



NAUTILUS MARINE

BOAT INSURANCE

Nautilus Marine Premium Pleasure Craft

Policy Wording



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INTRODUCTION

ABOUT NAUTILUS MARINE AND ITS SERVICES

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 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*.

Our contact details are:

Nautilus Marine Insurance

PO Box 105647 Auckland City Post Shop Auckland, 1143

Telephone: 0800 455 003

Email: customerservice@nminsurance.co.nz

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'.

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, and mid-sized and large companies, including multinational corporations.

ABOUT THE INSURER

This Insurance has been designed by Nautilus Marine in conjunction with boat owners like *you*, which is simple and easy to understand cover to protect *you* in the event of a loss such as a collision, sinking, fire, storm or theft. Plus we give *you* added benefits, to help *you* get back out on the water sooner.

Terms, conditions, limits and exclusions apply. *You* need to read all of the information provided by *us* on this insurance to properly understand the cover provided.

QUERIES AND CHANGES

We are here to answer any questions *you* have about *your* cover. If *you* have any questions about this insurance or would like to update or change *your* cover, please:

- Contact *your* insurance broker or insurance advisor
- Call Nautilus Marine 0800 455 003
- Email: customerservice@nminurance.co.nz
- Write to Nautilus Marine PO Box 105647 Auckland City, Auckland 1143, New Zealand
- Visit www.nautilusinsurance.co.nz

IMPORTANT INFORMATION

You will only be entitled to the cover provided by this insurance for which *you* have paid the applicable premium and which is shown on *your Certificate of Insurance*.

There are limits to the cover provided and while some of these are fixed, others may be extended by simply notifying *us* of the items *you* own and their value.

Certain words have defined meanings *you* need to understand and which are detailed in the definition section of the *policy*.

The *policy* is subject to terms, conditions, limitations, special provisions, and exclusions. It is important that *you* read the *policy* carefully to familiarise *yourself* with these provisions. Specifically, please take special note of the following matters.

- The Policy Wording contains a Definitions section and General Conditions that apply to this insurance.
- There are some circumstances where cover cannot be provided. These are covered in the Policy Wording.
- There are some Exclusions applicable to all sections of the *policy* listed in the General Exclusions.

DUTY OF DISCLOSURE

Before *you* enter into a contract of general insurance with *us*, *you* have a duty at common law to disclose to *us* every matter *you* know, or could reasonably be expected to know, that a prudent insurer would want to take into account in deciding whether to insure *you* and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

You have the same duty to disclose those matters to *us* before *you* renew, extend, vary or reinstate a contract of general insurance. This duty however, does not require disclosure of a matter that:

- diminishes the risk to be insured;
- is of common knowledge;
- we know or in the ordinary course of our business we ought to know;
- we indicate to *you* that we do not want to know.

NON-DISCLOSURE OR MISREPRESENTATION

If *you* make material misrepresentation to *us*, or if *You* do not comply with the duty of disclosure we may treat *your policy* as if it never existed.

HOW WE PROTECT YOUR PRIVACY

Zurich New Zealand is bound by the Privacy Act 1993 (NZ). Zurich New Zealand 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 may not be able to do those things. By providing Zurich, its representatives or Your intermediary with information, You consent to Zurich using, disclosing to relevant third parties and collecting from relevant third parties Your details for the Purposes.

Zurich may disclose Your details, including Your sensitive information, to relevant third parties including Your intermediary, 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 may obtain Your details from relevant third parties, including those listed above. Before giving Zurich information about another person, please give them a copy of this document.

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 Australian 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's 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* intermediary to initiate the complaint with *us*. If *you* are unable to contact *your* intermediary, *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.

PART I – THE BOAT INSURANCE CONTRACT

This *policy*, your *Certificate of Insurance* and any endorsements that may be issued from time to time, set out the contract between you and us. They should be read as one document. You agree to pay the premium shown on your *Certificate of Insurance* and comply with your responsibilities described in this *policy*.

The *policy*, your *Certificate of Insurance* and any endorsements that are issued, describe the terms and conditions of our contract with you. You should consider all documents together as one, and read it carefully to determine your rights and duties, and what is and is not covered.

It is important that you refer to the terms and conditions of this *policy* for full details of cover.

1. This document contains your insurance *policy* terms and conditions. It is important that you read and understand it and retain it in a safe place.
2. Please inform us immediately of:
 - (a) any change in your address; and/or
 - (b) any change in the storage type and location or mooring type and location of your boat;
 - (c) any other changes affecting you, your boat, or any insured person which will require an alteration to the *policy*.

We will provide you with the insurance described in this *policy*, in return for your compliance with all applicable provisions of this *policy*.

PART IA – YOUR OBLIGATIONS

Keep Insured property in good condition and repair and always protected.

You must maintain your boat, trailer, equipment and accessories in a good state of repair and condition. Any loss or damage caused by poor maintenance is not covered under the *policy*. You must also make reasonable efforts to protect your boat, trailer, equipment and accessories from any loss or damage.

If you make a claim and knew about something that could cause loss, or damage to your property and you did not make reasonable efforts to avoid it before the loss, or damage occurred, then your claim may not be paid. If you do suffer loss or damage you must also make reasonable efforts to prevent any further loss or damage.

Keep Proof of Ownership and Value

When you make a claim for loss or damage, we will require proof that you owned the item/s and of its value/s or your claim may not be paid.

You must tell us if you modify your boat or change its normal storage or mooring location or if there is a material change in the use of your boat.

If you do not provide us with this information you may not be covered in the event of a claim.

When you provide this information to us we may alter the terms and conditions of the *policy* and this may involve the payment of an additional premium. Alternatively we may cancel the *policy* or decide not to offer renewal.

Ensure That Your Premiums are Always Paid

You are responsible for ensuring that *your* premiums are paid or *your* cover could be put at risk. Please call *us* if *you* are ever unsure about *your* premiums.

Tell Us if There is a Transfer Of Interest

If *your boat* is sold, transferred to a new owner, or there is a change in any interest in the ownership of *your boat*, the *policy* will no longer cover *your boat* from the time of such sale, transfer or change of ownership. We will cover *your* replacement boat in accordance with the replacement boat cover of this *policy*.

Meeting Your Other Obligations

You will need to meet other conditions of the *policy*, such as claims conditions, or we may reduce or refuse to pay a claim and/or cancel the *policy*.

PART II – DEFINITIONS

Words with special meanings are defined here or in the part of the *policy* where they are used. Throughout the *policy*, defined terms will be noted in bold print when used with the intent to have special meaning, even where those terms are used in the singular, plural or possessive.

In this *policy*, the words “*you*”, “*your*”, and “*yours*” refer to the person or legal entity named on *your Certificate of Insurance* as the named insured, who are owners of *your boat* (including any natural person who is a shareholder, partner, member of that legal entity or owner of such legal entity by any other name and in the case of a trust is named or identified as a beneficiary of that trust). The words “*we*”, “*us*”, “*our*” and “*ours*” mean Nautilus Marine Underwriting Agency Limited acting as an agent of the insurer under a binder agreement.

Berth

berth means a permanent pen for *your boat* within a marina or a private pontoon. It does not include any other type of mooring.

Boat

boat means the boat described on *your Certificate of Insurance*, including hull, *motor(s)*, *trailer*, fixtures and fittings, mast, spars, rigging and sails, its *contents, equipment & accessories*, and all other items used in the operation or navigation of the *boat*, or *boats* listed on *your Certificate of Insurance*, including their designated *tenders*.

Bodily Injury

bodily injury means physical harm or injury to persons, including sickness or disease resulting from physical harm, injury or death.

Certificate of Insurance

Certificate of Insurance means *your* current *Certificate of Insurance* we give *you* stating details of the cover *you* have bought which forms part of this policy.

Collectibles

collectibles mean private collections of rare, unique or novel items of personal interest, including memorabilia.

Contents

contents mean any items not used in the operation or navigation of *your boat* but kept and used exclusively on board, including, but not limited to *your water sports equipment*, clothing, loose furniture, dishes and computer hardware. *Contents* does not include property of guests or *crew members*, *fine arts*, precious stones, gold or silver, jewellery, money, cheques, credit cards, debit cards, or bankcards or any stocks, bonds, notes, mortgages, mobile phones, cameras, game consoles or any intangible property.

Crew Member

crew member means any person employed by *you* or on *your* behalf under an employment agreement to serve as a *skipper* or as a *crew member* on board *your boat* and who is in the service of *your boat* at the time of a covered loss. *Crew member* does not include an individual employed by *you* solely for the purpose of doing maintenance, service, repair or inspection or other work on board *your boat* while it is at anchor, moored, tied up at a dock or in a repair facility or during navigational tests or sea trials.

Damages

damages mean the sum of money required to satisfy a claim for compensatory damages by a third party against an *insured person*, whether settled or agreed to in writing by *us* or resolved by arbitration or final judicial proceedings. Damages do not include punitive damages, fines, penalties, consequential *damages* or sanctions.

Equipment & Accessories

equipment & accessories mean *marine electronics*, boat covers and canopies, batteries, portable fuel tanks, safety equipment carried on *your boat* in accordance with statutory requirements, and any other items that are portable and not permanently attached to *your boat* that are manufactured and intended solely for use on *your boat* that are portable and not permanently attached to *your boat*.

Marine Electronics

marine electronics means electronic equipment attached to *your boat* that is portable or is permanently attached to *your boat* such as electronic navigation equipment, depth sounders, marine radios and transceivers, fish finders. *Marine electronics* does not include laptops or computers.

Excess

excess means the amounts *you* will pay in respect of each *occurrence* and/or instance of *physical loss or damage*, and for which there will be no payment under this *policy*. The *excess* applicable to each *occurrence* will vary depending on the part of the *policy* which applies to *your* claim made for that *occurrence*. The *excess* applicable to each part of this *policy* is shown on *your Certificate of Insurance*. In the event more than one part of this *policy* applies to *your* claim, then the claims under those coverages shall be subject to the highest single *excess* applicable to any one (1) such claim.

Fine Arts

fine arts mean paintings, etchings, statuary, antiques, *collectibles* and other bona fide works of art with historical value or artistic merit. Jewellery, watches and furs are not included within the meaning of fine arts.

Geographic Limits

geographic limits mean the geographic territory described on the *Certificate of Insurance* within which *your boat* must be located at the time of any *occurrence* in order for this insurance to apply. Unless otherwise shown on *your Certificate of Insurance*, the *geographic limits* of *your policy* are 250 nautical miles off New Zealand. All cover provided by this *policy* will automatically lapse when *your boat* clears New Zealand for the purpose of leaving New Zealand waters and will recommence when it clears New Zealand Customs on return.

Insured Person

insured person means:

- (a) *You*;
- (b) An additional insured named in the *policy*; or
- (c) Any person, including a *crew member*, operating *your boat* with *your* permission, but only with respect to their legal liability arising out of such operation. Sub clause (c) does not include any person, company or other business entity, or any of their agents or employees, operating a shipyard, boat repair yard, marina, boat club, sales agency, boat service station or similar organisation.

Latent Defect

latent defect means a hidden flaw in the material of construction existing at the time of original building of *your boat* or any additional or replacement parts, components or systems of *your boat*, which is not discoverable by ordinary observation, known methods of testing or inspection.

Lay Up

If Lay Up is shown on *your Certificate of Insurance*, it means the period nominated by *you* which *you* do not use *your boat* and *you* keep it on its *trailer* at the address shown on *your Certificate of Insurance*.

Marine Environmental Damage

marine environmental damage means the unintended physical injury to or alteration or destruction of coastal or marine habitat through physical contact with *your boat* including its fuel, lubricants, or similar products used in the operation of *your boat*.

Market Value

market value means the value of an item of property determined by taking its replacement value and with allowance for depreciation at the time and place of *physical loss or damage*. Where *your* insured item has no comparable of equivalent functionality and value with which it could be readily compared or replaced at the time of the assessment of *market value*, due to that insured item having become obsolete or only available with enhancements that were not present on the insured item, this shall be taken into account by *us* when calculating the *market value*.

Motor

motor means stern drive units, inboard and outboard engines as shown on *your Certificate of Insurance* and includes the propeller, outdrives, saildrives, shaft, gearbox, skeg, jet unit, wiring harness, instruments, portable fuel tank, control cables, IPS Units, Joystick management systems and generator/s.

Occurrence

occurrence means a sudden, unexpected and accidental event to which this insurance applies which happens within the *period of insurance*. An *occurrence* caused by the same, repeated general harmful condition that results in an *occurrence* within the *period of insurance*, unless an excluded cause of loss, is considered to be one (1) *occurrence*.

Personal Effects

personal effects mean any personal items normally worn or carried about the person; including items of *your* guests or *crew members* whilst they are on board *your boat*. It does not include portable *marine electronics*, money, jewellery, mobile phones, portable computers or tablets, *fine arts*, firearms, cheques, credit cards, consumables, debit cards, bankcards or any intangible property.

Personal Watercraft

personal watercraft means any vessel less than thirteen (13) feet in length propelled by an inboard motor powering a water jet pump designed to be operated by a person or persons sitting, standing or kneeling on the vessel rather than within the confines of a hull.

Physical Loss or Damage

physical loss or damage means actual physical harm to or destruction of tangible property insured under this *policy*.

Policy

policy means *your* Nautilus Marine Premium Pleasure Craft Insurance Policy and the most recent *Certificate of Insurance* and any written endorsements issued to *you* by *us*.

Period of Insurance

period of insurance means the period commencing on the effective date shown on *your Certificate of Insurance*. This period ends on the earlier of the expiry date shown on *your Certificate of Insurance* or the effective date of cancellation of this *policy*. All *physical loss or damage*, *property damage*, *bodily injury* and all *occurrences* giving rise to any claim under this *policy* must occur during the *period of insurance*. If anyone becomes an *insured person* under this *policy* after the effective date, then in respect of that *insured person*, the *period of insurance* begins as of the date such person becomes an *insured person* and ends on the earlier of the expiry date or the effective date of cancellation of this *policy* or when such *insured person* no longer meets the definition of an *insured person*.

Property Damage

property damage means direct physical harm to or destruction of tangible property of persons other than an *insured person*.

Skipper

skipper means any person employed by *you* or on *your* behalf under an employment agreement naming such person as the *crew member* to be in charge of the shipboard management and navigation of *your boat*.

Sum Insured

sum insured means:

- for a Market Value Policy, the *market value of your boat* at the time of the *occurrence* or the value shown on your *Certificate of Insurance*, whichever is lesser.
- for an Agreed Value Policy, the value of *your boat* as shown on your *Certificate of Insurance*.

Reasonable Costs

reasonable costs means the amount of money, which would be paid by a prudent purchaser for the products, services, or property provided. It does not include any additional costs incurred in order to have repairs or any other work performed on an accelerated basis.

Tender

tender means a vessel that is stowed and carried on board *your boat* and used solely in conjunction with *your boat* and is clearly marked and identified as tender to *your boat*.

Trailer

trailer means the insured vehicle shown on your *Certificate of Insurance* that is used for the transportation of *your boat*.

Water Sports Equipment

water sports equipment means equipment owned by *you*, inclusive of fishing equipment (i.e. rods, reels, tackle and other similar equipment used for recreational fishing), diving equipment (i.e. tanks, regulators, fins, snorkels, buoyancy compensation devices and other commercially manufactured equipment used for recreational diving) and Water Skiing or Aquaplaning equipment (i.e. water ski's, wakeboards, kneeboards, vests, ropes and other professionally designed and manufactured equipment for the purpose of Water Skiing, Aquaplaning or Wakeboarding behind *your boat*, but not including fly boards or any other aerial device).

Headings (including headings that are italicised, underlined and/or in bold) are included for ease of reference and convenience only and shall not affect the interpretation of the policy.

PART III – PROPERTY COVERAGE

A. INSURING AGREEMENT

This *policy* covers you against risks of direct *physical loss or damage* to your *boat*, its *contents*, and *personal effects* while on board your *boat* caused by an *occurrence*. This coverage is subject to the *geographic limits* and all *policy terms, policy conditions, policy exclusions* and written endorsements.

B. AMOUNT OF PROPERTY COVERAGE

The coverage limit for your *boat* is your *boat's sum insured*.

C. PAYMENT OF A LOSS

For a covered loss, we will pay as follows:

- Total Loss or Constructive Total Loss of *Your boat* we will pay your *boat's sum insured* if:
 - (a) *Your boat* is stolen, lost or destroyed and not recovered; or
 - (b) the estimated reasonable cost of recovery and repair of *your boat* is more than the *boat sum insured*.

We will not pay for any *physical loss or damage* not repaired if your *boat* is subsequently lost, destroyed or declared a constructive total loss as determined under a. and b. above, whether or not such unrepaired *physical loss or damage* is due to a loss covered under this insurance or any prior *policy* of insurance issued by us.

We will pay all sums awarded by a court to voluntary salvors or those acting under a salvage agreement providing for a salvage award on a no cure, no pay basis. However, we will pay salvage awards up to the value of the remains of your *boat*.

We will pay no more than the *sum insured* for the aggregate of partial damages, expenses and salvage awards arising from any one (1) *occurrence*.

When we pay a total or constructive total loss, we reserve the right to keep the remains of your *boat* or its proceeds, if any, up to the amount of such payment.

Partial Damage to Your boat

If your *boat* is partially damaged, we will pay the *reasonable costs* to repair your *boat* to as near as possible to its *market value*, appearance, and condition immediately prior to the *occurrence*, with materials of like kind and quality. The most we will pay is your *boat's sum insured*. We will not pay for any improvement or betterment to your *boat*.

For a covered loss to your *motors*, if your *motors* are five (5) years of age or less, we will pay the *reasonable costs* to repair or replace your *motors* without deductions for depreciation up to the *market value* of your *motors*.

When we pay a partial loss, we reserve the right to keep the remains, or the proceeds of sale, of any parts removed from your *boat* in connection with the repair of a partial loss, if any, up to the amount of such payment.

Subrogation

We shall acquire all *insured persons* full rights to recovery and shall be entitled to subrogation against all parties responsible for any *occurrence* giving rise to a total, constructive total or partial loss covered by this insurance to the full extent of any payments we make under this section. Subject to any applicable laws, our rights of recovery and subrogation shall be superior to any other rights of any *insured person* to recover and shall supersede any *insured person's* rights to compensation arising from an *occurrence*.

We shall bear all costs and expenses of our claims for subrogation and recovery, including legal fees, and shall have full authority to compromise and release our claims and rights of subrogation without consultation with or agreement by any *insured person*.

All *insured persons* agree to provide their full cooperation with and assistance to our efforts to make a recovery. This includes, but is not limited to the provision of their testimony under oath at depositions and at trials (and to travel for those purposes upon our request and with reimbursement of reasonable expense), access to physical evidence, including the *boat* and its parts and components, for examination and testing, along with documents and electronic data, and to assist in obtaining testimony under oath at depositions and at trials of other witnesses including current and former *crew members*, boat managers and other employees and contractors of any *insured person*.

Government Action

We cover direct *physical loss or damage* to *your boat* caused by the actions of any government authority in an attempt to mitigate or prevent an actual or potential pollution hazard or otherwise acting within their authority for the public good resulting in direct *physical loss or damage* to *your boat*, which is a covered loss.

Unless otherwise agreed in the *policy*, there is no excess for this coverage.

Temporary Removal and Storage

Your boat's masts, spars, sails, *tenders*, motors, equipment and accessories, and contents are insured against direct *physical loss or damage* while in temporary storage on land, including while in transit to or from *your boat*, up to a limit of \$10,000.

Unless otherwise agreed in the *policy*, the excess will be the basic excess shown on *your Certificate of Insurance*.

Physical Loss or Damage to Contents of your boat

For a covered loss to the *contents* of *your boat*, we will pay whichever is less:

- (a) The *market value* of the lost or damaged *contents*; or
- (b) the reasonable cost to restore or repair the damaged *contents* to pre-loss condition.

We will cover you for *physical loss or damage* to wine and alcohol on board *your boat* provided it is caused by an *occurrence*. This cover is limited to \$500 any one item and a maximum of \$10,000 any one event. Proof of ownership will be required to substantiate any claim payable under this coverage.

Unless otherwise agreed in the *policy*, the excess for this coverage is \$500.

We will cover you for spoilage of perishable food items on board *your boat* provided that the spoilage is caused by an *occurrence*. This cover is limited to a maximum of \$1000 any one *occurrence*. Unless otherwise agreed in the *policy*, No excess will apply if the claim is restricted to the spoilage of perishable food items only.

The *contents* cover limits provided by the *policy* are not payable over and above the *sum insured* in the event of a total and/or constructive total loss.

Physical Loss or Damage to the Equipment and Accessories of your boat

For a covered loss to the *equipment and accessories of your boat*, we will pay whichever is less:

- (a) The *market value* of the lost or damaged *equipment and accessories*; or
- (b) The reasonable cost to restore or repair the damaged *equipment and accessories* to pre-loss condition.

For a covered loss to *your marine electronics*, we will replace *your marine electronics* on a new for old basis if they are three (3) years of age or less.

The *equipment and accessories* cover provided by the *policy* is not payable over and above the *sum insured* in the event of a total and or constructive total loss.

Unless otherwise agreed in the *policy*, the excess for *physical loss or damage* to the *equipment and accessories of your boat* is \$200.

Overland Transportation

We cover direct *physical loss or damage* to *your boat* incurred during overland transport on *your trailer* within New Zealand (or elsewhere if specifically approved and shown on *your Certificate of Insurance*), including loading and unloading and including incidental transport via commercial ferry, provided that (i) the *trailer* and towing vehicle have sufficient towing capacity to transport *your boat* as rated by their manufacturers, (ii) the tow complies with all applicable legal requirements and (iii) it is legal to tow such a load on a public road or highway.

We will also cover incidental movement of *your boat* in connection with slipping, hauling, dry-docking, maintenance or repair at a marina or shipyard where movements do not exceed a distance of ten kilometres overland.

Unless otherwise agreed in the *policy*, the basic excess shown on *your Certificate of Insurance* will apply.

Personal Effects

We will pay up to the *personal effects* coverage limit, the lesser of the following three alternatives:

- (a) The reasonable cost to replace the lost or damaged *personal effects*; or
- (b) The reasonable cost to restore or repair the damaged *personal effects* to its pre-loss condition; or
- (c) Their *market value* at the time of the *occurrence*.

The maximum limit for any one (1) item belonging to *you* and *your guests* under the *personal effects* coverage is \$2,000. The maximum limit for any one item belonging to a *crew member* under the *personal effects* coverage is \$500. The coverage limit per *occurrence* for *personal effects* is \$20,000 in the aggregate unless otherwise shown on *your Certificate of Insurance*.

Personal effects coverage shall apply to *your personal effects* and those of *your guests* and *crew members* while those *personal effects* are on board *your boat*.

Proof of ownership will be required to substantiate any claims for *personal effects*.

The *personal effects* cover limits provided by the *policy* are not payable over and above the *sum insured* in the event of a total and or constructive total loss.

Unless otherwise agreed in the *policy*, the excess for *Personal Effects* coverage is \$200.

Water Sports Equipment

We will pay up to the *water sports equipment* coverage limit, the lesser of the following three alternatives:

- (a) The reasonable cost to replace the lost or damaged *water sports equipment*; or
- (b) The reasonable cost to restore or repair the damaged *water sports equipment* to its pre-loss condition; or
- (c) Their *market value* at the time of the *occurrence*.

The maximum limit for any one (1) item belonging to *you* and *your* guests under *water sports equipment* coverage is \$2,000. The coverage limit per *occurrence* for water sports equipment is \$20,000 in aggregate unless otherwise shown on *your Certificate of Insurance*.

Water Sports Equipment coverage shall only apply to *your water sports equipment* while on board *your boat*.

Proof of ownership will be required to substantiate any claims for *water sports equipment*.

The *water sports equipment* cover limits provided by the *policy* are not payable over and above the *sum insured* in the event of a total and or constructive total loss.

Unless otherwise agreed in the *policy*, the excess for this coverage is \$200.

Excesses

The excess shown on *your Certificate of Insurance* is the amount of a covered loss *you* will pay for each *occurrence* and for which there will be no payment under this *policy*.

Unless otherwise agreed in the *policy*, the excess shown on *your Certificate of Insurance* will not apply in the event of a total or constructive total loss of *your boat*.

Unless otherwise agreed in the *policy*, in the event of *physical loss or damage* to *your boat* whilst berthed at its usual *berth* as shown on *your Certificate of Insurance* the excess shown on *your Certificate of Insurance* will not apply.

In the event of *physical loss or damage* to *your boat* caused by a named cyclone, a named cyclone excess of \$5,000 or 5% of the total claim, whichever is greater will be applied. This excess will apply in the event of a Partial, Total and/or Constructive Total Loss. This excess will not apply if *your boat* is secured ashore on its own *trailer* and reasonable care has been taken to protect *your boat* from the named cyclone.

If *your boat* is under 10 meters in length overall and designed to be legally trailered on its own *trailer*, in the event of *physical loss or damage* to *your boat* caused by submersion an excess of \$2,000 will apply in the event of Partial, Total, and/or Constructive Total Loss. This excess will not apply if at the time of the *occurrence* *your boat* is either kept in a *berth*, on its own *trailer*, or has only been left unattended for less than 24 hours.

Unless otherwise agreed in the *policy*, in the event of *physical loss or damage* to *your tender* only, there shall be no excess applied.

In the event of direct partial *physical loss or damage* to *your boat* solely caused by the fault or neglect of a third party not insured under this *policy*, there shall be no excess applied to such loss provided *you* can identify the third party (name, address and telephone number and their Insurance Company(if any)) who was at fault.

When one (1) *occurrence* gives rise to claims under boat, *motor, contents, equipment and accessories, water sports equipment* and/or *personal effects* coverages, the claims under those coverages shall be subject to the highest single excess applicable to any one (1) such claim.

D. ADDITIONAL PROPERTY COVERAGE

Unless otherwise agreed in the *policy*, the following additional property coverage is provided in addition to the *sum insured*. This additional coverage is subject to all *policy* terms, conditions and exclusions.

Safeguarding Damaged Property

If a covered loss occurs, every *insured person* must take all lawful and reasonable measures, including making or arranging for temporary repairs, to protect the covered property from further damage and mitigate any loss payable under this *policy*.

After a loss covered by this *policy*, we will pay the *reasonable costs* incurred by an *insured person* to protect or recover your boat from further loss or damage up to the *sum insured*.

We will pay the reasonable cost of salvage and towage services provided under a written contract which fixes the amount of compensation for such services and other related expenses necessarily incurred by an *insured person* so as to avoid or minimise a loss that would be covered under this insurance.

Unless otherwise agreed in the *policy*, there is no excess for this coverage.

Precautionary Measures

We will pay up to the precautionary measures coverage limit of \$5,000 for *reasonable costs* incurred by an *insured person* to move your boat to a place of safety from harm's way whilst your boat is under threat of windstorm, tidal surge or wave, or fire at your boat's berth, mooring or place of storage.

Unless otherwise agreed in the *policy*, there is no excess for this coverage.

Wreck Removal

If you are legally obligated to raise, remove or destroy the wreck of your boat, we will pay all *reasonable costs* you incur to raise, remove or destroy the wreck.

Inspections

We will pay the *reasonable costs* you incur of inspecting your boat for physical loss or damage after grounding, whether or not any damage is found.

Unless otherwise agreed in the *policy*, there is no excess for this coverage.

Emergency Expenses

We will pay for necessary and reasonable emergency expenses without *physical loss or damage* to your boat including:

- (a) Commercial towing fees to the nearest place where necessary repairs can be carried out;
- (b) Delivery costs of fuel and other essential supplies, but excluding the costs of the fuel or supplies; and
- (c) The cost of emergency parts and labour done on board your boat at the location of breakdown.

We will pay up to the emergency expenses limit of \$5,000 for each *occurrence*.

This coverage applies only if your boat is disabled for any reason other than a loss covered by this *policy*.

Unless otherwise agreed in the *policy*, there is no excess for this coverage.

Trailers

We will cover *physical loss* or damage to *your trailer* used with *your boat*. For a covered loss, we will pay the lesser of the *reasonable costs* to repair or its *market value*.

Unless otherwise agreed in the *policy*, this coverage is subject to the *excess* shown on *your Certificate of Insurance*. No *excess* is applicable in the event of *physical loss* or *damage* solely to *your trailer's tyre/s* and or *rim/s* due to impact which causes the tyre to puncture, burst, blow out.

Temporary Emergency Accommodation

In the event of *physical loss* or *damage* to *your boat*, if *you* are more than 100kms from the mooring location shown on *your Certificate of Insurance* and we agree that *you* cannot stay on *your boat*, we will pay up to \$250 per day for temporary emergency accommodation for *insured persons* for up to 7 days.

Unless otherwise agreed in the *policy*, there is no *excess* for this coverage.

Tournament Coverage And Yacht Racing Fee Reimbursement

We will cover *you* for the loss of entry fees paid by *you* should a claim be payable under this *policy* causing *you* to miss or withdraw from a fishing tournament or yacht race. The cover provided by this benefit will only be paid if *physical loss* or *damage* to *your boat* necessitates *your* withdrawal. The maximum we will pay is the Tournament Coverage and Yacht Racing Fee Reimbursement limit of \$2,000.

Unless otherwise agreed in the *policy*, there is no *excess* for this coverage.

Lost Keys Coverage

We will cover *you* for the loss or theft of the keys of *your boat* including the costs associated with recoding the new keys. The maximum we will pay is the Lost Keys Coverage limit of \$1,500.

Unless otherwise agreed in the *policy*, there is no *excess* for this coverage.

Replacement Boat

If *you* sell *your boat* during the *period of insurance*, we will cover any boat with a maximum design speed up to 60 knots that is reasonably similar to *your boat*, which *you* acquire by purchase to replace *your boat*, and used by *you* solely for private pleasure purposes during the *period of insurance*. Coverage for *your* replacement boat is up to the purchase price of the replacement boat. This coverage is in effect for a period of twenty one (21) days from the date of purchase, and subject to all terms, limits, *excesses*, conditions and exclusions of this *policy*. However, *you* must request coverage within twenty one (21) days of the date of purchase and *you* must pay the premium we determine.

E. LOSS PAYEE/INTERESTED PARTIES

If a person's (eg credit provider or other insureds) interest is named in this *policy*, any claim payable will be paid to such person and *you*, as interests appear. If more than one (1) loss payee is named, the order of payment will be the same as the order of precedence of such persons.

F. PROPERTY EXCLUSIONS

These exclusions apply to Part III – Property Coverage.

There shall be no coverage under Part III – Property Coverage for any coverage specified in Part III for loss, damage, claim or expense attributable to or resulting directly or indirectly, in whole or in part or in combination with any other cause or causes from or in respect of:

Gradual or Sudden Loss

Osmosis, blistering, fiberglass or surface coat blistering, electrolysis, delamination, rust, corrosion or oxidation, marine life, marine borers, moth or vermin, rot, fungi, mould or infestation, warping or shrinkage, change of temperature or humidity, deterioration, lack of maintenance, lack of reasonable care, lack of reasonable protection and/or security, wear and tear or inherent vice.

Manufacturing and Design Defects

Any faulty workmanship, defect in design or defect in manufacture of *your boat* or any additional or replacement part, component or system of *your boat*. However, we will cover *you* for professional repairer's negligence.

Latent Defect

Any repair or replacement of any *latent defect* in *your boat*, however, any subsequent *physical loss or damage* to *your boat* resulting or caused directly by the *latent defect* will be covered.

Mechanical Breakdown

Any *physical loss or damage* to *your boat's* motors in connection with mechanical breakdown. However this exclusion does not apply if all of the following apply:

1. *Your motors* have been manufactured within the last 5 years;
2. *Your motors* have been regularly serviced and maintained in accordance with the manufacturer's recommendations, and *you* can provide copies of records of that service;
3. *Your motors* are not covered under the manufacturer's original warranty or any extended warranty; and
4. The *physical loss or damage* did not result from the failure of maintenance items such as seals, gaskets and filters.

Any claim that we accept for mechanical breakdown will be subject to an excess of 10% of the total *motor* claim or the excess named in this policy, whichever is greater.

Motors Secured to Your boat

Any *physical loss or damage* to any *motor* when secured to *your boat* in a manner other than specified or recommended by the manufacturer of the *motor* or of *your boat*.

Cash or Valuable Papers

Cash, cheques, money orders, bank drafts, travel tickets, traveller's cheques, postage stamps, certificates, bonds, negotiable instruments, or any intangible property.

Computer Software

Computer software, programs or data unless this software forms part of *your marine electronics*.

Loss of Use or Value

Any loss of use, including loss of profits or loss of market value or any other consequential loss or damage.

Transit

Any item in transit on board *your boat* or being delivered to or from *your boat*, not adequately packed, stowed and secured relative to its value and the method of transportation.

The Weight of Your boat

Any loss arising out of the *boat* exceeding the rated capacity of *your trailer* or other land conveyance vehicle.

Cargo Vessel Transit

The loading, unloading or transportation of *your boat* on board a cargo vessel or any other form of commercial marine carrier.

Provisions

Any loss or damage to the fuel, lubricants, consumables, provisions and stores of *your boat*, except as otherwise provided for in this *policy*.

Sails

Loss or damage to sails caused by normal wear and tear and/or wind or water.

Theft of Water sports Equipment and Personal Effects

Any theft of *water sports equipment* and *personal effects* unless there is physical evidence of violent and forcible entry into *your boat* or the loss involves violent and forcible removal of the items from the place of storage of *your boat*.

PART IV – LEGAL LIABILITY COVERAGE

A. INSURING AGREEMENT

We will pay *damages* an *insured person* is legally obligated to pay for *bodily injury* or *property damage* arising from the ownership, operation, maintenance or use of *your boat* and caused by an *occurrence* covered in this *policy* and subject to the *geographic limits*. This coverage is also subject to all *policy* terms, conditions and exclusions.

The most we will pay for all claims for *bodily injury* and *property damage* as a result of any one (1) *occurrence* is the Legal Liability coverage limit shown on *your Certificate of Insurance* of this *policy*. This insurance applies separately to each *insured person* against whom a claim is made or a suit is brought, but we will pay no more than the limit shown on *your Certificate of Insurance* for any single *occurrence* regardless of the number of *insured persons*, boats insured, claims made or persons injured under this *policy*.

Unless otherwise agreed in this *policy*, there is no excess for any coverage provided under Part IV– Legal Liability Coverage.

B. DEFENCE COVERAGE AND CLAIM EXPENSE

We will pay the legal costs to defend an *insured person* with our prior written consent against any civil action, including trial and appeals against any suit seeking covered *damages* for *bodily injury* and/or *property damage* caused by an *occurrence* arising from the ownership, operation, maintenance or use of *your boat*, even if the suit is false, fraudulent or groundless. We reserve the right to select counsel. We may also investigate and settle any claim or suit at our sole discretion. The limit of this coverage is included within the Legal Liability limit shown on *your Certificate of Insurance*.

We will also pay:

1. All reasonable court costs and expenses awarded against an *insured person*.
2. Reasonable expenses incurred by an *insured person* at our request up to a total of \$10,000 for assisting us in the investigation or defence of a claim or suit.
3. Interest on the entire judgment, which accrues after entry of the judgment and before we pay or tender, or deposit in court, that part of the judgment which does not exceed the amount of coverage.
4. All prejudgment interest awarded against an *insured person* on that part of the judgment we pay or offer to pay. We will not pay any prejudgment interest based on that period of time after we make an offer to pay the amount of such judgment.

Our duty to defend any claim or suit arising out of a single *occurrence* ends when the amount we have paid in *damages* for that *occurrence* equals the Legal Liability coverage limit shown on *your Certificate of Insurance* of this *policy*.

C. MARINE ENVIRONMENTAL DAMAGE COVERAGE

We cover *damages* an *insured person* is legally obligated to pay up to a maximum of \$500,000 inclusive of defence coverage and claim expense for *marine environmental damage* caused by an *occurrence* arising from the ownership, operation, maintenance or use of *your boat*, subject to the terms, conditions and exclusions of this *policy*. This coverage shall be included in the Legal Liability limit shown on *your Certificate of Insurance* for any one (1) *occurrence*.

We also provide fines/penalties coverage up to a limit of \$50,000 for payment of any government fine or penalty incurred by *you* for *marine environmental damage* caused by any one (1) *occurrence* providing there was no intentional act or misconduct by *you*. The limit of this *marine environmental damage* is included within the Legal Liability limit shown on *your Certificate of Insurance*.

D. OPERATING OTHER WATERCRAFT

When *your boat* is not in use and subject to all *policy* terms, conditions and exclusions, including the coverage limit for Legal Liability coverage shown on *your Certificate of Insurance*, we cover *damages* for *bodily injury* and/or *property damage* caused by an *occurrence* that *you* are legally obligated to pay resulting from *your* operation or use of another boat with a maximum design speed up to 60 knots which is neither owned nor chartered by *you*.

E. ADDITIONAL LEGAL LIABILITY COVERAGE

These additional Legal Liability coverages are provided in addition to the Legal Liability coverage limit shown on *your Certificate of Insurance*. This additional coverage is subject to all *policy* terms, conditions and exclusions. The *excesses* shown on *your Certificate of Insurance* apply to these coverages.

F. REPLACEMENT BOAT

If you sell *your boat* during the *period of insurance*, we will pay *damages* an *insured person* is legally obligated to pay for *bodily injury* and/or *property damage* caused by an *occurrence* arising from the ownership, operation, maintenance or use of any replacement boat with a maximum design speed up to 60 knots that is reasonably similar to *your boat*, which you acquire by purchase and you use solely for private pleasure purposes during the *period of insurance*. This additional coverage is in effect for a period of twenty one (21) days, from the date of purchase, and subject to the Legal

Liability coverage limit shown on your *Certificate of Insurance* and all other terms, conditions and exclusions of this *policy*. However, you must request coverage within twenty one (21) days of the date of purchase and you must pay the premium that we determine.

G. LEGAL LIABILITY EXCLUSIONS

The following exclusions apply to Part IV – Legal Liability Coverage:

There shall be no coverage under this Part IV – Legal Liability Coverage for any loss, damage, liability, claim, cost of defence or expense attributable to or resulting directly or indirectly, in whole or in part from or in respect of:

Care, Custody or Control

Property damage to property owned by, or in the care, custody or control of, an *insured person*, family member or domestic partner.

Bodily Injury, Illness or death

Any liability for *bodily injury* to a person who is covered or should have been covered by any compulsory insurance, including compulsory third party insurance or compulsory medical insurance.

Towing

Any liability for any *occurrence* when a *trailer* is connected to a motor vehicle or any *occurrence* involving the towing of any persons or objects in the air.

Asbestos

Any liability arising out of asbestos or any product containing asbestos.

Liability arising out of Water Skiing or Aquaplaning

Any *occurrence* while *your boat* is being used for water skiing or aquaplaning. This exclusion does not apply if your *Certificate of Insurance* shows the Water Skiers Inclusion Endorsement.

Jurisdiction of Courts Outside of New Zealand

Any actions brought against you in a court outside of New Zealand or a New Zealand court that applies law that is not New Zealand Law.

Employee Benefits

Any act, error or omission in respect of the provision of employee benefits of any kind by you.

Liability to Paid Crew

Damages (including, if applicable, maintenance and cure, repatriation and other related expenses) for which *you* and/or any *insured person* are legally liable to pay a *crew member* under New Zealand Health and Safety law or other similar law of any nation in respect of *your* legal liability to any *crew member*.

Contractual Liability

Any liability assumed by an *insured person* under any contract or agreement, including indemnification agreements, without our prior permission, except for an agreement executed between an *insured person* and boat club, boat yard, ship yard, marina or other similar facility for the exclusive purpose of slipping, hauling, mooring, storing or launching *your boat*, by such boat club, boat yard, ship yard, marina or other similar facility where the boat(s) is kept, except in instances of gross negligence or intentional/wilful acts.

Notwithstanding the foregoing, no cover will be provided where an *insured person* assumes liability under any contract or agreement (including indemnification agreements) with a boat club, boat yard, ship yard, marina or other similar facility if *your boat* is having repair work or alterations (other than scheduled routine maintenance), boat refitting or any hot work performed in connection with any repair, alteration, routine maintenance or refitting in a boat yard, ship yard or marina, or by any ship or marine repairer.

For the purposes of this exclusion "hot work" shall mean any operation that results in the release of sufficient heat, energy, hot particles or flames to ignite flammable materials or vapours in and/or near the area of work including, but not limited to, welding, cutting, brazing, arcing, grinding or other fire spark producing operations, which includes the use of hot rivets or other similar work.

Obligatory Repatriation

Any liability for repatriation costs and expenses in respect of any *crew member* if such expense is payable by reason of (i) the end of the *crew member's* contractual term of service (whether by contract or by agreement) with *you*, (ii) the sale or disposal of *your boat*, (iii) the arrest, detainment or seizure of *your boat* or (iv) the laying up of *your boat*.

Unauthorised Use

Any *occurrence* while *your boat* is being operated or used without *your* prior consent.

Motorised Land Vehicles

The ownership, operation, maintenance, use, loading or unloading of any motorised land vehicle, including any such vehicle engaged in the overland transportation of *your boat*.

Humiliation, Harassment or False Arrest

Any liability arising from actual, alleged or threatened humiliation, harassment, false arrest, false imprisonment, wrongful detention, libel, slander, defamation of character or invasion of rights of privacy, malicious prosecution, shock, emotional distress, mental injury, wrongful entry or eviction.

Discrimination

Any liability arising out of actual, alleged or threatened discrimination or harassment due to age, race, national origin, colour, sex, creed, handicapped status, sexual preference or identity or any other discrimination.

Sexual Molestation or Corporal Punishment

Any liability arising out of any actual, alleged or threatened;

1. Sexual molestation, misconduct or harassment;
2. Corporal punishment; or
3. Sexual, physical or mental abuse by any person.

Transmittable diseases

Any liability from any illness, sickness or disease transmitted intentionally or unintentionally by any *insured person* to anyone. We also do not cover any *damages* for any threat of exposure or any consequences resulting from that illness, sickness or disease.

Diving Activities

Any liability arising out of diving activities or the use or provision of diving or air compression equipment or the supply of compressed gasses

Insured Person

Any legal liability for *bodily injury* to an *insured person*. However, this exclusion does not apply if any person, including a *crew member*, operating *your boat* with *your* permission is legally obligated to pay for *bodily injury* to an *insured person* arising from the ownership, operation, maintenance or use of *your boat* and caused by an *occurrence* covered in this *policy* and subject to the *geographic limits*. This exception is also subject to all *policy* terms, conditions and exclusions.

PART V – PERSONAL ACCIDENT COVERAGE

You are covered in the event of:

- death; or
- an injury causing permanent and total loss of:
 - sight of an eye;
 - the use of a limb; or
 - the thumb or any finger;

caused directly and solely by a violent, visible, and external *occurrence* while you are using *your boat* for private pleasure purposes or voluntary rescue work.

We will pay up to:

- \$50,000 or the amount shown on *your Certificate of Insurance* for Personal Accident Coverage for claims involving death, permanent and total loss of use of a limb or the permanent and total loss of sight of an eye;
- up to 20% of \$50,000 or of the amount shown on *your Certificate of Insurance* for Personal Accident Coverage for claims involving permanent and total loss of the thumb or any finger.
- We will also pay:
 - *Your reasonable costs* up to \$5,000 for certain emergency expenses you incur as a result of the *occurrence* providing that the costs are not covered by Medicare, workers compensation or another government or private scheme or arrangement. You must produce receipts for all costs incurred.
 - *Your funeral expenses* to a maximum benefit of \$5,000 where your death arises directly and solely by an *occurrence* which occurred whilst using *your boat*.

The limit shown under this section of the schedule under Part V – Personal Accident Coverage only applies to *insured persons* shown on *your Certificate of Insurance*. If more than one individual is shown as an *insured person* on *your Certificate of Insurance* the amount payable to the individual claiming under Part V – Personal Accident Coverage will be limited to the amount payable, divided by the number of individuals shown on *your Certificate of Insurance* as *insured persons*.

Where a claim is made against *you* by someone who is not an *insured person*, the coverage is limited to \$2,000 for any one person, up to a maximum of \$5,000 any one incident.

Our payment is subject to the individual claiming under Part V – Personal Accident Coverage obtaining medical attention for the accidental injury from a registered medical practitioner and undergoing any medical examination requested by *us*.

We will not pay for any claims for Part V – Personal Accident Coverage where providing such payment would result in *us* contravening the Accident Compensation Act 2001 or any applicable legislation.

We will not pay for any claims where:

- the injury or death is self-inflicted, including suicide or attempted suicide whilst sane or insane; or
- the death, permanent injury, total loss of the use of a limb, thumb or any finger, or total loss of sight of an eye occurs after 12 months of the date of the *occurrence*.

PART VI – GENERAL EXCLUSIONS AND CONDITIONS

The following general exclusions and conditions apply to all parts of this *policy*:

A. GENERAL EXCLUSIONS

There shall be no insurance under any provision of this *policy* for any loss, damage, liability, claim, cost of defence or expense resulting directly or indirectly, in whole or in part from or in respect of:

Command and control of your boat

Any *occurrence* whilst the person in command and control of *your boat* is:

- (a) unlicensed when a licence is necessary;
- (b) a person without adequate experience to reasonably control the boat;
- (c) under the influence of alcohol or drugs;
- (d) a person who has been refused boat insurance within the last five years unless *you* have advised *us* of the refusal and we have agreed in writing to cover that person under the *policy*.

This exclusion does not apply if *you* can prove that:

- *You* did not know or had no reason to suspect that the person in control of *your boat* fell into any of the aforementioned categories;
- It was reasonable for that person to assume control of *your boat* as a result of an unforeseen emergency.

Nuclear Hazard

Nuclear Hazard, including the following and any consequence of the following:

- (a) Ionizing radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (b) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
- (c) The use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

War

War, including the following and any consequence of the following:

- (a) Undeclared war, civil war, insurrection, rebellion or revolution;
- (b) Warlike acts by a military force or military personnel; or
- (c) The destruction, seizure or use of property for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

Chemical Weapons and Cyber Attacks

Chemical Weapons and Cyber Attacks, including the following and any consequence of the following:

The use or threatened use of:

- (a) Any chemical, biological, bio-chemical, or electromagnetic weapon, device, agent or material; or
- (b) Any computer, computer system, software program, virus or process, or any other electronic system, as a means for inflicting harm, or the consequence of any of these, regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss or damage. We also do not cover any loss, damage, liability, claim, cost of defence or expense caused by any action taken in hindering or defending against the use or threatened use of any of these.

Terrorism

Terrorism, including the following and any consequence of the following:

The use or threat of force or violence, by an individual or group acting alone, on behalf of or connected to any organisation or government, which gains its motivation from political, religious or ideological beliefs with the intent to influence any government or the public by the use of fear or from an act of terrorism.

Confiscation

Confiscation, including the following and any consequence of the following:

The capture, seizure, arrest, restraint, detainment, confiscation, nationalisation, requisition or destruction of or damage to property by any government or under the order of any government or public or local authority of the country in which *your boat* is owned, located or registered except as otherwise provided in Part III – Property Coverage - C. Payment of a Loss, Government Action.

Intentional Acts

Intentional Acts, including the following and any consequence of the following:

- any intentional act by an *insured person* who directs, permits, approves of or participates in any dishonest, criminal, wilful, intentional or malicious act or omission by any *insured person*.
- any claim arising from acts or omissions of any person which are intended to or would inevitably result in *physical loss or damage, bodily injury or property damage*. This exclusion applies even if the *physical loss or damage, bodily injury or property damage* is of a different kind or degree, or sustained by a different person than would be expected or intended by the *insured person*.

Fines or Punitive Damages

Except as otherwise expressly provided in the *policy*, any fines, penalties, punitive, exemplary or non- compensatory damages, or any damages resulting from the multiplication of compensatory damages regardless of the cause of loss.

Illegal Activity

The use of *your boat* for any illegal purpose including but not limited to the transport of any illegal substance.

Chartering or Commercial Use

The use of *your boat* for any purpose other than private pleasure purposes. *Your boat* cannot be chartered, leased or used for any commercial purposes at any time. Entertaining business clients on *your boat* is not considered charter or commercial use.

Towing

The towing of any other boat or watercraft except *your tender* by *your boat* unless previously approved by us in writing. This exclusion shall not apply if *you* are rendering emergency assistance to a distressed boat.

Racing and Competitive Use

Any *occurrence* during instruction, testing, preparation or participation for or in any race, speed contest or similar competition unless *you* have advised *us* and *we* have agreed to cover it in writing. Notwithstanding the foregoing, *you* are covered for sailboat racing provided such races are not over 125 nautical miles in length.

Para-Sailing, Kite Surfing/Boarding or Teak Surfing

Any *occurrence* while *your boat* is being used for para- sailing, kite surfing/boarding, teak surfing or similar activity.

Aircraft

The ownership, maintenance, use, loading or unloading, transporting or towing of any aircraft.

Claims Settled Without Our Consent

Any claim of a third party which *you* have settled or where *you* have accepted liability without our written consent regardless of the cause of loss. Nor do *we* cover any cost, expense or judgment for a suit brought or defended without our written consent.

Unseaworthy state

Loss, damage or liability caused by *your boat* not being seaworthy or in defective condition. This exclusion will not apply if *you* can prove to *us* that *you* did not know, or could not reasonably have known, that *your boat* was not seaworthy or defective at the time.

Modifications

The modification of *your boat* unless *you* have advised *us* and *we* have agreed to extend cover in writing.

Parts

Mechanical parts that are not in accordance with the manufacturer's original specifications.

Engine Power

Any *occurrence* when *your boat* or any boat covered by the *policy* was fitted with a *motor* more powerful than that recommended by the manufacturer of *your boat*.

Unsuitable Mooring

Any *occurrence* where the mooring for *your boat* was not:

- of a suitable design and weighting for *your boat*;
- appropriately sited;
- in good order and regularly maintained on an annual basis.

Speed

your boat or any boat covered by the *policy* exceeding the speed limit shown on *your Certificate of Insurance*.

Bushfire or Named Cyclone Waiting Period

A bushfire or Named Cyclone within the first 48 hours of the original start of the *policy* (not including a renewal) unless *you* bought *your boat* on the start date of the *policy* or *you* previously held cover for *your boat* under another insurance policy, with equivalent cover, with another insurance company and cover was then provided under this *policy* without interruption in cover.

Electronic Equipment (alignment issue)

- Electronic or mechanical derangement of electronic equipment, data, viruses, malfunction and processing errors.
- Overheating.
- Overheating of a *motor* or seizure unless caused by a covered loss under the *policy*.

Sanctions

We are not liable to make any payments for liability under any coverage sections of this *policy* or make any payments under any extension for any loss or claim arising in, or where the *insured person* or any beneficiary under the *policy* is a citizen or instrumental in the government of, any country (ies) against which any laws and/or regulations governing the *policy* and/ or the insurer, its parent company or its ultimate controlling entity have established an embargo or other form of economic sanction which have the effect of prohibiting the insurer to provide insurance coverage transacting business with or otherwise offering economic benefits to the *insured person* or any other beneficiary under the *policy*.

B. GENERAL CONDITIONS

We will not be liable to pay any claim under this insurance unless *you* and any *insured person* comply with all the requirements in the following conditions.

Duties after an occurrence

In the event of an *occurrence* which may give rise to a claim under this policy, or if *you* and any *insured person* under this *policy* are sued in connection with an *occurrence* which may be covered under this policy, *you* and any *insured person* must:

- (a) Give prompt notice to *us* as soon as possible of any incident that may result in any kind of claim under this policy. If *you* think a crime has been committed, *you* must also tell the police and, if appropriate, the coast guard or other maritime authority.
- (b) Protect the property from further damage.
- (c) Preserve the properties, equipment or instrumentalities involved in any accident, which might be reasonably believed to be involved in damage to property (including property covered by this insurance) or injury to persons and deliver to *us* at our request and expense.
- (d) Keep an accurate record of all repair expenses and provide *us* with bills (quotations, invoices, etc.), receipts and related documents.
- (e) As often as *we* reasonably require:
 - (i) Allow inspection and testing of the damaged property;
 - (ii) Provide *us* with records and documents *we* request; and
 - (iii) Submit to separate examination under oath.
- (f) Send to *us* upon our request, *your* signed, sworn proof of loss that sets forth, to the best of *your* knowledge:
 - (i) The time, place and cause(s) of loss;
 - (ii) The interest of all others in the property;
 - (iii) Other insurance which may cover the loss; and
 - (iv) The full amount claimed under each coverage for which a claim is made.
- (g) Provide *us* with the names and addresses of any known persons injured and any available witnesses.
- (h) Provide *us* immediately upon receipt with any demand letters, letters of representation, suit papers and other documents that will help *us* defend any *insured person*.
- (i) Assist and cooperate with *us* in the conduct of the defence by helping *us*:
 - (i) To make settlement;
 - (ii) To enforce any right of contribution or indemnity against any person or organization who may be liable to an *insured person*;
 - (iii) To attend hearings and trials; and
 - (iv) To secure and give evidence and obtain the attendance of witnesses.

Abandonment

No action which either *you* or *we* take to save, protect or recover *your boat* will be regarded as a waiver or acceptance of abandonment nor will it prejudice the rights of either *you* or *us*.

Appraisals of Physical Loss or Damage

If *you* and *we* fail to agree on the amount of *physical loss or damage* to property covered under PART III - PROPERTY COVER, either party may make a written demand that each selects an independent appraiser.

In this event, the parties must notify each other of their selection within 20 days. The independent appraisers will select a third appraiser within 15 days. If a third appraiser is not agreed upon within that time each appraiser within seven days thereafter, shall propose to the other in writing the names of three appraisers together with their curriculum vitae for consideration as the third appraiser. Each appraiser, within seven days thereafter, shall strike two names from the other party's list; and the third appraiser shall then be selected by the drawing of lots. If either appraiser fails to propose the names of three appraisers or to strike two names as required above, the non-defaulting party will appoint the third appraiser from its list. The independent appraisers will then appraise the loss and submit any differences to the third appraiser. Each independent appraiser will be paid by the party selecting him. The expenses of the third appraiser shall be shared equally between *you* and *us*.

Premium Fully Earned

If *you* have a total loss or a constructive total loss of *your boat* during the *period of insurance*, the full premium for the *policy* shall be considered fully earned and *you* shall receive no return premium on cancellation of *your policy*.

Co-Insureds

Any denial, defence or avoidance of coverage for any claim based on the acts, omissions, breach of warranty or condition by one (1) *insured person* shall also apply against any claim by any other *insured person*.

Duplicate Coverage

If a loss is covered under more than one (1) part of this policy, *we* will pay *you* under the part giving *you* the greatest amount of coverage, but not under more than one part. In no event will *we* make duplicate payments for a single loss.

Due Diligence

It shall be the duty of every *insured person* to exercise due diligence to maintain all insured property in seaworthy condition and reasonably fit in all respects for the intended use of such insured property.

Sale, transfer or change in ownership

If any interest in *your boat* is sold or transferred to a new owner, or any interest in the owning legal entity is changed, without our written consent, this insurance will be of no further force and effect and cancelled from the time of such sale, transfer or change.

If *your boat* is at sea at the time of such sale, transfer or change, this insurance will continue until the *boat* arrives at a safe port, provided *you* request *us* to provide such coverage in advance.

Waiver or Impairment of Subrogation

We shall acquire all *insured persons* full rights to recovery and shall be entitled to subrogation against all parties responsible for any *occurrence* giving rise to a total, constructive total or partial loss covered by this insurance to the full extent of any payments we make under this section. Our rights of recovery and subrogation against all responsible parties shall be superior to any other rights of any *insured person* to recover against any responsible parties and shall supercede any *insured person's* rights to be made whole.

We shall bear all costs and expenses of our claims for subrogation and recovery, including attorneys' fees, and shall have full authority to compromise and release our claims and rights of subrogation without consultation with or agreement by any *insured person*.

All *insured persons* agree to provide their full cooperation with and assistance to our efforts to make recovery against responsible parties, including, but not limited to the provision of their testimony under oath at depositions and at trials (and to travel for those purposes upon our request and with reimbursement of reasonable expense), access to physical evidence, including the insured *boat* and its parts and components, for examination and testing, along with documents and electronic data, and to assist in obtaining testimony under oath at depositions and at trials of other witnesses including current and former *crew members*, vessel managers and other employees and contractors of any *insured person*.

You and any *insured person* must not do anything to impair such rights of recovery.

At our request, you or an *insured person* will bring an action at our expense, transfer or assign those rights to us and help us enforce them or your rights and cooperate with us in our attempt to recover our payment.

No one covered under this *policy* or acting on their behalf shall waive, limit or impair our right to recover and/or the amount to recover against a third party before or after a loss.

Salvage

In the event we have paid your claim for any item that has been damaged where the amount paid has been based on the total loss of that item, we shall be entitled to, but not obligated to, take legal ownership of the item for which we have paid the claim, irrespective of its condition. You agree to provide to us all legal rights and title in the item if requested by us, where we have elected to take legal ownership of the item under this condition. This condition shall not apply where we have elected to pay the cost of any repair to your item.

When we pay a partial loss, we reserve the right to keep the remains, or the proceeds of sale, of any parts removed from your *boat* in connection with the repair of a partial loss, if any, up to the amount of our loss payment.

Assignment

No assignment of or change of interest in this insurance or in any amount payable under it will be binding on or recognised by us.

No one covered under this *policy* may assign or turn over any right or interest in regard to the *policy* without our written consent.

Changes

No change or modification of this *policy* shall be effective except when made by written endorsement issued by *us*.

No Benefit to Bailee

This insurance shall not benefit any bailee.

Misrepresentation or Non-Disclosure

We may decline to meet a claim and cancel the *policy* if any material information provided to *us* is inaccurate, untrue or if any material information has been withheld or omitted from disclosure, by or on behalf of the *insured person*.

Notwithstanding the foregoing, any fraudulent deliberate misrepresentation or concealment of information will void this *policy* from inception. If this happens, the *insured person* will lose any benefit that may have been due to them and must pay back any benefit that we have already paid them.

Bankruptcy or Death

The filing of voluntary or involuntary bankruptcy proceedings by *you* (or filing for similar relief) shall not relieve *us* of any of our obligations. However, an *insured person* must notify *us* immediately upon filing or service of legal documents initiating any such proceedings.

Further, if an *insured person* dies or becomes bankrupt or insolvent during the *period of insurance*, this policy, unless cancelled, will cover the *insured person's* legal representative for the remainder of the *period of insurance*.

Cancellation

You may cancel this *policy* at any time by notifying *us* of the future date that the cancellation is to take effect.

We may cancel this *policy* in accordance with applicable New Zealand law.

Subject to any term to the contrary and provided there has been no claim under the *policy* and there is no legal reason not to return the premium, then in the event of cancellation by *you* or by *us*, we will refund any unearned premium on the effective date of cancellation, or as soon as reasonably possible afterwards.

The unearned premium will be computed pro rata for the unexpired term of the policy.

Law

This *policy* shall be governed by and construed in accordance with the laws of New Zealand.

Jurisdiction

Unless the *Certificate of Insurance* provides to the contrary this *policy* is subject to the exclusive jurisdiction of the courts of New Zealand which shall have exclusive jurisdiction in any dispute arising hereunder.

Construction, Severability and Conformity to Law

If any provision contained within this *policy* is, for any reason, held to be invalid, illegal, unenforceable in any respect, such invalid, illegal or unenforceable provision shall have no effect on any other valid, legal and enforceable provisions of this *policy*, and the valid, legal and enforceable provisions of this *policy* will continue to remain in full effect. Any invalid, illegal or unenforceable provision shall where permitted be construed by limiting it so as to be valid, legal and enforceable to the extent compatible with applicable law.

Fraud

Any fraud, deliberate dishonesty, or hiding of information connected with a claim by an *insured person*, will make this *policy* invalid so far as concerns that *insured person*. If this happens, the *insured person* will lose any benefit due to them and they must pay back any benefit that we have already paid. If this happens, we will not refund any premiums.

Payment of premium

You must pay the premium shown in the *Certificate of Insurance*. No cover will be provided the premium is not paid.

Goods and Services Tax (GST)

Provided that Goods and Services Tax (GST) is recoverable by us any limit of our liability expressed in this *policy* is exclusive of GST to the intent that, in the event of a claim, we will pay a maximum of that limit plus GST to a maximum of the current rate of GST applied to that limit; or if no limit is expressed, we will pay the amount of the claim plus GST at the current rate.

Claims Notification/Our Contact Details

Either you or your Agent/Broker acting on your behalf must make a claim by one (1) of the following methods:

Notifying us directly on our claims contact numbers: Nautilus Marine: 0800 455 003

Or via e-mail at customerservice@nminsurance.co.nz



Nautilus Marine Underwriting Agency Ltd

Company No: 3032800 **FSP:** 388326 **Phone:** 0800 455 004

Email: customerservice@nminsurace.co.nz

Mail: PO Box 105647 Auckland City Post Shop Auckland, 1143

www.nminsurace.co.nz

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