



Nautilus Marine

Marine Industry Trades Liability Insurance

Policy Wording

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Official Insurance
Partner of the Marina
Industries Association

Introduction

ABOUT ZURICH

The insurer of this product is Zurich Australian Insurance Limited (ZAIL incorporated in Australia), ABN 13 000 296 640, trading as Zurich New Zealand. In this policy wording, Zurich New Zealand, may also be expressed as 'Zurich', 'we', 'us' or 'our'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurer that serves its customers in global and local markets. Zurich provides a wide range of general insurance and life insurance products and services in more than 210 countries and territories. Zurich's customers include individuals, small businesses, mid-sized and large companies, including multinational corporations.

ABOUT NAUTILUS MARINE

Nautilus Marine Insurance and NM Insurance are trading names of Nautilus Marine Underwriting Agency Ltd, the administrator of this insurance as agent for Zurich. Nautilus Marine has been given binding authority by Zurich which allows it to issue and administers this policy (subject to the terms of the binder authority). In dealing with this policy Nautilus Marine acts for Zurich and not you.

NM Insurance provides general advice on and arranges and administers this policy under its own Financial Services Licence.

Any general advice is provided on behalf of NM Insurance and does not take into account Your objectives, financial situation or needs so consider whether it is appropriate for You having regard to these things.

Our contact details are:

NM Insurance
PO Box 105647
Auckland City Post,
Auckland, 1143
Telephone: 0800 455 003
Email: customerservice@nminsurance.co.nz

ABOUT THIS POLICY

Throughout this document words are sometimes capitalised and/or bolded to show that words are abbreviations or have a particular defined meaning. You should refer to the Definitions section of this document on page 9, and the relevant cover sections to obtain the full meaning of such terms.

"You", "Your", or "Yours" mean the person(s) or parties shown as the Insured in the Certificate of Insurance, including all Subsidiary Companies, organisations and entities incorporated in New Zealand in which You have a controlling interest (exceeding 50% (Fifty Percent) engaged in Your Business described in the Certificate of Insurance and not for any other purpose or activity. Your Certificate of Insurance which we will give You also sets out limitations to your insurance cover as well as the insurance cover You have selected.

HOW TO APPLY FOR THIS INSURANCE

Throughout this document when referring to Your insurance broker or adviser, We may simply refer to them as Your broker.

If You are interested in buying this product or have any enquiries about it, You should contact Your broker who should be able to provide You with all the information and assistance You require.

If You are not satisfied with the information provided by Your broker You can contact Us at the address or telephone number shown on the back cover of this document. However, We are only able to provide factual information or general advice about the product. We do not give advice on whether the product is appropriate for Your personal objectives, needs or financial situation.

OUR CONTRACT WITH YOU

Your policy is a contract of insurance between You and Us and contains all the details of the cover that We provide.

Your policy is made up of:

- the policy wording which tells You what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information You provide to Us when applying for insurance cover;
- Your most current policy Certificate issued by us. The Certificate is a separate document unique to You, which shows the insurance details relevant to You. It includes any changes, exclusions, terms and conditions made to suit Your individual circumstances and may amend the policy; and
- any other written changes otherwise advised by Us in writing (such as an Endorsement). These written changes vary or modify the above documents.

Please note, only those cover sections shown as covered in Your Certificate are insured.

This document is also the document for any offer of renewal We may make, unless We tell You otherwise. Please keep Your policy in a safe place.

We reserve the right to change the terms of this product where permitted to do so by law.

DUTY OF DISCLOSURE

Before You enter into an insurance contract, You have a duty to tell Us anything that You know, or could reasonably be expected to know, that may affect Our decision to insure You and on what terms.

You have this duty until We agree to insure You.

You have the same duty before You renew, extend, vary or reinstate an insurance contract.

You do not need to tell Us anything that:

- reduces the risk We insure You for; or
- is common knowledge; or
- We know or should know as an insurer; or
- We waive Your duty to tell Us about.

IF YOU DO NOT TELL US SOMETHING

If You do not tell Us anything You are required to, We may cancel Your contract or reduce the amount We will pay You if You make a Claim, or both. If your failure to tell Us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

COOLING-OFF PERIOD

After You apply for cover and You have received the policy document, You have 21 days to check that the policy meets Your needs. Within this time You may cancel the policy and receive a full refund of any premiums paid, unless:

- You have made a Claim or become entitled to make a Claim under Your policy; or
- You have exercised any right or power You have in respect of Your policy or the policy has ended.

Your request will need to be in writing and forwarded to Us via Your broker or to the address shown on the back cover of this document.

You can cancel Your policy at any time after the cooling-off period. Please refer to 3. 'Cancellation' under General Terms and Conditions on page 34.

HOW TO MAKE A CLAIM

If You need to make a Claim against this policy, please refer to 'Claims Procedure' under General Terms and Conditions on page 35. If You have any queries, please contact Your broker or Us as soon as possible.

IF YOU DO NOT TELL US SOMETHING

We understand that there may be circumstances where You are unable to meet certain obligations due to factors beyond Your control. Examples include mental illness, an act of violence, or intimidation or coercion. In such cases, You can contact Us for assistance. When a Claim is not covered due to Your actions under this policy, We may consider circumstances such as those identified above and provide assistance at Our discretion. This assistance may include making a payment, even though there is no legal obligation to do so and subject to the conditions and limits of the policy. This clause does not form part of the terms and conditions and does not confer any contractual or other rights. We aim to approach each situation with sensitivity and fairness, and to act reasonably in the circumstances.

How We Protect Your Privacy

Zurich and NM Insurance are committed to protecting Your Privacy in accordance with the Privacy Act 1993 (NZ). Zurich and NM Insurance collects, holds, discloses and handles information, and in some cases personal or sensitive (eg health) information, about You ('Your details') to assess applications, administer policies, contact You, enhance our products and services and manage claims ('Purposes'). If You do not provide Your information, Zurich and NM Insurance may not be able to do those things. By providing Zurich and NM Insurance, its representatives or Your broker with information, You consent to Zurich and NM Insurance using, disclosing to relevant third parties and collecting from relevant third parties Your details for the Purposes.

Zurich and NM Insurance may disclose Your details, including Your sensitive information, to relevant third parties including Your broker, affiliates of Zurich Insurance Group Ltd, insurers, reinsurers, Zurich's service providers, its banking gateway providers and credit card transaction processors, its business partners, health practitioners, Your employer, parties affected by claims, government bodies, regulators, law enforcement bodies and as required by law, within New Zealand and overseas.

Zurich and NM Insurance may obtain Your details from relevant third parties, including those listed above. Before giving Zurich and NM Insurance information about another person, please give them a copy of this document. Laws authorising or requiring us to collect information may apply when you seek cover, obtain cover or make a claim, such as the United Nations Act 1946 (NZ), Terrorism Suppression Act 2002 (NZ) and Goods and Services Tax Act 1985 (NZ), and may include other financial services, crime prevention, trade sanctions and tax laws.

In most cases, You can access or correct Your details and to do so, or to make a complaint, contact Us at the address below.

Zurich New Zealand Insurance Limited ABN 13 000 296 640, incorporated in Australia, trading as Zurich New Zealand, P.O. Box 497, Shortland Street, Auckland 1140 www.zurich.co.nz

DATA SHARING CONSENT

In order to provide a seamless insurance service globally, Zurich may transfer any data Zurich has received from and any data it holds on you to other units of Zurich Insurance Group Ltd, such as branches, subsidiaries, or affiliates within Zurich Insurance Group Ltd, cooperative partners of Zurich Insurance Group Ltd, coinsurance and reinsurance companies located in your country or abroad.

Zurich as well as such recipients may use, process and store the data, in particular for the purpose of risk evaluation, policy execution, premium setting, premium collection, claims assessment, claims processing, claims payment, statistical evaluation or to otherwise ensure Zurich' global insurance service delivery.

If a broker or agent is acting on your behalf, Zurich is authorised to use, process and store data of yours received from such broker or agent, and to forward to such broker or agent data of yours relating to the execution of the policy and the collection of premiums and payment of claims.

Zurich may procure data from government offices and third parties relating to you to assess a claim in the event of loss or damage.

DISPUTE RESOLUTION PROCESS

If you have a complaint about an insurance product we have issued or service you have received from us, please contact your broker to initiate the complaint with us. If you are unable to contact your broker, you can contact us directly on 0508 987 424. This will initiate Zurich's internal complaints resolution process.

Zurich is a member of the Insurance and Financial Services Ombudsman Scheme (IFSO Scheme), a free, independent service which can help settle any dispute you are unable to resolve with us.

Their contact details are:

Website: www.ifso.nz

Email: info@ifso.nz

Freecall: 0800 888 202 (free call)

In writing to: The IFSO Scheme, PO Box 10-845, Wellington, 6143 New Zealand.

FAIR INSURANCE CODE

The insurer is a signatory to the Fair Insurance Code (Code). The Code is a code of practice that:

- sets minimum service standards for insurance companies;
- describes the responsibilities that you and your insurance company have to each other; and
- encourages professionalism in the insurance industry. The Code covers all insurance products except health insurance and life insurance.

The Code only applies to individuals and entities with 19 or fewer employees. You can obtain a copy of the code from www.icnz.org.nz or by contacting Zurich New Zealand.

Definitions

When used in this policy, Certificate or Endorsements the following definitions will apply:

Act of Terrorism

Act of Terrorism means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connections with any organisation(s) or government(s) de jure or de facto, and which:

1. involves violence against one or more persons;
2. involves damage to property;
3. endangers life other than that of the person committing the action;
4. creates a risk to the health or safety of the public or a section of the public; or
5. is designed to interfere with or to disrupt an electronic system.

Aircraft

Aircraft means any object that is intended to fly or move in or through the air, atmosphere or space.

Berth Occupier's liability

Berth Occupier's Liability means Your legal liability arising from Your ownership, tenancy or use of a berth, jetty, pontoon or mooring in the course of Your business.

Boat Builder

Boat Builder means a person or company whose business activities and operations include:

6. the design, construction and modification of Watercraft for reward;
7. the purchase, sale, supply, re-supply, distribution, import or export related chandlery and equipment; and
8. Watercraft inspections and the issuing of inspection reports.

Boat Dealer

Boat Dealer means a person or company whose business activities and operations include:

1. the purchase, sale, supply, distribution, delivery, import and export of Watercraft and other Products;
2. the testing and/or demonstration of Watercraft in the ordinary course of marketing and/or selling of Watercraft. Demonstration of Watercraft may include towing of water skiers or aquaplanes or other similar water tow sports but in no case does this include para-sailing, kite surfing, kite boarding, teak surfing or other similarly dangerous activities;
3. the exhibiting of Watercraft at trade shows in the ordinary course of marketing and/or selling of Watercraft;
4. the collection of Watercraft from sellers or consignors and/or the delivery of Watercraft to buyers;

5. pre-delivery detailing, repairing and/or servicing of Watercraft in the ordinary course of preparing Watercraft for sale;
6. pre-delivery sale, supply and/or installation of motors, sails and rigging, trailers, equipment, contents and accessories attaching to and/or forming part of Watercraft in the ordinary course of preparing Watercraft for sale;
7. Watercraft inspections and the issuing of inspection reports; and
8. the purchase, sale, supply, re-supply, distribution, import or export related chandlery and equipment.

Certificate

Certificate means the most current 'Certificate of Insurance' issued by Us which specifies details relating to this policy.

Claim

Claim means a written demand received by You alleging liability or responsibility for an Occurrence and seeking a remedy from You.

Compensation

Compensation means monies paid or agreed to be paid by judgment, award, settlement for Personal Injury and/or Property Damage which is the subject of a Claim that is covered under this policy.

Communicable Disease

Communicable Disease means illness, syndrome, disease, physical distress or personal injury caused or aggravated, or contributed to, by the spread of any infectious agent. This includes, but is not limited to, the spread of an infectious agent from one person to another person, or from organism to organism, whether directly or indirectly or by any intermediate transmission medium, substance or agent.

Computer Virus

Computer Virus means an executable program or computer code segment that is self-replicating, requires a host program or executable segment in which it can be contained, and which destroys or alters the host, program or other computer code or data, causing undesired program or computer system operation.

Consequential Loss

Consequential Loss means loss of hire or loss of use of any Watercraft as a direct consequence of Property Damage to the Watercraft, liability for which is otherwise covered by this policy, but excluding liability for a delay in, or lack of performance by You or on Your behalf of any contract or agreement.

Contractor

Contractor means an independent contractor with whom You enter into a service contract for the performance of work by them.

Contractor includes any sub-contractor engaged by a Contractor with whom You enter into such service contract for the performance of work.

Contractor includes labour hire personnel.

Contractor does not mean You or the Insured.

Costs or Expenses

Costs or Expenses mean:

1. costs or expenses that We incur in the investigation, defence or settlement of a Claim for which cover is available or could be available under this policy;
2. costs awarded against You and all interest accruing after judgment until We have paid, tendered or deposited in court that part of any judgment which does not exceed the Limit of Liability;
3. reasonable costs or expenses incurred by You with prior Our written consent; (not to be unreasonably withheld); and
4. reasonable costs or expenses incurred by You for providing first aid to others at the time of Personal Injury.

Costs or Expenses does not include loss of earnings.

Costs or Expenses does not include any amounts incurred after We have paid or agreed to pay an amount equal to the Limit of Liability.

Cyber Event

Cyber Event means any occurrence in any way connected with:

1. an IT Network; or
2. Computer Virus.

Deliberate, Reckless or Wilful Conduct

Deliberate, Reckless or Wilful Conduct means any conduct being an act or omission to act where such act or omission is with intent to cause loss or recklessly and with knowledge that such loss would probably result.

Damage

Damage or Damaged means physical loss, destruction of or damage to Property or Watercraft including the resultant loss of use.

Damage or Damaged also means the loss of use of Property or Watercraft which has not been physically lost, destroyed or damaged provided that such loss of use is caused by or arises from an Occurrence.

Diving Services

Diving Services means a person or company whose business activities and operations include the performance of all underwater activities such as inspections, surveys, repairs, salvage, maintenance and installations.

Employee

Employee means any person while employed by You in Your Business who You compensate by salary, wages, or commission and have the right at all times to govern, control and direct in the performance of their work.

Employee includes volunteers and students on work experience.

Employee does not include:

1. any broker, consignee or Contractor;
 2. any member of Your Family, unless that person is also an Employee; or
 3. any partner, director or trustee unless that person is also an Employee.
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Employment Practices

Employment Practices means any wrongful or unfair dismissal, denial of natural justice, defamation, misleading representation or advertising, harassment or discrimination in respect of an Employee.

Endorsement

Endorsement means documentary evidence of an alteration to this policy which forms part of this policy.

Excess

Excess means the first amount of each claim or a series of claims under this policy caused by or arising out of any one Occurrence which You must contribute.

The Excess applicable to each claim under this policy is stated in the "Excess" section of the Certificate.

Family

Family means any member of Your family who lives permanently with You, including Your partner.

General Liability

General Liability means amounts that You become legally liable to pay by way of Compensation for Property Damage and/or Personal Injury.

General Liability includes Property Damage and/or Personal Injury caused by or arising from a Product but only when such Product forms part of repair, installation, assembly or maintenance work carried out by You on Watercraft.

General Liability does not mean Products Liability or Pollution Risks or Statutory Liability or Professional Services Liability.

Gross Revenue

Gross Revenue means the total gross revenue arising from Your Business during the Period of Insurance.

Gross Revenue does not include GST.

The estimated Gross Revenue You declare to Us is stated in the 'Gross Revenue' section of the Certificate.

GST

GST means Goods and Services Tax as such term is defined by New Zealand Legislation under the Goods and Services Tax Act 1985.

Hot Work

Hot Work means work involving the use of oxyacetylene torches, soldering, welding or oil tank cleaning equipment but does not include or extend to work carried out on or near Watercraft previously engaged in carrying explosives, ammunition or inflammable liquids or gasses or any work on or near any fuel tank, fuel pipeline or fuel bunker space.

Hovercraft

Hovercraft means any vessel, craft or device made or intended to float on or in or travel on or through the atmosphere or water on a cushion of air provided by a downward force.

Incidental Contracts

Incidental Contracts means:

1. any written contract with any authority or entity responsible for the supply of electricity, fuel, gas, natural gas, air, steam, water, sewerage reticulation control systems, waste disposal facilities, telephone and communication services or other essential services, except those contracts in connection with work done for such authorities or entities.
2. any written contract with any railway authority for the loading, unloading and/or transport of Products, including contracts relating to the operation of railway sidings; and
3. those contracts designated in the 'Contractual Liability' section of the Certificate.

You are not insured for any contractual provision requiring you to arrange insurance for property or Watercraft.

Infectious Agent

Infectious agent means any pathogen, virus, bacteria, protein, parasite or any other biological or non-biological agent or organism, whether living or not, that may cause, contribute to, or aggravate, illness, syndrome, disease, physical distress or personal injury.

Internet Operations

Internet Operations means:

1. transfer of computer data or programmes by use of electronic mail systems by You or Your Employees, including for the purpose of this definition only, part-time and temporary staff, contractors and others within Your organisation whether or not such data or programmes contain any malicious or damaging code, including but not limited to Computer Virus, worm, logic bomb, or trojan horse;
2. access through Your network to the world wide web or a public internet site by You or Your Employees, including for the purposes of this definition only, part-time and temporary staff, contractors and others within the Your organisation;
3. access to the Your intranet (meaning internal company information and computing resources) which is made available through the world wide web for Your customers or others outside Your organisation; and
4. the operation and maintenance of the Your web site.

IT Network

IT Network means any computer hardware (or components thereof), software (or components thereof), communication system networks, Internet Operations, websites whosoever hosted, online or offline media libraries, data, or any other peripheral devices.

Landing Area

Landing Area includes any area on which Aircraft or Hovercraft taxi, land, take-off, are housed, maintained or operated.

Limit of Liability

Limit of Liability means the maximum amounts that We will pay.

A Limit of Liability is not reduced by the amount of any Excess payable by You.

Limits of Liability are stated in the 'Limits of Liability' section of the Certificate and/or elsewhere in this policy.

Marina Operator

Marina Operator means the owner, operator, lessor, or sub-lessor of a place located on or adjacent to a body of water or a watercourse and whose business is the provision and/or supply of moorings, wet and/or dry storage, repairs, marine fuel operation of travel lifts, slipway operation, provision of utilities and/or vessel wastewater pump-out facilities to Watercraft.

Medical Persons

Medical Persons means qualified medical practitioners, nurses, dentists and first aid attendants.

Mooring Contractor

Mooring Contractor means a person or company whose business activities and operations include the design, supply, construction and/or installation, testing, inspection, repair, modification and/or servicing of moorings.

Occurrence

Occurrence means an event, including continuous or repeated exposure to substantially the same general conditions, which results in loss, Damage, liability or costs neither expected nor intended by you. All Claims that result from one original source, or one original cause, shall be considered to have been caused by a single Occurrence.

Offence

Offence means any information alleging the commission by you of an offence under an Act of Parliament, for which you are liable to a fine if convicted.

Period of Insurance

Period of Insurance means the Period of Insurance stated in the Certificate and any subsequent period We have agreed to renew this policy for.

Personal Injury

Personal Injury means:

1. bodily injury, death, sickness, disease, disability, shock, fright, or mental anguish, mental injury but does not include personal injury;
 - (a) sustained by an Employee or worker prior to the Retroactive date specified in the Policy Schedule
 - (b) caused by or arising out of sexual harassment or sexual abuse.
2. false arrest, false imprisonment, wrongful detention, malicious prosecution or humiliation;
3. libel, slander or defamation;
4. wrongful entry or wrongful eviction or other invasion of privacy.

Pollutant

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapour, soot, fumes, acids, alkalis, chemicals, waste, oil or petroleum products and waste (which includes material to be recycled, reconditioned, or reclaimed).

Pollution Risks

Pollution Risks means Your legal liability directly or indirectly caused by or arising out of the sudden accidental or potential discharge, dispersal, emission, release, spillage, escape or seepage of Pollutants into or upon any property, land, the atmosphere, seas, watercourse or body of water including liability to pay any costs and expenses incurred in the prevention, removal or clean-up of such Pollutants, provided that such sudden accidental or potential discharge, dispersal, emission, release, spillage, escape or seepage does not arise from Your Deliberate, Reckless or Wilful Conduct.

Premises Occupier's Liability

Premises Occupier's Liability means Your legal liability arising from Your ownership, tenancy or use of Your premises in the course of Your business, but does not include Berth Occupier's Liability.

Product

Product means anything which is or is deemed to have been manufactured, grown, extracted, produced, processed, sold, supplied, distributed, imported, exported, repaired, serviced, installed, assembled, erected or constructed by You (including packaging or containers) in the course of Your Business.

Products Liability

Products Liability means Your legal liability for Personal Injury or Property Damage caused by a defective Product where the Product formed part of repair, installation, assembly or maintenance work carried out by You on a Watercraft and the Personal Injury or Property Damage occurred after the Product has ceased to be in Your possession or control.

Professional Services

Professional Services are those services You provide where Your customer is relying upon Your advice or professional opinion. This includes vessel condition reports and valuations, rigging inspections and reports and cargo loading and out-turn surveys.

Professional Skipper

Professional Skipper means a person or company whose business activities and operations include the command, operation, navigation, control and general management of Watercraft and crew (if applicable).

Property

Property means tangible property that is not owned, used or leased by You.

Property Damage

Property Damage means physical loss, damage or destruction of Property that is not owned, used or leased by you.

Property does not mean:

1. Watercraft;
2. Products; or
3. intangible property.

Regatta Organiser

Regatta Organiser means all aspects of organising a yachting or sailing race.

Removal of Wreck Liability

Removal of Wreck Liability means Your legal liability for the Removal of Wreck Expenses or recovery of a Watercraft where it is damaged, stranded, abandoned or sinks accidentally.

Removal of Wreck Expenses

'Removal of Wreck Expenses' does not include any expenses incurred in the removal, salvage and/or recovery of a Watercraft owned, hired, chartered or leased by or loaned to You.

Retroactive Date

Retroactive date means the Retroactive Date stated in the schedule.

Ship Repairer

Ship Repairer means a person or company whose business activities and operations include:

1. the maintenance and repair of Watercraft for reward;
2. the purchase, sale, supply, re-supply, distribution, import or export related chandlery and equipment; and
3. Watercraft inspections and the issuing of inspection reports.

A Ship Repairer may have a principal place of business or provide a mobile service.

Silica

Silica means silicon dioxide, (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

Silica Related Dust

Silica Related Dust means a mixture or combination of Silica and other dust or particles.

Subcontractors Liability

Contractors Liability means Your legal liability for the negligence of Your Contractors engaged by You in the course of Your Business.

Statutory Liability

1. Statutory Liability means a pecuniary penalty, fine, reparation and defense costs awarded against You for a civil offence in connection with the discharge, dispersal, release or escape of a Pollutant strict liability offence in connection with the discharge, dispersal, release or escape of a Pollutant; or
2. strict liability offence in connection with a breach of an Act of New Zealand Parliament, excluding the following excluded Acts:
 - Arms Act 1983;
 - Aviation Crimes Act 1972;
 - Crimes Act 1961;
 - Criminal Investigations (Blood samples) Act 1995;
 - Criminal Proceeds (Recovery) Act 2009;
 - Land Transport (Road Safety and Other Matter) Amendment Act 2011;
 - Misuse of Drugs Act 1975;
 - Summary Offences Act 1981;
 - Land Transport Act 1998; or
 - Anti-Money Laundering and Countering Financing of Terrorism Act 2009.

Statutory Liability does not mean General Liability or Products Liability or Pollution Risks or Professional Services Liability.

Subsidiary Company

Subsidiary Company means any company in which You have a controlling interest, and which are shown in the policy schedule as an additional Insured. For the purpose of this definition the term 'controlling interest' means the beneficial ownership of shares carrying more than 50% (Fifty Percent) of votes capable of being cast at a general meeting of all shareholders of the Subsidiary Company.

Tangible Property

Tangible Property means property which has physical substance and which can be touched, physically assessed for its dimensions, weight and location and is capable of being physically moved from one location to other.

Tangible Property does not mean money (in the form of coins and notes, cheques and electronic forms of money) and incorporeal property such as a license, copyright, trademark and other forms of intellectual property.

Temporary Hire Equipment

Temporary Hire Equipment means equipment hired or leased to You in the course of Your business for a total continuous period not exceeding 120 days.

Temporary Hire of Equipment Liability

Temporary Hire of Equipment Liability means Your legal liability for damage or loss of any Temporary Hire Equipment.

Territorial limits

Territorial Limits means anywhere within New Zealand or as amended in the Certificate.

Vehicle

Vehicle means any type of machine (other than ship-lifters, marine travel lifts, jinkers, slipways, cradles or any other mobile ship-lifting device) including attachments that is designed to travel on wheels or on self-laid tracks made or intended to be propelled by other than manual or animal power.

Watercraft

Watercraft means anything made or intended to float on or in or travel on or through or under water other than fixed pontoons, berths or jetties, and includes its machinery, contents and equipment.

We, Our, Us

We, Us or Our means Zurich Australian Insurance Limited (ZAIL) and includes Nautilus Marine Insurance when acting as an agent of ZAIL.

Yacht Broker

Yacht Broker means a person or company whose business activities and operations include:

1. representing buyers and/or sellers in the buying and/or selling of Watercraft for reward;
2. the purchase, sale, supply, re-supply, distribution, import or export related chandlery and equipment; and
3. Watercraft inspections and the issuing of inspection reports.

Yacht Club

Yacht Club means a sports club specifically related to yachting and/or sailing activities.

Where You declare to Us, and it is stated in the 'Your Business' section of the Certificate, the activities and operations of a Yacht Club shall extend to include the ordinary activities and operations of a:

1. Marina Operator;
2. Regatta Organiser;
3. Instructor;
4. Class Association;
5. Yacht Broker; and/or
6. Ship Repairer.

You, Your

You, Your means:

1. the Insured as named in the Certificate;
2. Subsidiary Company;
3. the directors, Employees, executive officers or partners of the Insured as named in the Certificate but only whilst acting in such a capacity related to Your business.

Your Business

Your Business means all activities of Your Business specified in the Certificate, including repair, installation and maintenance work carried out on Watercraft and undertaken within the Territorial Limits specified in the Certificate.

Your Premises

Your Premises means the land and buildings or parts of buildings including car parks at the address noted in the Certificate, owned, leased or used exclusively by You to carry on Your Business.

Marine Trades Liability Insurance Policy

To the prior payment of, or Your agreement to pay, the premium set out in the Certificate, We agree to provide insurance as set out in this policy.

In issuing this policy, We have relied on the information contained in the proposal form and/or any other information given by You or on Your behalf.

INSURING CLAUSES

Subject to the Limit of Liability, terms and conditions of this policy, We will pay all sums which You become legally liable to pay in Compensation arising from Your Business for:

1. Damage to Watercraft in Your care, custody or control;
2. Property Damage;
3. Personal Injury;
4. Products Liability;
5. Consequential Loss;
6. Pollution Risks;
7. Premises Occupier's Liability;
8. Berth Occupier's Liability;
9. Removal of Wreck Liability;
10. Contractors Liability; and
11. Temporary Hire of Equipment Liability,

happening during the Period of Insurance as a result of an Occurrence and within the Territorial Limits.

LIMITS OF LIABILITY

NM Insurance liability to pay Compensation as a result of an Occurrence will not exceed the Limit of Liability shown in the Certificate.

Our total aggregate liability any one Period of Insurance to pay Compensation in respect of or in any way related to Products Liability is as stated in the Certificate.

Our total aggregate liability any one Period of Insurance for Temporary Hire of Equipment Liability is \$50,000 (Fifty Thousand New Zealand Dollars) unless stated otherwise in the Certificate.

Extensions of Cover

NM Insurance will, in addition to the Limits of Liability shown in the Certificate, cover You for:

DEFENCE AND COSTS COVER

Your legal defence, investigation and mitigation costs.

Provided that if in settling or disposing of a Claim covered under this policy, Compensation is payable in excess of the Limit of Liability. Our additional liability in respect of costs incurred under this clause will be limited to the same proportion of these costs as the Limit of Liability bears to the total Compensation payable to dispose of or settle the Claim. We will not pay for any Costs or Expenses for any legal defence, investigation, and mitigation costs that are incurred after We have paid, or agreed to pay, an amount equal to the Limit of Liability.

EMPLOYERS LIABILITY

Personal Injury to any Employee or worker in New Zealand arising out of, or in the course of, their employment in Your Business, to the extent that You are indemnified or entitled to be indemnified under this policy of insurance, except where such Personal Injury falls within accident compensation legislation.

For the purpose of this Policy, Personal Injury shall be sustained when the Employee or worker is first exposed to conditions in New Zealand out of which the Personal injury arose.

As it applies to this 'Employers Liability Extension' clause, and unless stated to the contrary on the Certificate, for all amounts payable in respect of each Claim or a series of Claims under this policy caused by or arising from one

Occurrence and in the aggregate during the Period of Insurance:

1. the Deductible is NZ\$1,000 (One Thousand New Zealand Dollars); and
2. the Limit of Liability is NZ\$500,000 (Five Hundred Thousand New Zealand Dollars) or any other amount specified on the Certificate.

FIRST AID

Any reasonable costs incurred by You for first aid rendered to third parties at the time of any Personal Injury.

Provided that if in settling or disposing of a Claim covered under this policy Compensation is payable in excess of the Limit of Liability Our additional liability in respect of costs incurred under Defence and Costs cover and First Aid will be limited to the same proportion of these costs as the Limit of Liability bears to the total Compensation payable to dispose of or settle the claim; We will not pay for any costs or expenses under Defence and Costs cover and First Aid that are incurred after We have paid, or agreed to pay, an amount equal to the Limit of Liability.

RECTIFICATION OF FAULTY WORKMANSHIP EXTENSION

The 'Faulty Workmanship' exclusion clause contained in 'What is Not Covered' of this policy shall not apply to the extent of the provisions of this 'Rectification of Faulty Workmanship Extension' clause.

Subject to the terms and conditions of this policy, We will pay for costs and expenses incurred in undertaking completion, re-performing, re-completing, improving or otherwise rectifying any work previously undertaken by You or on Your behalf during the Period of Insurance which is considered faulty workmanship and gives rise to, or is expected may give rise to, General Liability and/or Products Liability.

Unless We have given You Our prior written approval for You to undertake such rectification work, the rectification work shall be undertaken by a third party chosen by Us.

If the Occurrence causing or giving rise to such rectification work also gives rise to General Liability and/or Products Liability then Our liability to pay for such rectification work is in addition to the Limit of Liability applicable to General Liability and/or Products Liability, but in no case will exceed an amount equivalent to the Limit of Liability for this Rectification of Faulty Workmanship Extension as listed below.

As it applies to this 'Rectification of Faulty Workmanship Extension' clause, and unless stated to the contrary on the Certificate, for all amounts payable in respect of each Claim or a series of Claims under this policy caused by or arising from one Occurrence:

1. the Deductible is NZ\$5,000 (Five Thousand New Zealand Dollars); and
2. the Limit of Liability is NZ\$50,000 (Fifty Thousand New Zealand Dollars) and in the aggregate during the Period of Insurance or any other amount specified on the Certificate.

STATUTORY LIABILITY

Statutory Liability arising from a pecuniary penalty, fine, or reparation award imposed on or against You for a breach or offence made under an Act of Parliament and/or Regulation in New Zealand.

The Statutory Liability must be:

- caused by or arising from an Offence;
- in the ordinary course of Your Business;
- that happens after the relevant Retroactive Date;
- the Claim is first made against You during the Period of Insurance; and
- We are not legally prohibited from disposing of or settling the Claim.

As it applies to this 'Statutory Liability' Extension clause, and unless stated to the contrary on the Certificate, for all amounts payable in respect of each Claim or a series of Claims under this policy caused by or arising from one Occurrence and in the aggregate during the Period of Insurance:

1. the Deductible is NZ\$1,000 (One Thousand New Zealand Dollars); and
2. the Limit of Liability is NZ\$500,000 (Five Hundred Thousand New Zealand Dollars) or any other amount specified on the Certificate.

Optional Additional Benefits

The optional additional benefits are only applicable to this policy if We have agreed to provide the cover to You, You have paid any additional premium required and the additional benefit is noted as being covered in the Certificate. Otherwise such cover is excluded. We will cover You for You legal liability caused by or arising in connection with:

EXTENDED HOT WORK

Unless You have told Us that You undertake Hot Work and this is stated in the 'Your Business' section of the Certificate, We do not cover any liability caused by or arising from Hot Work whatsoever.

Cover is provided for Hot Work under this optional additional benefit provided:

1. You have told Us that You undertake Hot Work; and
2. This is stated in the 'Your Business' section of the Certificate.

Otherwise, We do not cover any liability caused by or arising from Hot Work whatsoever (and the exclusion for Hot Work on page 28 of this Policy has full effect).

If We agree to cover You for extended Hot Work then this will be shown in the policy schedule and You will be covered for Hot Works.

Notwithstanding the Cover provided by this extension, even if You have told Us that You undertake Hot Work and it is stated in the Certificate, regardless of the case or circumstances, We do not cover liabilities caused by, or arising from, Hot Work:

1. performed on or in a Watercraft previously engaged in carrying explosives or flammable liquids or gases;
2. performed on or near any fuel tank, pipeline or fuel bunker space; or
3. not performed in accordance with the provisions of New Zealand welding safety compliance standard NZS 4781:1973 and WorkSafe New Zealand.

PERSONAL INJURY TO CONTRACTORS EXTENSION

Provided You have informed Us that You engage Contractors and this is stated in the policy schedule, the 'Personal injury to Contractors' exclusion clause contained in 'What is Not Covered' of this policy shall not apply.

Nothing herein shall be construed to alter the requirement that all Contractors be declared to and accepted by Us as specified in the 'Contractor' clause contained in 'What Is Not Covered' of this policy.

Unless stated to the contrary on the Certificate:

1. the Excess applicable to this 'Personal Injury to Contractors Extension' clause is NZ\$5,000 (five thousand New Zealand Dollars), and
2. the Limit of Liability applicable to this 'Personal Injury to Contractors Extension' clause is NZ\$5,000,000 (five million New Zealand Dollars) for all amounts payable in respect of each claim or a series of claims under this Policy caused by or arising from one Occurrence and in the aggregate during the Period of Insurance.

PHYSICAL OR LEGAL CONTROL EXTENSION

The 'Physical or Legal Control' exclusion clause contained in 'What is Not Covered' of this policy shall not apply to Damage to:

1. Watercraft in Your physical or legal control in the ordinary course of Your Business; or
2. any of the items specified in sub-clauses (i) – (v) below in Your physical or legal control in the ordinary course of Your Business:
 - i. Watercraft other than that specifically provided for in sub-clause (1) above;
 - ii. the personal tools, clothing or effects of Your directors, partners, proprietors, officers, executives or Employees, or the clothing and personal effects of any of Your visitors;
 - iii. a premises (including its contents) leased or rented to or temporarily occupied by You;
 - iv. a Vehicle (including its contents, spare parts and accessories while they are in or on such Vehicle) provided that such Vehicle is:
 - not hired, leased by or loaned to You; and
 - is in a car park that is owned or operated by You; and
 - that You do not operate such car park for a fee as a principal part of Your Business; and
 - v. any Property not more specifically provided for in sub-clauses (i) to (iv) above.

Unless stated to the contrary on the Certificate, the Limit of Liability applicable to the cover provided by the provisions of sub-clause (2) of this 'Physical or Legal Control Extension' clause is NZ\$500,000 (five hundred thousand New Zealand Dollars) for all amounts payable in respect of each claim or a series of claims under this policy caused by or arising from one Occurrence and in the aggregate during the Period of Insurance.

OTHER WORK

Other work that does not fall within the scope of Your Business and which is specified in the Certificate and provided that You have declared to Us Your Gross Revenue in respect of such business and We have agreed to provide cover.

STORAGE

Watercraft in Your care, custody and control solely for the purpose of being stored.

WORLDWIDE SERVICES

Work performed by You outside Australia and provided that any claim or proceeding in relation to such work is brought against You within New Zealand.

Exclusions

This policy does not insure You for Your legal liability caused by or arising out of:

AIRCRAFT, HOVERCRAFT AND WATERCRAFT

- Your ownership, construction, maintenance, servicing, operation or use by You of any Aircraft or Hovercraft;
- Your ownership, charter or lease of any Watercraft;
- the use, movement or delivery of Watercraft in Your care, custody or control other than for trial trips and movement incidental to Your Business within 100 kilometres of Your Premises or the place where work was performed on the Watercraft;
- Products installed in or on any Aircraft, Hovercraft or Watercraft owned, chartered or leased by You; or
- Unless We have given You Our prior written approval for You to undertake such rectification work, the rectification work shall be undertaken by a third party chosen by Us.

ASBESTOS

Death, injury, loss, damage or liability of any nature which is directly or indirectly connected in any way with asbestos.

ASSAULT AND BATTERY

Assault and battery committed by or at the direction of You unless reasonably necessary for the protection of persons or property.

COMMUNICABLE DISEASE

Communicable Disease or any action taken by You in response to a regulatory authority's response to Communicable Disease, its potential consequences or the fear or threat (whether actual or perceived) of a Communicable Disease.

For the purposes of this exclusion loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

- (a) for a Communicable Disease; or
- (b) any property insured hereunder that is affected by such Communicable Disease.

CONFISCATION

Confiscation, nationalisation, requisition, embargo or destruction of or Damage to Property or Watercraft by order of any government, public or local authority.

CONTRACTORS

The acts or omissions of Contractors, unless You have informed Us that You engage Contractors and this is stated in the 'Your Business' section of the Certificate.

CONTRACTUAL LIABILITY

Liability assumed by You under any contract or agreement. This exclusion shall not apply to:

- the liability or obligation arises from Incidental Contracts;
- liability that would have been implied by law in the absence of such contract or agreement;
- written contracts or agreements agreed by Us and specified in the Certificate or;
- to written contracts or agreements that adopt standard terms published by registered industry bodies, provided these written contracts or agreements are approved by Us in writing and are specified in the policy schedule.

CYBER RISK

Liability of whatsoever nature in connection with or contributed to, or from a Cyber Event.

DEFECTIVE PRODUCT

The need to replace a defective Product where it is manufactured by a third party.

DIVING SERVICES

The provision of Diving Services.

EMPLOYMENT LIABILITY

- Personal Injury to any Employee or worker arising out of, or in the course of, their employment in Your Business, to the extent that You are indemnified or entitled to be indemnified under a policy of insurance or self insurance arrangements in accordance with any workers' compensation or accident compensation legislation, or to the extent that You would have been entitled to be indemnified had You arranged insurance as required by such legislation;
- any provision of any workers' compensation legislation or any industrial award or agreement or determination; or
- any claim for Employment Practices.

EXCEEDING CAPACITY

You knowingly exceeding the registered or rated capacity of any lift device, slipway or dry-dock.

FAULTY DESIGN

- the condemnation or rejection of any part or Product by reason of faulty design, specification, formulae or pattern (including the Cost or Expense associated with the condemnation or rejection);
- any loss or expense arising from such condemnation or rejection and/or the cost of expense arising from the need to repair, modify or replace any part or Product by reason of faulty design, specification, formulae or pattern

FAULTY WORKMANSHIP

For the costs incurred in performing, completing, correcting or improving any work undertaken by You, except to the extent provided for in the '3.3 Rectification of Faulty Workmanship Extension' clause contained in 'Extensions of Cover'.

HOT WORK

From any Hot Work whatsoever, except to the extent provided for in the 'Extended Hot Work Extension' clause contained in 'Optional Additional Benefits' of this policy.

Notwithstanding that You may have told to Us that You undertake Hot Work, in no case do We cover liabilities caused by or arising from Hot Work:

1. performed on or in Watercraft previously engaged in carrying explosives or flammable liquids or gases;
2. performed on or near any fuel tank, pipeline or fuel bunker space; and/or
3. not performed in accordance with the provisions of New Zealand Standard 4781:1973 – Safety in Welding and Allied Process – Fire Precautions.

INFIDELITY

Infidelity or any act of a dishonest nature on Your part or on the part of Your subcontractors or Employees.

LIBEL, SLANDER AND DEFAMATION

The publication or utterance of a libel, slander or defamation:

- made prior to the commencement date of this policy;
- made by You or at Your direction knowing it to be false; or
- related to advertising, broadcasting or telecasting activities conducted by You or on Your behalf.

LIQUIDATED DAMAGES

Liquidated damages clauses, penalty clauses or performance warranties except to the extent that such liability would have attached in the absence of such clauses or warranties.

LOSS OF USE

Loss of use of Property or Watercraft which has not been physically lost, destroyed or Damaged when such loss of use arises directly from:

1. a delay in or lack of performance by You or on Your behalf of any contract or agreement; or
2. failure of any Product or work performed by You or on Your behalf to meet the level of performance, quality, fitness or durability expressly or impliedly warranted or represented by You.

This sub-clause (2) shall not apply to Your liability for loss of use of other Property or Watercraft resulting from sudden and accidental physical loss, destruction of or Damage to any Product or work performed by You or on Your behalf after such Product or work have been put to use by any person or organisation other than You.

MOORING CONTRACTOR

The provision of Mooring Contractor services.

NUCLEAR, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS

- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, or other nuclear assembly or nuclear component thereof;
- any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter, the exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes; or
- any chemical, biological, bio-chemical, or electromagnetic weapon.

OTHER CONSEQUENTIAL LOSS

For payments under penalty clauses or for other Consequential Loss of any kind, including (but not limited to) detention, demurrage, loss of hire, loss of use or loss by diminution in value of any Watercraft, except to the extent specified above as consequential Loss, this Policy excludes any liability.

ORGANISATION

Your failure to comply fully with all regulations prescribed by any applicable governing body or authority and/or any local authority regulations in relation to the organisation of a regatta.

PERSONAL INJURY TO CONTRACTORS

Personal Injury to Contractors, except to the extent provided for in the 'Personal Injury to Contractors Extension' clause contained in 'Optional Additional Benefits' of this Policy.

PHYSICAL OR LEGAL CONTROL

Damage to any Property or Watercraft in Your physical or legal control, except to the extent provided for in the 'Physical or Legal Control Extension' clause contained in 'Optional Additional Benefits' of this Policy.

POLLUTION

From the discharge, dispersal, release or escape of Pollutants into or upon land, the atmosphere or any watercourse or body of water, and/or for the cost of testing and monitoring for, removing, nullifying, or cleaning up of Pollutants, except to the extent provided for in the 'Pollution Risk' clause.

PRODUCT GUARANTEE

Any Product warranty or guarantee given by You or on Your behalf, but this exclusion shall not apply to the requirements of any Federal, State or Territory legislation as to Product safety and information.

PRODUCT RECALL

The withdrawal, recall, inspection, repair, reconditioning, modification, reinstallation, replacement or loss of use of any Product where such Product is withdrawn or recalled from the market or from use in a particular application because of a known, alleged or suspected defect or deficiency.

PROFESSIONAL LIABILITY

The rendering of or failure to render professional advice or service including but not limited to surveys, inspection or condition reports, and valuations of Watercraft, provided by You or on Your behalf or any error or omission connected therewith.

This Exclusion shall not apply in respect to:

- i. Personal Injury or Property Damage arising therefrom providing such professional advice or service is not given for a fee;
- ii. arising out of the rendering of or failure to render professional medical advice by Medical Persons employed by You to provide first aid and other medical services on Your Premises; or
- iii. arising out of advice given in respect of the use or storage of Your Products.

PROFESSIONAL SKIPPERING

Professional Skippering.

PROPERTY IN YOU PHYSICAL OR LEGAL CONTROL

Damage to property owned by, used by or leased by You, but excluding Temporary Hire Equipment.

RECKLESS CONDUCT

The Deliberate, Reckless or Wilful Conduct of You or Your Contractors.

SILICA

Or alleged to be caused by or contributed to, in whole or in part, by or arising out of the presence, ingestion, actual, alleged, threatened or suspected inhalation or absorption of Silica or Silica Related Dust.

SPRAY PAINTING

Property Damage occurring as a result of overspray of paint or other substance and where such Property Damage is caused by You or Your subcontractor failing to erect a purpose built spray booth or implement similar protective measures.

STRIKES

Property Damage or Personal Injury arising from any strike, lockouts, labour disturbance, riot, civil commotion or act of any person taking part in any such activity.

TERRORISM

Any act of Terrorism or steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived Terrorism.

TERRITORIAL LIMITS

1. costs or expenses relating to any Claim:
 - i. brought against You in any country, state or jurisdiction other than in New Zealand;
 - ii. arising as a consequence of You entering into contractual obligations submitting to the jurisdiction of a court other than a court of New Zealand; or
 - iii. arising as a consequence of any agreement by You to indemnify any other party in respect of awards, judgements or settlements made under the jurisdiction of a court other than a court of New Zealand.

except as provided for in (2) below.
2. The exclusion contained in (1)(i) above shall not apply to any liability, costs or expenses relating to any Claim brought against You in any country, state or jurisdiction other than in New Zealand provided that the Occurrence giving rise to the Claim:
 - i. happens in the ordinary course of overseas business travel by You but not if You perform manual work in North America;
 - ii. relates to Products supplied from New Zealand to anywhere in the world except North America; or
 - iii. relates to Products supplied from New Zealand to North America but not if such Products were supplied to North America with Your knowledge.

VEHICLES & TRAILERS

The ownership, possession or use by You of any Vehicle or trailer used to transport Watercraft by road:

1. which is registered or which is required under any legislation to be registered; or
2. in respect of which compulsory liability insurance or statutory indemnity is required by virtue of legislation (whether or not that insurance is effected).

These sub-clauses (1) and (2) above shall not apply to Personal Injury where:

- i. that compulsory liability insurance or statutory indemnity does not provide indemnity, and
 - ii. the reason why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of any legislation relating to Vehicles or trailers used to transport Watercraft by road;
3. any Vehicle (including any tool or plant forming part of or attached to or used in connection with such Vehicle) or trailer used to transport Watercraft by road whilst being operated or used by You or on Your behalf in connection with Your Business at Your Premises or on any work site;
 4. the delivery or collection of goods to or from any Vehicle;
 5. the loading or unloading of any Vehicle;
 6. any Vehicle temporarily in Your custody or control for the purpose of parking; or

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7. Damage caused by or arising from the movement of any Vehicle (which is required to be conditionally registered in accordance with New Zealand licensing laws & regulations) in the event of Your inadvertent and unintentional failure to effect conditional registration.

These sub-clauses (1) and (2) above shall not apply to Personal Injury where:

- i. that compulsory liability insurance or statutory indemnity does not provide indemnity, and
- ii. the reason why that compulsory liability or statutory indemnity does not provide indemnity do not involve a breach by You of any legislation relating to Vehicles or trailers used to transport Watercraft by road.

WAR, STRIKES, RIOTS, CIVIL COMMOTIONS

- 1. strike, lockout, labour disturbance, riot, civil commotion or act of any person taking part in any such event;
- 2. person acting from a political, ideological or religious motive;
- 3. act of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
- 4. capture, seizure, arrest, restraint or detainment, and the consequences thereof or any attempt thereat; or
- 5. derelict mines, torpedoes, bombs or other derelict weapons of war.

General Conditions

ASSIGNMENT

It is agreed that no assignment of this policy or any monetary sum which may be or may become payable under this policy is to be binding on or recognised by Us unless a dated notice of such assignment signed by You and by the assignor in the case of subsequent assignment, is endorsed on this policy and the insurance with such Endorsement is produced before payment of any Claim or return of premium under this policy but nothing in this condition is to have effect as an agreement by Us to the assignment of this policy in the event of a sale or transfer to a new management.

BANKRUPTCY OR INSOLVENCY

In the event that You should become bankrupt or insolvent, We shall not be relieved thereby of the settlement of any Claim because of such bankruptcy or insolvency.

In case of execution against You of any final judgment covered by this policy being returned 'unsatisfied' by reason of such bankruptcy or insolvency, then an action may be maintained by the injured party or their representative against Us in the same manner, and to the same extent as You but not in excess of any Limit of Liability.

CANCELLATION

- You may cancel this policy at any time by notifying Us in writing.
- When the policy is subject to the Contracts of Insurance Act 2004 No 46, Public Act, We may cancel the policy in accordance with the provisions of that Act.
- Within 30 days of the effective date of cancellation, You must advise Us of the actual Gross Revenue figures for the period the policy has been in force to enable Us to calculate the premium due for this period. The difference between this premium and the deposit premium will either be paid or allowed to You but subject to a retention by Us of a minimum premium of 75 per cent of the proportionate part of the estimated annual premium for the period the policy has been in force.
- If required by Us, You must advise Us of Your actual Gross Revenue for the Period of Insurance has been in force to so that We can calculate the premium due in accordance with the Premium Adjustment clause in this policy.
- If You have submitted a Claim during the current period of insurance then You will not be entitled to any refund of premium.

CLAIMS CONTROL

We are entitled (but not obliged) at Our own cost to control or take over the conduct of the investigation, defence and/or settlement of any Claim, suit or proceeding against You which is or is likely to be the subject of indemnity under this policy. We will, whenever practically reasonable, inform You of the progress of any defence or prosecution, and/or consult with You as to its interests or concerns in relation to any Claim, defence, or prosecution, but You agree that Zurich will have ultimate discretion in the conduct of any proceedings and in the settlement of any Claim it has conduct of.

CLAIMS SETTLEMENT

In the event of a Claim, We have the option of settling Your loss by either payment, repair, reinstatement or replacement.

If You are liable for GST in respect of any goods, services or other supply which are the subject of a Claim under this policy, We will pay You for that GST liability.

However:

- where We make a payment under this policy for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit You are, or will be, or would have been entitled to under New Zealand Tax Legislation (Goods and Services Tax Act 1985) in relation to that acquisition whether or not the acquisition is actually made;
- where We make a payment under this policy as Compensation for the acquisition of goods, services or other supply, We will reduce the amount of the payment by the amount of any input tax credit You would have been entitled to under New Zealand Tax Legislation (Goods and Services Tax Act 1985) had the payment been applied to acquire such goods, services or supply.

CLAIMS PROCEDURE

When an Occurrence happens which may give rise to a Claim under this policy:

1. You must take reasonable care to prevent or minimise any loss, Damage, liability or costs covered by this policy and ensure that all rights against other parties are properly preserved and exercised;
2. give Us written notice, as soon as reasonably practicable, with all reasonable particulars of every Occurrence, circumstance, Claim, writ, summons, proceedings, impending prosecution, inquest and the like which may give rise to a loss recoverable under this policy;
3. take all reasonable steps to preserve any Damaged or defective property, Products or Watercraft which may be necessary or useful by way of evidence in connection with any Claim and, so far as may be reasonably practicable. No alteration or repair shall be made to any property, Products or Watercraft until We have had an opportunity to inspect it and given Our prior written consent(not to be unreasonable withheld), unless immediate steps need to be taken to protect or preserve property or people, or mitigate further loss or Damage;
4. not make any admission, offer, promise or payment in connection with any Occurrence or Claim without Our prior written consent; and
5. give Us all information and assistance as We may reasonably require in the prosecution, defence or settlement of any Claim.

We may elect to take over and conduct:

- i. be entitled to take over and conduct in Your name the defence or settlement of any Claim, and ii. have full discretion in the conduct of any negotiations or proceedings in connection with any Claim.

CROSS LIABILITY

Subject to clause 'Joint Insureds', where You are comprised of more than one party, each of the parties will be considered as a separate legal entity with the words 'You' and 'Your' applying to each party in this same manner as if a separate policy has been issued to each party, provided that nothing in these conditions will result in an increase in Our Limit of Liability in respect of any Occurrence or Period of Insurance.

DISCHARGE OF LIABILITIES

We may at any time pay to You in respect of Compensation payable as a result of any Occurrence the amount of the Limit of Liability or such limit stated in this policy in respect thereof (after deduction of any amount or amounts already paid) or any lesser amount for which the Claim can be settled.

Upon such payment We shall relinquish conduct or control of and be under no further liability under this policy in connection with such Claim except for costs or expenses incurred by Us or by You with Our written consent prior to the date of such payment.

EXCESS

The Excess applies to all amounts for which We shall be liable, including but not limited to Costs & Expenses.

If more than one Excess can be applied to an Occurrence, then You will only need to pay the highest Excess.

GST

All of the amounts insured by this policy exclude GST.

Any settlement under this policy, up to the total of all amounts insured, will exclude GST. However, if there is a shortfall between the GST component of the settlement and the amount of input tax credit You are entitled to, We will pay this shortfall in addition to the settlement.

We will not be liable to pay any GST, or any fine, penalty or charge that You are liable for arising out of Your misrepresentation of, or failure to disclose, Your proper input tax credit entitlement in the settlement of any Claim under this policy or Premium relating to this policy.

HEADINGS

Headings have been included for ease of reference, but do not form part of the policy.

INSPECTION & AUDIT

We may elect, to inspect Your Premises and operations at any reasonable time to assess the scope or adequacy of the coverage to be provided, or to assess its liability risk.

Neither Our right to make inspections, nor Our failure to make inspections, nor the making of any inspections, nor any report of an inspection shall constitute an undertaking, on behalf of or for the benefit of You or others, to determine or warrant that such premises or operations are safe or healthful or are in compliance with any law, rule or regulation.

We may examine and audit Your books and records at any time during the currency of this policy and within 3 (three) years after the termination of this policy but only with regard to matters which in Our opinion are relevant to this policy.

NON-IMPUTATION CLAUSE

Where this insurance is arranged in the joint names of more than one Insured, it is hereby declared and agreed that:

- each Insured shall be covered as if it made its own proposal for this insurance.
- any declaration, statement or representation made in any proposal shall be construed as a separate declaration, statement or representation by each Insured.
- any knowledge possessed by any Insured shall not be imputed to the other Insured(s).

NOTIFICATION OF MATERIAL CHANGE

You must notify Us in writing as soon as reasonably possible if:

1. there is a material change in Your Business or Your Business activities and operations as described in Your Certificate;
2. You intend to commence any previously undisclosed or agreed work on property or assets that are not Watercraft intended for private use, including but not limited to Vehicles, navy vessels, ferries or government vessels);
3. You intend to commence any previously undisclosed underwater work;
4. You become aware of any claim or incident that is likely to result in a claim being made under this policy; or
5. Your Business is wound up or carried on by an insolvency practitioner or permanently discontinued.

For the purpose of this condition, a material change includes, but is not limited to:

- (a) activities that are materially different from those declared in the proposal;
- (b) activities outside the normal activities of the business;
- (c) any loss of or condition imposed upon any licence or other authority required by You to conduct the business;
- (d) You being insolvent or bankrupt, or placed into external administration;
- (e) changes to Your standard terms and conditions (that was originally approved by Us);

If a material change or other circumstance contemplated by this condition arises, and if We agree to amend the terms of the policy to accommodate any such material change or circumstance, then an additional premium may be payable (as calculated according to the impact of the material risk or circumstance on the policy). We will notify You in writing if We agree to amend the terms of this policy, and of any additional premium We require You to pay to Us.

If You fail to comply with this condition, We may be able to (pursuant to law, Contracts of Insurance Act 2024 No 46, Public Act and/or the Marine Insurance Act 1908):

- (a) refuse a claim;
- (b) reduce Our liability to pay a claim by an amount that fairly represents the extent to which Our interests are prejudiced by the failure to comply; or
- (c) cancel the policy.

OTHER INSURANCE

When making a Claim on this policy You must also supply Us with written details of all policies that may pay or partially pay that Claim.

PREMIUM

Subject to any agreement to the contrary this policy is in consideration of Your payment of the minimum and deposit premium as stated in the Certificate. If Your actual Gross Revenue for the Period of Insurance exceed the estimated Gross Revenue on which the deposit premium was based, You agree to promptly pay any additional premium calculated by applying the agreed rate to the amount of such excess charges.

No deduction will be made from the Gross Revenue in respect of any subcontracted work. You agree to keep a complete and accurate record of all Gross Revenue for operations covered by this policy for examination by Us or Our representatives and You further agree to make an annual report of collected and uncollected charges to Us within 30 days after the expiration of the Period of Insurance.

PROPER LAW AND JURISDICTION

- The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with New Zealand law.
- In the event of any dispute arising under this policy including, but not limited to, its construction and/or validity and/or performance and/or interpretation, You will submit to the exclusive jurisdiction of any competent Court in New Zealand.

RECONSTRUCTION OR CONVERSION

You must notify Us prior to commencing work on any Watercraft that will result in any material change to the dimension, tonnage or type of Watercraft. At Our discretion We may either decline insurance for such work or require You to pay an additional premium.

REASONABLE DILIGENCE

You must:

- exercise reasonable care that only competent Employees and subcontractors are engaged and take reasonable measures to maintain all premises, fittings and plant in a safe and sound condition;
- take all reasonable precautions to:
- prevent Personal Injury and Property Damage;
- prevent the manufacture, sale or supply of defective Products;
- ensure that you, Your subcontractors and all independent Contractors comply with all statutory obligations, by-laws or regulations imposed by any port or public authority for the safety of persons or property; and
- when performing Hot Work or extended Hot Work, obtain a gas free certificate and/or any other certificate or authorisation that may be required by law;
- take reasonable action to trace, recall or modify any of Your Products containing any defect or deficiency of which You have knowledge or have reason to suspect any defect or deficiency;
- ensure that You and any Contractors do not exceed the registered or rated capacity of any lift device, marine railway or dry-dock;
- if You intend digging below ground or water level, the location of underground or underwater services must be obtained from the owners of the services by You before the work is commenced, and
- ensure all hazardous materials are used and stored as required by law.

If You do not take reasonable precautions, We may decline to pay part or all of a Claim made under this policy to the extent permitted by law.

RELEASE OF LIABILITY

Where You are required by contractual agreement to release any government authority or any landlord or any other person or parties from liability for loss, destruction or Damage or legal liability covered by this policy, such release is allowed without prejudice to this insurance.

We agree to waive all Our rights of subrogation against any such authority or persons or parties in the event of any Occurrence for which a Claim may be made under this policy.

RIGHTS OF SUBROGATION

In the event of a payment made under this policy to You or on Your behalf, We shall be subrogated to all Your rights of recovery against any person or organisation. At Our request and Our expense, You shall do all things reasonably required by Us for the purpose of enforcing any rights and remedies or of obtaining indemnity from other parties to which We are entitled pursuant to this policy.

SANCTIONS REGULATION

Notwithstanding any other terms or conditions under this policy, NM shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to You or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of yours would violate any applicable trade or economic sanctions, law or regulation.

VALUATION AND FOREIGN CURRENCY

All premiums, limits, retentions, indemnity and other amounts referred to in this policy are expressed and payable, where due, in New Zealand currency. Unless where otherwise provided, if judgment is rendered, settlement is denominated or an element of loss under this policy is stated in a currency other than New Zealand dollars, payment under this policy shall be made in New Zealand dollars at the cash rate of exchange for the purchase of New Zealand dollars as reported in the New Zealand Financial Review on the date the final judgment is reached, the amount of the settlement is agreed upon or the element of loss is due, as the case may be.

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Nautilus Marine Underwriting Agency Ltd

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