

MARAC Mechanical Breakdown Insurance

Policy Booklet



MARAC
MARAC INSURANCE LIMITED

Welcome

Congratulations on the purchase of your vehicle.

This cover entitles you to the benefit of two services:

- **AA Roadservice**

Provided to you by The New Zealand Automobile Association Incorporated (“AA”).

- **MARAC Mechanical Breakdown Insurance**

Provided by MARAC Insurance Ltd (“MARAC Insurance”) and underwritten by Vero Insurance New Zealand Limited (“Vero”).

MARAC Insurance has packaged these two separate services together to make it easier for you to deal with mechanical breakdowns whenever they happen.

Please take the time to read the policy. It contains information you need to know and understand.

In particular, you should note that the insurance policy may not cover you if you do not follow the vehicle servicing requirements set out in this booklet.

Please keep this booklet, together with your proposal certificate, in a safe place.

MARAC Insurance promotes safe driving

- Having your vehicle maintained and regularly serviced helps to protect your investment.
- For safety purposes you must always maintain a current Warrant of Fitness and Registration.
- We recommend you practice safe and considerate driving.

Important notices

Read these carefully

Vero Insurance New Zealand Limited (referred to as “We” “Our” or “Us” in this Policy) is the insurer under this contract. MARAC Insurance does not have any liability under this insurance Policy.

“You” or “Your” means the insured person or persons named on the Proposal Certificate.

Your Contract

Your contract is made up of:

1. The Proposal Certificate; and
2. This Policy Booklet.

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

Authorised Repair Facility

Repairs must be carried out by an authorised repair facility. Phone Claims Services on 0800 809 700 for details on the nearest authorised repair facility to you.

Fair insurance code

As members of the Insurance Council of New Zealand, We are committed to complying with the Council’s Fair Insurance Code.

This includes requirements for us to:

1. Provide insurance contracts, setting out in plain English what is insured, what is not and what your obligations are;
2. Settle all valid claims fairly and promptly;
3. Where a claim is declined, clearly explain the reasons for this;
4. Fully investigate complaints, advise you of the outcome and when necessary tell you about the Insurance and Financial Services Ombudsman scheme.

Your rights if there is a dispute

If a 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 Financial Services Ombudsman Office.

This is a free independent disputes resolution body funded by the insurance industry to consider complaints against members within its jurisdiction.

We must abide by the Insurance and Financial Services Ombudsman's ruling, but You are permitted to reject the 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.

Contact details

You can contact Vero directly for claims and policy queries:

- For all claim enquiries phone 0800 809 700 (option 1)
- For all other policy queries, or to request a transfer phone 0800 809 700 (option 5)

MARAC Insurance Ltd, PO Box 9919, Newmarket, Auckland 1149
0800 520 009.

Cover provided

The reasonable cost to repair the actual failure of mechanical or electrical components unless otherwise excluded following a sudden and unforeseen breakdown that occurs within New Zealand during normal use.

Roadside assistance is provided by AA Roadservice. Towing of vehicle, accommodation costs and additional benefits are as detailed within.

Claim entitlement

Odometer	Standard	Special Category	European	Modified
Up to 125,000 kms	Unlimited	\$ 8,000	\$ 8,000	\$ 5,000
Up to 150,000 kms	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Up to 200,000 kms	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Up to 225,000 kms	\$ 3,000	\$ 3,000	Nil	Nil

- These claim entitlement limits are per claim and include GST.
- The odometer reading limit is as at the date of commencement of cover.

Qualifying vehicles

A. Standard Vehicles:

Petrol powered vehicles 16 years old and less having travelled less than 225,000 kms at commencement of cover other than those listed in B, C and D and not listed in Excluded Vehicles.

B. Special Category Vehicles:

Vehicles 16 years old and less having travelled less than 225,000 kms at commencement of cover falling into the following categories:

- Turbo and supercharged vehicles
- Vehicles manufactured in the USA
- Diesel powered vehicles
- Hybrid vehicles
- Mazda RX8.

C. European Vehicles:

Diesel or petrol powered vehicles, manufactured in Europe, 10 years old and less that have travelled less than 200,000 kms at commencement of cover including but not limited to: Alfa Romeo, Audi, BMW, Citroen, Daimler, Fiat, Jaguar, Lancia, Land Rover, Mercedes-Benz, MG, Mini, Opel, Peugeot, Saab, Seat, Skoda, Vauxhall, Volvo and Volkswagen.

D. Modified Vehicles:

Vehicles that have been modified in any way from the manufacturer's standard specification will only be covered under this Policy if you have disclosed the modifications to us in detail and we have agreed to insure the vehicle. An additional premium is payable.

There is no cover for any vehicle that is modified in any way from the manufacturer's standard specification after the Policy has been issued unless they are advised to us in writing and we agree to insure the modified vehicle under this Policy.

Excluded vehicles

There is no cover for any of the following vehicles:

- GVM over 3500 KG;
- European vehicles over 10 years old or have travelled more than 200,000 kms;
- All other vehicles over 16 years old or have travelled more than 225,000 kms;
- Powered by engines with more than 8 cylinders;
- Modified in any way from the manufacturer's standard specification unless disclosed and accepted by us;
- Manufactured by Aston Martin, Bentley, Ferrari, Jensen, Lamborghini, Lotus, Maserati, Porsche, Rolls Royce, Rover, Saab or TVR;
- BMW M3, M5, & M6 series, BMW 7 series, Mercedes-Benz AMG, Audi RS models, R8, A8, S8, Q7 V12 and VW W8;
- Used as taxis, rentals, courier vehicles, shuttles, any fare paying passenger vehicle or goods delivery vehicles.

If your vehicle falls into this category a refund of the unused part of your paid premium will be made on request.

Excess

You must contribute the amount shown as the excess as the first amount of each unrelated claim. You must pay the excess to the repairer before you collect your vehicle.

A Standard Vehicles	\$125
B Special Category Vehicles	\$250
C European Vehicles	\$350
D Modified Vehicles	\$350

What is not covered

We will not pay for:

1. Repairs that are covered by the manufacturer's warranty or repairs that are the subject of a manufacturer's recall or any component design fault or any damage arising from the design fault;
2. Any fault existing at the commencement of cover and any resulting damage;
3. Maintenance nor the reconditioning of components that whilst worn, have not actually failed;
4. Audio equipment, trim, panel, lights, glass, paintwork, seats and any cosmetic items;
5. Batteries, exhaust systems, chassis, shock absorbers, sunroofs, catalytic converters, seat belts, tyres, entertainment systems, global positioning systems, communication systems, fuel tanks, air bag suspension, keys and remotes;
6. Brake pads and shoes;
7. Clutch assembly and flywheel including all friction material;
8. Servicing items and maintenance including but not limited to replacing spark plugs, glow plugs, drive belts, lubricants, gas, filters, injector servicing, fluids or any costs relating to maintenance, adjustment or tuning;
9. The replacement of any component which has not actually failed, or damage caused by the failure of a non-covered component;
10. Costs arising from the failure of the cambelt and/or any resulting damage when the cambelt is not replaced in accordance with the manufacturer's recommendation;

11. Costs relating to any claim that is not lodged during the policy term;
12. Any costs whatsoever relating to loss of use of the vehicle;
13. Costs arising from repairs necessitated by external causes, contamination, perishing, corrosion, rust, accident damage, fire damage, water damage, theft, wilful damage, misuse, neglect, faulty repair and/or defective workmanship;
14. Any costs related to the excessive use and/or burning of oil where no mechanical failure has occurred;
15. Repairs necessitated by the failure of any plastic components due to gradual deterioration and any resulting damage;
16. Repairs resulting from incorrect fuel, oil or coolant use;
17. Any repairs commenced or carried out without our approval.

Conditions

- A. You must take all reasonable steps to protect your vehicle from breakdown and comply with the manufacturer's operating and safety recommendations.
- B. This policy does not apply if your vehicle is used in racing competitions, time trials, rallies, speed testing, pace making, reliability trials or any off-road activities.
- C. If any claim under this policy is supported by any incorrect information or statement or is in any respect fraudulent, then your claim is not payable and this entire policy automatically terminates from the date that the incorrect statement or fraudulent claim was made to us.
- D. If you breach any policy term or condition no claim will be payable under this policy. Nothing in this policy affects our rights to avoid the policy for non-disclosure.
- E. You must comply with the service requirements detailed in this policy.

Cost of parts

We reserve the right to supply new, used or reconditioned parts at our discretion. If any parts, required for a repair, are unavailable in New Zealand then the most we will pay is the lesser of:

- 1) The manufacturer's most recent New Zealand list price;
- 2) The list price of the closest equivalent part available in New Zealand; or
- 3) The cost of having a new part made in New Zealand.

Transfer of mechanical breakdown insurance

At our discretion we may permit transfer of this policy to a new owner if you sell the vehicle.

A transfer will not be permitted if the vehicle is sold to or through a motor dealer or trader. A transfer will not be permitted if any claim has been paid under this policy.

To request a transfer please contact us for a Transfer of Mechanical Breakdown Insurance Request Form. Once you have completed this form return it to us with:

- Copy of new Warrant of Fitness or Vehicle inspection report (if requested);
- Copy of receipt of vehicle purchase;
- Copy of vehicle service records; and
- Transfer fee of \$75 (incl GST).

Both you and the person you wish to transfer the policy to must sign the form. There is no refund of premium available.

To request a transfer call or apply in writing to:

MARAC Insurance Ltd, PO Box 9919, Newmarket, Auckland 1149 or call **0800 809 700 (option 5)**.

Cancellation of this policy

You may cancel this policy at any time. Any refund on your policy will only be considered if your request is made within 30 days of the policy's inception date and no claims have been made under your policy.

We may cancel this policy at any time by sending a letter to this effect to you at your last known postal address. The cancellation will take effect at 4:00pm on the 7th day after the letter has been sent. We will refund the unused part of your paid premium once the policy booklet and certificate has been returned to us.

Pre-purchase inspection report

Where you have purchased a MARAC Mechanical Breakdown Insurance policy through a retailer other than a MARAC Accredited Warranty Dealer, your vehicle must undergo a pre purchase inspection. Your inspection must be forwarded to us at sales@autosure.co.nz, within 14 days of the policy's inception date. No claims will be payable under this policy if we have not received a copy of the report within the 14 day period.

Please note that the content of your pre purchase inspection report, and the accuracy of the inspection, is between you and the party issuing the report. Any queries relating to the inspection should be directed to them.

Additional benefits

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

1. Quality Guarantee

All repairs, authorised by us, and carried out under this policy 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. We will, however, pay to replace such items if they are required in relation to an actual failure of mechanical or electrical components covered by this policy.

AA Roadservice

24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS A YEAR

NATIONWIDE AA ROADSERVICE

PHONE 0800 500 222

By purchasing the MARAC Mechanical Breakdown Insurance Policy, the vehicle is eligible for the benefit of AA Roadservice which includes:

1. Mechanical Breakdown

Call the AA any time of the day or night and help will soon be on its way to you.

2. Towing

If the vehicle has mechanical problems and cannot be mobilised at the time of the breakdown, the AA will arrange to tow the vehicle to the nearest Authorised Repair Facility or place of repair/safety where arrangements for repair can be made.

There is no charge to you for any callout and/or towing charges to the nearest Authorised Repair Facility. It is all covered by AA Roadservice. If you want the vehicle to be towed to another approved repairer then you may be required to pay the towing charges.

3. Flat Battery

If the vehicle battery will not start the engine, the AA will arrange to restart the vehicle.

4. Lockout Service

Locking the keys in the car is something that can happen to anyone. The AA will arrange to have someone come to you and in most cases quickly gain access to the vehicle so you can be on your way again.

5. Lost Keys

The AA will arrange a locksmith to help get the driver back into the vehicle. Any replacement keys provided will be at your cost.

6. Change of Flat Tyres

Changing a flat can be a difficult, dirty and dangerous job.

The AA will change the tyre for you. If there is no roadworthy or compatible spare, the AA can arrange towing to the nearest facility at your cost.

7. Out of Fuel

If your vehicle is unfortunate enough to have run out of fuel the AA will deliver free of charge, fuel to your vehicle. Applicable fuel charges will apply.

8. Extra Entitlements

Should your vehicle break down more than 100 kms from home and your vehicle cannot be reasonably repaired within 24 hours you are entitled to:

- A rental car for up to two days to the value of \$120 per day or land transportation home for the driver and passengers; or
- Accommodation for the vehicle's occupants for one night to the value of \$120.

You must pay personal expenses such as insurance, fuel, telephone calls, and meals where there is a rental car or accommodation entitlement. Normal rental car hire conditions apply. All figures are GST inclusive.

EXCLUSIONS

- Unattended vehicles.
- Vehicles over three tonnes gross laden weight.
- Recovered stolen vehicles.
- Vehicles which are not roadworthy or safe, or which are being operated in an unsafe or illegal manner.
- Vehicles carrying loads beyond legal limits.
- Vehicles at a repairer's premises or garage.
- Vehicles which are not on public or formed roads, or which are trapped or bogged.
- When the vehicle was being used for racing, pacemaking, speed testing, reliability trials, competitions or off road activities at the time of the breakdown.
- Vehicles which will not operate as a result of a motor vehicle accident.
- Breakdowns covered under other insurance policies.
- Anytime when it would be dangerous or illegal for AA personnel or contractors to repair, load or transport the vehicle and/or its occupants.

Note:

AA Roadservice is provided and administered by The New Zealand Automobile Association Incorporated, its service providers, contractors and sub-contractors.

AA Roadservice is separate from, and not part of your insurance contract with Vero Insurance New Zealand Limited. Vero does not accept any responsibility arising from AA Roadservice.

AA ROADSERVICE TELEPHONE 0800 500 222
QUOTE POLICY NUMBER AND REGISTRATION NUMBER
MARAC MECHANICAL BREAKDOWN SERVICE

Vehicle servicing

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

Petrol Vehicles must be serviced at least every 15,000 kms or 12 months, whichever comes first, from the policy commencement date unless otherwise specified by the manufacturer.

Diesel Vehicles must be serviced at least every 10,000 kms or 12 months, whichever comes first, from policy commencement date.

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

- Change engine oil and oil filter
- Check all fluid levels and condition
- Check air filter
- Check all belts, replace if necessary. Please note cambelts must be replaced as 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 Service Facility completes and stamps the service coupons at the time of the service. This information will be required in the event of a claim.

Previous servicing invoices will also be required in the event of a claim. Please retain all of these invoices for future reference.

Making a claim

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

1. Take the Vehicle to Authorised Repair Facility (call **0800 809 700** then select **option 1** for the location of Your nearest Authorised Repairer). You are responsible for the cost of transporting the vehicle to the Repairer unless AA Roadservice Vehicle towing applies. You must give AA Your contact details and this policy number and registration 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.
3. If your claim is accepted, We will authorise repairs and issue the Authorised Repair Facility with a repair authorisation number.
4. You are responsible for making sure the Authorised Repair Facility contacts Us before repairs begin.
5. 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.
6. 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.
7. Where this is the case We or the Authorised Repair Facility will request Your authority before commencing any work on the vehicle.
8. We reserve the right to supply new, used or reconditioned parts at Our discretion.

Authorised repairer instructions

When You are contacted by a MARAC Insurance policyholder, prior to commencing repairs, please contact claim services on **0800 809 700 option 1** and advise them that You wish to make a Mechanical Breakdown claim.

If the claim is accepted We will authorise repairs and issue a repair authorisation number.

Once work is completed please forward the invoice to the address below for payment.

Invoices must include the following details:

1. MARAC Insurance authorisation number;
2. Vehicle registration number;
3. MARAC Insurance Policy or Proposal number;
4. Customer's name in full;
5. Odometer reading;
6. Breakdown of repair costs detailing parts and labour, and copies of any subcontracted repair invoice (when requested).

Repairs must not be commenced unless authorised by MARAC Insurance.

Any repairs not authorised are not covered.

Repair invoices should be sent to Vero Warranty, PO Box 33 1248, Takapuna, Auckland 0740, or emailed to sales@autosure.co.nz

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