and attended to as required.

- Check all fluid levels and condition.
- Check air cleaner.
- Check all belts, replace if necessary.
Please note cambelts must be replaced every five years or 100,000 kms, whichever occurs first, unless otherwise specified by the Vehicle manufacturer.
- Check cooling system including inhibitor and hoses.
- Check turbo oil feed.
- Check automatic transmission oil.
- Check Warrant of Fitness.
- Check CV joints and boots.
- Check braking system including brake fluid condition.
- Check steering and suspension systems.

The cost of servicing is at Your expense.

Once a service has been completed You must make sure that the Authorised Service Facility completes and stamps the service coupons that we have provided, at the time of the service.

This information will be required in the event of a claim.

TRANSFERABILITY

At Our sole discretion We may permit transfer to a new owner if You sell the Vehicle.

Transfer will not be accepted if the Vehicle is sold to or through a motor dealer or trader.

To request a transfer please contact us for a Transfer of Ownership Request Form. Once you have completed this form send it to MARAC Insurance, accompanied by:

- a) a copy of a current or new Warrant of Fitness/vehicle inspection report;
- b) a copy of the receipt of vehicle purchase;
- c) a copy of the Vehicle Service Records and the transfer fee of \$60 (including GST).

Both You and the person You wish to transfer the Policy to must sign the Transfer of Ownership Request Form. We will not refund to You any prepaid premium. It is up to You to arrange any payment adjustment with the new owner.

CANCELLATION OF THIS POLICY

You can only cancel this Policy within thirty (30) days from the date the Policy was issued. You must advise Us in writing and have made no claims on the Policy. The Policy Schedule must be returned to us before any refund of premium will be made.

We can cancel this Policy by giving seven days written notice to You at Your last known address, and any premium refund will be made on a pro-rata basis.

MAKING A CLAIM

To make a claim on this Policy you must take these steps:

1. Take the Vehicle to an Authorised Repair Facility. You are responsible for the cost of transporting the vehicle to the Authorised Repairer unless Roadside Assistance towing applies (see Page 1). You must give First Assistance Your contact details and this policy number.
2. Give details of this Policy to the Authorised Repairer when You have delivered the Vehicle, and ask the Repairer to lodge a claim on Your behalf.

If your claim is accepted, We will authorise repairs and issue the Authorised Repair Facility with a repair authorisation number.

If You have any difficulties, contact the MARAC Insurance National Claims Control centre on 0800 45 10 10. We will contact the Authorised Repair Facility.

You are responsible for making sure that the Authorised Repair Facility contacts Us before repairs begin.

In some instances We will require You to complete a claim form and We may also require other documentation such as proof of servicing, invoices etc.

We will ask for this documentation if required.

Sometimes We may also need you to authorise certain work with the Authorised Repair Facility since We may not be able to ascertain whether the failure is covered by this Policy without dismantling the Vehicle.

Where this is the case We or the Authorised Repair Facility will request Your authority before commencing any work on the Vehicle.

Any parts which are removed from the Vehicle during repairs become Our property.

If You need to contact the MARAC Insurance National Claims Control Centre the address and telephone details are as follows:

**The National Claims Control Centre
MARAC Insurance Limited
PO Box 68200, Newton, Auckland 1145
New Zealand
TELEPHONE 0800 45 10 10**

CLAIM RECOVERY

If You make a claim on this Policy for an incident where We believe costs could be recovered from another party, We reserve the right to take action to recover money paid by Us.

When We do this We may need to take such action in Your name, and therefore You must co-operate with Us and give Us any information We may require. We will pay for any legal expenses.

Any displaced parts become the property of the warranty underwriter.

HOW TO CONTACT US

For any enquiry you have regarding this insurance please contact MARAC Insurance, or the dealer who sold you the policy.

**MARAC Insurance Limited
PO Box 68200, Newton, Auckland 1145
New Zealand
TELEPHONE 0800 45 10 10
FAX (09) 302 0805**

CLAIMS PAYING ABILITY RATING

IAG New Zealand Limited (Policy underwriter) received a Standard and Poor's (Australia) Pty Limited rating of AA "Very Strong" on 1 October 2007.

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".