

Vehicles subject to insurance claims

Factsheet

76

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This factsheet provides information about commonly asked questions when you have made an insurance claim on your vehicle, and what steps you should take during this time concerning your vehicle's licence ('rego').

The insurer hasn't settled my claim but the licence is about to expire - do I need to do anything?

We recommend that you apply for a temporary exemption from the requirement to keep the vehicle licensed. This may mean that you are not liable to pay any licence fees while the vehicle is off the road and your claim is being processed by your insurer.

You do need to be aware however, that a temporary exemption must be for a minimum period of 3 months. So if your claim is settled and the vehicle is repaired and you want to renew the licence within 3 months of applying for an exemption, the fees will backdate to the expiry date of your last licence as if there was no exemption in place.

So is it worth me applying for an exemption?

Yes. You may not know how long it will take for your claim to be processed.

If it takes less than 3 months and the fees are backdated when you licence the vehicle, you would be no worse off than if you had not applied for an exemption, but if it takes longer than 3 months then you can be confident that you will not be liable to pay any licence fees for that period of time.

Make sure that you apply for an exemption on or before the due date of your licence so that your exemption starts from the earliest possible date.

Alternatively, if you don't want to bother with applying for an exemption you will need to keep the vehicle licensed as per normal.

How do I apply for an exemption?

It's free if you do it online at <https://transact.nzta.govt.nz/transactions/LicensingExemption/entry.aspx> on or before the due date of your licence. You will need to provide your New Zealand driver licence number as authentication. You can also go into an agent of the Transport Agency (NZ Post, AA, VINZ, and VTNZ) or call our contact centre on 0800 108 809.

What happens when an insurer writes off a vehicle?

When a vehicle is damaged, the insurer has decided not to repair it and it's safe tolerance (as defined in the Land Transport Rule: Vehicle Repair 1998) has been compromised, the insurer has a legal obligation to deregister the vehicle.

This is to minimise the risk of unsafe vehicles getting back on the road.

Repairs to deregistered vehicles need to be inspected, repaired and certified by a Transport Agency approved Repair Certifier before the vehicle can be reregistered for road use.

Do I need to do anything if the insurer writes off my vehicle?

No, the insurer will complete the deregistration paperwork. If you continue to receive relicence reminder notices after you believe the insurer has deregistered the vehicle, give them a call to confirm they have completed the paperwork - if the vehicle has been deregistered you shouldn't be receiving these notices. You can find out more about deregistration from Factsheet 74 *Vehicle registration cancellation*.

If the insurer deregisters a vehicle what happens if there is still some time left to run on the licence or road user charges?

When an insurer deregisters a vehicle they are deemed by law to be the registered person at the time of deregistration. A refund of the unused portion of the licence is refunded to the insurer because they are the registered person at the time the registration is cancelled. This is also true of road user charges licences - any unused portion goes to the insurer.

That doesn't seem fair - I paid for the licence so why don't I get the refund?

It's the same principle as when you sell a vehicle - you don't get a refund on the licence just because you have sold the vehicle. Similarly, when an insurer takes over a vehicle as a result of settling a claim they are entitled to the licence that goes with the vehicle.

If the insurer deregisters the vehicle and the licence has expired before they deregister it, who is responsible for paying the backdated fees?

The person who was registered in respect of the vehicle for the period of time between the date the licence expired and the date of deregistration by the insurer. That will most likely be you.

But if the insurer is deemed to be the registered person when they deregister the vehicle and they get a refund if they licence has not expired, why don't they also have to pay the outstanding fees if the licence has expired?

In the case of a licensed vehicle, the refund is for a period of time in the future, ie from the date the insurer is deemed to be the registered person and forward.

In the case of an unlicensed vehicle, the payment is for a period of time in the past, ie from the date of the previous licence expiry date up to the date the insurer is deemed to be the registered person.

During this period of time you are responsible for the vehicle and for paying the licence fees.

Where you can find out more

- Email us: info@nzta.govt.nz.
- Call our contact centre on 0800 108 809, Monday to Friday 8am - 6pm.
- Write to us: NZ Transport Agency, Private Bag 11777, Palmerston North 4442.

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Contact details

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