



19/07/2019

Motorcycling New Zealand – Affiliated Clubs: Rural & Forest Fires – Public Liability

Cover The Limit of 'Public Liability' Motorcycling NZ has covered under their policy is \$10,000,000.

Although the policy wording shows a sublimit of \$250,000 for costs incurred and apportioned by any Fire Authority under section 43 of the Forest & Rural Fires Act 1977 (as per page 30 of the policy wording), this Act has been removed and replaced with the Fire and Emergency New Zealand Act 2017 (FENZ Act). Therefore, there is no sublimit applied and coverage is at a full \$10,000,000.

This statement is made for general purposes only and does not imply automatic coverage. Each and every claim will be reviewed on its individual merits by AIG Insurance New Zealand Ltd.

It is very important to note that those individuals who illegally light fires or leave a burning or smouldering substance to get out of control may now face the threat of criminal liability, possible imprisonment and hefty fines that are payable directly to the Crown, this is not covered under this policy.

Property Damage caused to Landowners

In response to questions asked at the recent MNZ AGA Conference in Wellington we have further negotiated with the insurer to achieve the coverage that you needed to continue to participate in your Clubs activities, with both certainty and the right insurance protection in place.

1. To clarify who is insured under this policy.
2. Provide clear certainty around the protection this policy provides the Landowner who has kindly agreed access and use of their land which often includes trail building and races.

1. **Who is Insured:** We are pleased to say that the definition of Insured has been extended to now read:

Motorcycling New Zealand Incorporated, its Members and Affiliated Clubs for Permitted events including Participants

Therefore, the Public Liability policy will respond to your activities for a Permitted Event and cover

- Members
- Affiliated Clubs and its officials
- Race Participants



2. The Landowner: Typically, Forestry Owners/Operators & Farmers will ask for a Certificate of Insurance showing Public Liability Cover, including for Rural & Forest Fires.

The MNZ policy covers your legal defence costs (if required) as well as the resulting property damage to the Landowners Property if you are found legal liable.

IMPORTANT NOTE: *Best Practice: It is our advice for both the Clubs and MNZ's own protection that if you are providing a landowner your Public Liability Certificate of proof of cover that the Club in return asks for a written agreement (even in an email) confirming that they (the landowner) will only hold you liable for a maximum of \$10,000,000. Many commercial forests will be worth more than \$10M and it is important both parties accept this limit of liability.*

So how does the policy respond in reality?

We have tried to best express this through the below examples for both the Landowners and the Affiliated Clubs, Members, Officials and Participant Riders

Scenario One: Whilst doing track **maintenance in preparation** for a Permitted Event a hot chainsaw is put down at lunch time, causing a fire in a Commercial Forestry area.

YES, the Forestry Owner/Operator's own insurance may look to recover the loss from the MNZ Public Liability policy for the damage to the trees and other assets that has occurred due to the fire.

Scenario Two: Whilst doing track **maintenance in preparation** for a Permitted Event a hot chainsaw is put down at lunch time, causing a scrub fire to burn up the valley of a farm, which then also damages the farmers milking shed.

YES, the Farmer's own insurance may look to recover the loss from the MNZ Public Liability policy the damage to the Milking Shed and other assets that has occurred due to the fire.

It is uncertain how it will respond to the loss of the scrub trees in the valley as these are uninsured and have no value placed on them. This does not mean that some costs aren't awarded, though would be determined by an Accessor.

Scenario Three: After the track maintenance is completed leading up to a Permitted Event one of the **Officials is riding the track** to test it for safety. During this test they fall off the bike and the hot engine and fuel result in a Forest Fire.

YES, the Forestry Owner/Operator's own insurance may look to recover the loss from the MNZ Public Liability policy for the lost trees and other damage to other assets that has occurred due to the fire.



Scenario Four: During a race a **Participant Rider** falls off their bike and the hot engine and fuel result in a Forest Fire.

YES, the policy has been extended to include 'Participants' in a 'Permitted Event'. Therefore, the Forestry Owner or Farmers own insurance may look to recover the loss of the property damage that has occurred due to the fire from the MNZ Public Liability policy.

IMPORTANT NOTE: We highly recommend all riders Insure their bikes, not only to cover them from theft and damage, though it is important when they are practicing and doing leisure riding that is not in a Permitted MNZ Event, they have a motor policy in place that will pick up their individual legal liability should they cause damage to another person's property. The above described policy coverage is only covering Participants in Permitted Events.

Yours sincerely,

A handwritten signature in blue ink that reads "J. C. Bodmin".

Jason Bodmin
Account Manager
For and on behalf of Aon New Zealand

This summary and has been prepared for general reference only. Nothing contained herein prevails over the terms, conditions and exclusions of the policy. The policies with full conditions are available by contacting Aon or the Motorcycling New Zealand website www.mnz.co.nz/regulations/health-and-safety/insurance.

Motorcycling New Zealand has arranged this insurance programme to provide benefits to those registered Clubs who, through injury or accident at a motorcycling event in New Zealand incur financial loss arising from the Club's negligence. The programme seeks to provide benefits to those most exposed and to maintain protection at the lowest possible cost. It therefore cannot provide 100% cover or a benefit for every loss that occurs. Government legislation prevents insurance companies from paying any insurance benefit for a medical service that is covered by ACC. In addition to these policies all members are encouraged to take out private health and income protection insurance.

The insurer for the Public Liability & Statutory Liability insurance is AIG Insurance New Zealand Ltd, and cover is arranged by Aon New Zealand.