

Preview

VEHICLE INSURANCE

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ICNZ
Insurance Council of New Zealand

MEET RYAN

Ryan is 18 and on a Restricted Driving Licence. He is the proud owner of a 1998 Mitsubishi Lancer with 249,000km on the clock, a current WOF and a valid registration. Ryan has a Third Party, Fire & Theft Insurance policy with State Insurance with an agreed value of \$2,000, and an excess of \$1,950



YOUR TASK

Using the State Insurance “Your Car Third Party, Fire and Theft” (policy wording), answer the questions for each of the scenarios you are given.

https://www.state.co.nz/PDFs/State_Car_TPFT_PW-12-15.pdf

SCENARIO #1

Ryan does the following modifications to his car without telling the insurance company:

- **Ryan installs a 8" sub woofer and amp speaker at a cost of \$299**
- **Ryan buys 16" mags and tyres with his birthday money for \$800**

01 Consider each of the modifications and decide whether or not Ryan would be covered if he were to damage his car.

SCENARIO #1 ANSWERS

01 Ryan should have advised the Insurance Company straight away of the modifications (page 8).

- **Sound system is valued at less than \$1000 so he does not need to declare this (see page 10 definitions), so he would be covered.**
- **Mags and tyres are a modification, so he would not be covered (page 10).**