

Vero Marine Pleasurecraft Wording

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Introduction

30-day Money Back Guarantee

If *you* are not satisfied with the cover provided by this policy, *you* may return the policy within 30 days of receiving it. If *you* have not made any claims during that 30 days *you* will be given a full refund of any premium paid.

Privacy Act and the Insurance Claims Register (ICR)

The ICR is a database of insurance claims to which participant insurers have access. The purpose of the ICR is to prevent insurance fraud. The ICR is operated by Insurance Claims Register Limited (ICR Ltd), PO Box 474, Wellington.

This policy is issued to *you* conditional upon *you* authorising *us* to place details of any claims made against this policy on the database of ICR Ltd, where they will be retained and be available for other insurance companies to inspect.

You also authorise *us* to obtain from ICR Ltd personal information about *you* that is (in *our* view) relevant to this policy or any claim made against it. *You* have certain rights of access to and correction of this information, subject to the provisions of the Privacy Act 1993.

Definitions

Definitions explain words frequently used in the policy. Defined words are shown in *italics*.

- **ACC** means the Accident Compensation Act 2001, or the Accident Compensation Commission.
- **Accident, accidental** and **accidentally** mean a sudden and unforeseen *event* causing physical loss or damage or *injury* that is not intended or expected by *you*.
- **Act** means any Act of the New Zealand Parliament in force at the commencement of the *period of insurance* or which comes into force during the *period of insurance* and any substitution of, amendment to, replacement of or any statutory regulation made under such Act.
- An **act of terrorism** means any act, including but not limited to, the threat or use of force or violence which from its nature and context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes, including the intention to influence any government and/or to put the public, or any section of the public, in fear. An *act of terrorism* includes loss or damage arising from any biological, or chemical, or radioactive or nuclear pollution or contamination or explosion.
- **Agreed value** means the value of *your boat* that *you* and *we* have agreed at the time of insuring *your boat* or at any renewal. This value will be inclusive of Goods & Services Tax. From time to time *we* will require *you*, at *your* cost, to provide an updated independent valuation.
- An **amphibious vehicle** or **amphibian** can both navigate on water and self-propel and steer on land, usually utilising either wheels, powered air cushions or tracks for movement on land. *Hovercraft* are *amphibious vehicles*.
- **Anywhere in New Zealand** means whilst afloat on all inland and coastal waters anywhere within 200 nautical miles of the North and South Islands, and while ashore or in *transit* on land in New Zealand, unless a restriction applies and is stated in the policy schedule. When *your boat* is embarking on an overseas voyage this policy will cease to provide any insurance cover from the time that *your boat* clears New Zealand Customs. On *your* return from an overseas voyage, any remaining cover under this policy recommences from the time *your boat* clears New Zealand Customs.

- **Boat** means the hull of a *trailer craft*, *moored craft* or *personal watercraft*, used privately for pleasure purposes, and any fixtures, fittings and equipment which are normally sold with a boat, including its *dinghy*, sails, masts, spars, and rigging, machinery and motors (both inboard and outboard), anchors, chain, shackles, ropes and warp, fish finders, depth sounders, other navigational aids and marine radios and its *trailer*. A *boat* does not include any *amphibious vehicle* unless we have specifically agreed to provide cover.
- **Boat's gear** means equipment that has a specific marine use on board and which is normally kept permanently on board the *boat* but which is not permanently affixed, including binoculars, first aid kit, life jackets, wet weather gear including footwear, flares, tools, and portable fire extinguishers. *Boat's gear* does not include items that are insurable under any household contents insurance.
- **Burglary** means *theft* following violent and forcible entry into or exit from the *boat* or building, reported to the New Zealand Police.
- **Constructive total loss** means where there has been *accidental* loss or damage to *your boat* and it is reasonable under the circumstances for *you* to abandon the *boat*, or where the cost of saving the *boat* or repairing the *boat* would exceed the insured value in the policy schedule.
- **Dinghy** means a small auxiliary craft designed as a tender or lifeboat, that is rowed, sailed, or driven by a motor, and is towed or carried by *your boat*, but does not include *personal watercraft*.
- **Electronic software and data** consist of digital or analogue information or coding or instructions, held in a form usable by an electronic system.
- **Event** means a specific happening that occurs at one place and at a particular time. An *event* may or may not give rise to a payable claim.
- **Excess** or **Deductible** means the amount of *your* loss that *you* must pay. The amount of the *excess* is stated in the policy schedule or in this policy wording, or agreed at any renewal of any *period of insurance*. There may be more than one *excess* applicable in any one claim, depending on the *event*.
- **Fishing or diving equipment** means *your* rods, reels, lures, tackle box, scallop dredge, spear fishing gear, and dive gear, used for recreation; kept on board *your* moored *boat*; and which is stated in the policy schedule.
- **Hovercraft** means a powered air-cushion vehicle deriving full or partial support in the atmosphere from the reaction of air against the surface on which it operates.
- **Injury** means external or internal bodily injury caused, independently of any other cause, solely and directly by violent, *accidental*, external and visible means, including exposure to the elements or by inhaling water or gas, or by medical misadventure or treatment, as defined in the Accident Compensation Act 2001.
- **Latent defect** means a part or component of *your boat* in which there exists a flaw in a material used in the construction of *your boat* and which could not have been discovered by a reasonably careful examination by a suitably qualified person.
- **Manslaughter** is as defined in the Crimes Act 1961.
- **Market value** means the reasonable sale value of *your boat* immediately prior to the loss or damage. This value will be inclusive of Goods & Services Tax.
- **Mechanical or electrical breakdown** means the failure or breakage of, or the inability to operate, any component or accessory, including any engine or transmission, any mechanical or electrical or electronic or alarm system, and includes any damage their failure causes to the rest of those systems.
- **Modification** means any change to *your boat* that alters the manufacturer's original specification or recommendations, or any change made by *you* during a *period of insurance* that materially alters either the structure or stability of *your boat*, or increases the speed of *your boat*.

- **Moored craft** means a *boat* that is secured permanently or semi-permanently at a marina berth, wharf or jetty, pile, swing or mud mooring when not in use. A *moored craft* may be kept on a hard stand within a marina facility or yacht club.
- **Others** are third parties, neither *you* nor *us*.
- **Period of insurance** means a continuous period of time during which *your boat* is insured with *us*. Most often this is one year.
- **Personal Effects** means items that are often taken to and taken from *boats* and that are not otherwise insured under any household contents policy. *Personal effects* includes water skis and inflated tows, bedding, plates and cutlery and cooking utensils, compact discs, food and drink, chilly bins, beach gear and towels. *Personal effects* are not *boat's gear* or *fishing or diving equipment*. *Personal effects* specifically does not include antiques, artwork, bicycles, jewellery, money, any valuable papers and documents, car keys, cellphones, laptops, personal electronics, photographic equipment, sunglasses, or property used in any way for professional or business purposes.
- **Personal watercraft** means a water-jet propelled craft (popularly known as a jet-ski) and its *trailer*, being a recreational watercraft powered by an inboard motor incorporating a water-jet pump and normally ridden by straddling a seat.
- **Premium** is the amount *you* need to pay *us* to ensure cover commences or remains in force. This may include any government or other levies or taxes.
- **Racing** means when *your boat* is entered into, and participating in, an organised competition, regatta or other race event. *Your boat* is not *racing* when participating in an informal club cruising event which does not require the completion of an entry form and the payment of a fee, and in which spinnakers or extras are not permitted.
- **Recognised security device** is a physical device either attached to *your boat*, *trailer* or *personal watercraft*, specifically manufactured as an object to be used to deter and prevent *theft*. It includes trailer locks and security cables, wheel clamps, and tow bar locks.
- **Road** is as defined in the Land Transport Act 1998.
- **Speed testing or trialling** means when *your boat* is being operated for the purpose of ascertaining or improving its speed, or improving its performance.
- **Theft** means the action or crime of stealing, reported to the New Zealand Police.
- **Trailer craft** means a *boat* that, when not in use, is usually removed from the water and is either trailered or kept in a secure building or hard stand area of a secured facility.
- **Trailer** means any wheeled cradle or structure used to transport *your boat* or *personal watercraft* on land.
- **Transit** means transport by *road*, rail or ship. *Your trailer craft* must be designed to be towed on a *trailer*. *Your moored craft* must be cradled and transported by a boat haulage company or shipping line.
- **Total Loss** means that *your boat* has been completely lost or destroyed.
- **We, us** or **our** means Vero Marine Insurance, an operating division of Vero Insurance New Zealand Limited.
- **You** or **your** means any party named in the policy schedule. *You* includes any other person using *your boat* with *your* express permission.
- **Vehicle** means a mechanically propelled vehicle registered under the Land Transport Act 1998, by which *your boat* is drawn or conveyed.

Policy Terms

You have a duty of disclosure

You have a duty of disclosure when *you* apply for insurance. This means *you* must tell *us* everything *you* know, or could reasonably be expected to know, that *we* as a prudent insurer would want to take into account when deciding to accept or decline *your* insurance, or determining the cost or terms of this insurance, including the excess.

You also have this duty of disclosure every time *your* insurance renews and when *you* make changes to this insurance. *You* must tell *us* everything that may be material to *our* decision to issue, renew or alter the policy and *you* must tell *us* of any changes to any circumstances relevant to this insurance as soon as *you* know about them. For example, *you* must tell *us* of any performance and/or structural *modifications* which have been made to *your boat* since insuring it with *us*. If *you* breach this duty *your* insurance will be avoided as if it never existed.

Please ask *us* if *you* are not sure whether *you* need to tell *us* about something.

We will provide

We will provide the cover set out in this policy subject to the Policy Terms, Policy Exclusions and Policy Conditions during the *period of insurance* stated in the most recent policy schedule provided *you* have paid the *premium*. *Your* insurance contract consists of three parts which form the basis of *your* insurance cover:

- a. this policy document, and
- b. the personalised policy schedule with details of the cover which applies to *you*; and
- c. the information in the proposal, application and declaration

whether *you* have received or provided this information verbally, or have completed, accessed, or received versions of these documents electronically or in printed form.

We will insure you

We will insure *you* for an *accident* to *your boat* anywhere in New Zealand during the *period of insurance*. However, if *your boat* is *amphibious*, *we* will not insure *your boat* whilst it is being used on a *road* as a *vehicle*.

We will also cover physical damage to *your boat* that is caused by any *latent defect*. However, *we* will not cover the cost of repairing or replacing any defective part or component.

We will cover *your boat's gear* for *accidental* loss or damage whilst on board *your boat* and whilst *your boat* is in use, or whilst locked in a cabin or locked space when *your boat* is left unattended when moored or on its *trailer*, or whilst temporarily removed from *your boat*:

- a. for the purpose of repair;
- b. for storage in securely locked premises;
- c. while being taken to or from repair or storage;

provided those items are not insured under any other insurance policy.

We will insure *you* for any *accidental* loss, damage, or expense *you* incur under the Benefits below; and Optional Additional Benefits that *you* have selected.

The cover *we* provide for *your boat*, the Benefits, and Optional Additional Benefits are subject to both the Policy Exclusions and Policy Conditions.

What we will pay

If *your boat* is insured at an *agreed value*:

we will pay *you* the *agreed value* of *your boat* as stated in the policy schedule should it be a *total loss* or a *constructive total loss*.

If *your boat* is insured for its *market value*:

we will pay *you* the *market value* of *your boat* up to the sum insured as stated in the policy schedule should it be a *total loss* or a *constructive total loss*.

In either case, we will not pay for unrepaired damage in addition to a *total loss* or *constructive total loss*. If we pay *you* for a *total loss* or *constructive total loss* *you* agree that we are entitled (but not obliged) to take ownership of any salvage or remaining insured property.

We will pay the actual *market value* of *your boat's gear* up to the sum insured as stated in the policy schedule, but not exceeding what it would cost to repair or replace the item(s) with a similar item(s).

For other claims under this policy, we have the option:

- a. to settle up to the sum insured as stated in the policy schedule, by payment, reinstatement or replacement, or
- b. to repair, or take or require to be taken, tenders for repair.

If any repair or replacement makes an improvement to the *pre-accident* condition or value of *your boat* and other equipment, then *you* may be required to make a contribution towards the cost of repairs. A contribution from *you* will not be required provided the item that has been repaired or replaced

- a. is less than 1 year old at the date of such loss or damage, or
- b. is less than 3 years old for sails, fabric protective covers and outboard motors.

Following a claim we have accepted which involves painting, recoating or treating a damaged area of *your boat* following repair, we may, at *our* option, pay for painting, recoating or treating adjacent undamaged areas to match colours and finish. If we do, we may require a contribution from *you*.

Benefits included in your cover

We will also pay for the following Benefits which are subject to the policy definitions, clauses, exclusions, conditions and limits.

Additions

If you purchase any fixtures, fittings or *boat's gear* for your boat during any one *period of insurance*, we will automatically provide cover provided that you produce receipts in the event of *accidental* loss or damage. You must advise us of these additions and their values, prior to the end of the *period of insurance* during which you purchased them. When advised, we will adjust the sum insured and *premium* effective from the commencement of the following *period of insurance*.

The maximum amount payable in any *period of insurance* under this benefit is \$5,000 for *trailer craft* and \$25,000 for *moored craft*.

Boat Change

If you replace your boat, we will insure your replacement boat for its *market value* (or if specifically agreed by us, its *agreed value*) on the same terms that applied to the original boat stated in the policy schedule, but only if:

- a. You tell us and provide full details within 30 days after buying the replacement boat; and
- b. You pay any extra *premium* which we may require; and
- c. The *market value* of the boat purchased is no more than 10% greater than the current boat; and
- d. The replacement boat is of a similar type and construction.

Continuation of Cover

If your boat is afloat and being navigated and away from any port or launching ramp at the time the *period of insurance* ends, we will extend your cover until your boat arrives at a safe port or launching ramp. You must notify us as soon as possible and pay any additional *premium* we require. This benefit does not apply if this policy is cancelled by you or us.

Emergency Equipment

In the event of a claim, which we have accepted, for *accidental* loss or damage to your boat we will reimburse you

- a. For up to \$1,500 for the replenishing, refilling or replacing of fire extinguishers and safety flares; and
- b. To replace the battery within your EPIRB (or similar emergency beacon) up to a value of \$500 per EPIRB; and
- c. For the repacking of your life raft.

Emergency Rescue and Emergency Repair Costs

If you have an *accident* for which there is a valid claim under this policy, we will pay the reasonable incurred costs of:

- a. rescuing you, your passengers, your pets and/or your crew,
- b. having your boat removed to the nearest repairer or place of safety;

all to a maximum of \$25,000 for any one event; and

- c. essential repairs to the boat so your boat can get to its destination or to a repairer.

We will also:

- d. return your boat to your usual place of residence or usual mooring location following its repair, or if it was stolen, following its recovery, to a maximum of \$2,000 for any one event.

Emergency Towing Costs Whilst Afloat

We will reimburse *you*, without deduction of *excess*, for the reasonable towing expenses incurred as a result of *mechanical or electrical breakdown* to *your boat* whilst underway, or attempting to get underway other than from a mooring, marina or boat ramp. The maximum amount payable under this benefit is \$2,000 during any one *period of insurance*.

Funeral Expenses

If any person dies from an *injury* sustained in direct connection with *your boat*, and provided that we have first agreed to pay a death benefit under this policy, we will also pay up to a maximum of \$5,000 per person toward their funeral expenses. The maximum amount payable under this benefit is \$10,000 for any one *event*.

Legal Defence Costs

We will pay for, without deduction of *excess*, legal defence costs necessarily and reasonably incurred to defend *you* from a charge under s65 of the Maritime Transport Act 1994, or of *manslaughter*, resulting from an *accident anywhere in New Zealand* when using *your boat*.

We will also pay for, without deduction of *excess*, legal defence costs necessarily and reasonably incurred to defend *you* from a charge under s65 of the Maritime Transport Act 1994, or of *manslaughter*, resulting from an *accident anywhere in New Zealand* when using another *boat*.

The maximum we will pay under this benefit is \$25,000 in any one *period of insurance*.

Loss or Damage Prevention

We will reimburse *you*, without deduction of *excess*, and in addition to the amount stated in the policy schedule, for all expenses necessarily and reasonably incurred by *you* in preventing or attempting to prevent loss or damage, where a claim would be or has been accepted by *us*.

Loss of Entry Fees

Where *you* have entered into any on-water event for which *you* have paid an entry fee, such as a regatta or fishing competition, but *you* can no longer take part as *your boat* is damaged beforehand, and that damage is accepted by *us* as a payable claim, we will reimburse *you* for *your* net loss. *Your* net loss is the residual amount of entry fees expenditure *you* are unable to reclaim on advising the event organisers immediately on *you* discovering the damage to *your boat*. The maximum we will pay under this benefit is \$1,000 in any one *period of insurance*.

Medical Payments not covered by ACC

If any person suffers *injury* in direct connection with *your boat*, when stepping on to, or whilst on board, or when stepping from *your boat* whilst afloat or whilst *your boat* is being put into or retrieved from the water, we will pay the reasonable medical and ambulance expenses of each person, up to the maximum amount of \$2,000 in total for all *events*, during any one *period of insurance*. These payments must not be covered by ACC and must be incurred within one year of the *accident*.

Personal Effects

We will cover *your personal effects* for *accidental* loss or damage while they are on board or being carried on to or whilst being carried off *your boat*. However, for cover for *theft*, *personal effects* must be within a securely locked cabin or locker if *your boat* is left unattended. We will pay the actual *market value* of *your personal effects*, but not exceeding what it would cost to repair or replace the item(s) with a similar item(s). The maximum amount payable under this benefit per *event* is:

- a. \$1,000 if *your boat* is a *trailer craft*; and
- b. \$5,000 if *your boat* is a *moored craft*.

Personal Injury

If any person suffers *injury* in direct connection with *your boat*, incurred when stepping on to, whilst on board, or when stepping from *your boat* whilst afloat or whilst *your boat* is being put into or retrieved from the water, we will pay:

- a. the following amounts (up to a maximum of \$15,000 per person and \$30,000 for any one *event*) arising out of any insured *event*, provided such *injury* is the sole cause of any of the following within three calendar months of the *injury* occurring:
 - i. death \$15,000;
 - ii. total and irrecoverable loss of the sight of an eye \$2,500;
 - iii. total and irrecoverable loss of the sight of both eyes \$5,000;
 - iv. total and permanent loss of the use of one hand or one foot \$2,500; and
 - v. total and permanent loss of the use of both hands or both feet or of one hand together with one foot \$5,000; and
- b. medical and dental expenses incurred in connection with such *injury* up to the sum of \$1,000 per person per *event*.

We will not pay where death or *injury* was caused by suicide or attempted suicide.

Premium Credit

Where we agree *your boat* is a *total loss* and we insure *your* replacement *boat*, we will credit the unused *premium* towards insurance on the replacement. We will only do this if:

- a. the person in control of *your boat* was completely free of blame; and
- b. the identity of the other party that caused the damage is established.

Transportation and Accommodation Costs

If *your boat* is so damaged that it cannot be used, and we have accepted a claim under this policy, we will also pay the reasonable costs incurred by *you* for accommodating and transporting *you*, *your* crew and passengers, and *your* pets, to *your* usual place of residence, or to the mooring, marina or boat ramp from which *your* journey commenced. The maximum amount payable under this benefit is \$2,000 for any one *event*.

Optional Additional Benefits

Racing Risk Extension for Sailboats

If *you* have specified Racing Risks as a separate item to be insured, and it is stated in the policy schedule as being included, the following cover applies:

If *you* are *racing*, or preparing to race, *your* sailboat and it suffers *accidental* loss or damage, then *we* will pay the cost of repair or replacement of *your* sails, masts, spars, booms, spinnaker poles, and standing or running rigging.

This extension will be subject to the Racing Risk excess stated in the policy schedule.

Floating Mooring, Dry Dock or Air Berth

Where *your boat* is insured with *us* under this policy, and where *you* have specifically included a floating mooring, dry dock or air berth for use with *your boat*, and there is an amount stated in the policy schedule, the following cover applies:

We will cover *you* for *accidental* loss or damage to *your* floating mooring, dry dock or air berth up to its current *market value* at the time of loss or damage.

We will not pay for:

- a. damage to *your* floating mooring, dry dock or air berth where the damage is limited solely to marring or scratching;
- b. damage to *your boat* or *your* floating mooring, dry dock or air berth where the damage is attributable to their incompatibility to be used together;
- c. an alternative floating mooring, dry dock or air berth, or other storage charges while *your* floating mooring, dry dock or air berth cannot be used.

Fishing or Diving Equipment kept aboard a Moored Craft

Where *your boat* is insured with *us* under this policy, and where *you* have specifically included *fishing or diving equipment* as separate items to be insured, and there is an amount stated in the policy schedule, the following cover applies:

We will provide cover for *fishing or diving equipment* whilst aboard *your boat* where not otherwise insured. (Usually such equipment is insured under a household contents insurance policy). *We* will pay up to the actual *market value* of *your fishing or diving equipment* per event, up to the amount stated in the policy schedule.

A single item limit of \$500 applies, unless an individual item of *fishing or diving equipment* is stated in the policy schedule for a greater amount.

If *your boat* is moored or at anchor and *you* are not on board, *fishing and diving equipment* will not be covered for *theft* unless it is within a securely locked cabin or locker.

Legal Liability

We will cover *you* for *your* legal liability arising from an *accident* involving *your boat*, including:

- a. *your* liability for loss, damage or contamination caused by the sudden *accidental* discharge or escape of oil or fuel from *your boat*, or the wreck of *your boat*;
- b. any reasonable expenses *you* incur in minimising loss or damage to the environment or to *others*;
- c. any costs of salvaging *your boat* that *you* are legally liable to pay;
- d. any wreck removal costs which *you* are legally liable to pay;
- e. any costs that result from the raising, removal or destruction of the wreck of *your boat* or an attempt at any of these, where *you* are instructed to do so by a legally authorised statutory authority;
- f. *your* legal liability for any loss of or damage to property that arises from the wreck of *your boat*;
- g. any interest on *our* proportion of any judgement which is earned before we make payment;
- h. *your* liability under the Forest and Rural Fires Act 1977 (F&RF Act) for costs under section 43 of the F&RF Act incurred and apportioned by any Fire Authority; and costs and levies under sections 46 and 46A of the F&RF Act; and costs claimed by any other party in order to protect their property from fire.

We extend this Legal Liability section to provide the same cover:

- i. to any person whilst water skiing or being towed on the water's surface by *your boat*;
- j. for *accidents* involving any other *boat* being used by *you* as an individual person provided it does not belong to *you* and is not hired to *you* under a hire purchase or lease arrangement. No cover is provided for damage to the *boat* itself.

The most we will pay is \$5,000,000 for any *event*.

We will also pay for:

- a. legal or other reasonable expenses incurred with *our* consent; and
- b. the costs of attendance at court proceedings at *our* request, subject to a maximum of \$250 per person per day.

We will not:

- a. pay for any fines or penalties awarded against *you*;
- b. cover *your* legal liability arising from
 - i. the towing of any persons or objects whilst airborne and held aloft;
 - ii. the carriage or transmission of any infectious disease, any virus, any spore or any plant or animal;
 - iii. the use of *your amphibious boat* on land when it is or should be registered or licensed for use on a *road*;
- c. pay for any *accident* arising from or in connection with the ownership, possession or control by or on behalf of *you* of any *vehicle*;
- d. cover *your* legal liability arising from any fire *you* lit intentionally that did not comply with the F&RF Act or any other statutory or local body requirement governing the lighting of fires;
- e. pay for damage to property belonging to *you* or in *your* custody or control;
- f. cover *your* liability under any contract or agreement unless such liability would have attached in the absence of such contract or agreement;
- g. cover *your* legal liability if *you* or any person or organisation to whom this section applies is entitled to indemnity under any other policy.

If *you* have other liability insurance with Vero Insurance New Zealand Ltd, *you* are only entitled to the benefit of one policy and/or section of one policy per *event*.

Policy Exclusions

1. We will not pay for
 - a. any *excess*. *You* must contribute the amount stated in the policy schedule or contained in the policy wording as the *excess* for the first amount of any loss or damage being claimed for, and per *boat* if more than one *boat* is insured under this policy. This will be deducted from *your* claim, not from any policy limit;
 - b. any voluntary or imposed *excess* or *excesses*, which are additional to a. above.
 - c. an additional *excess* of \$2,500 that will apply to any loss or damage to *your trailer craft* or *trailer* following *theft*, if at the time of *theft* the *trailer* on which *your trailer craft* was sitting was not fitted with a locked *recognised security device*. This additional *excess* will not apply if *your trailer craft* or *trailer* is stolen from a fully enclosed and secured building.

Where damage arises from multiple *events*, the *excess* applies to each *event*.

Other than in respect of b. and c. above, the amount of the *excess* will be the highest single *excess* that we could apply.

Where we agree that *your boat* is a *total loss* or *constructive total loss*, we will not apply any *excess* unless the loss or damage has arisen from *burglary* or *theft* or attempted *burglary* or *theft*.

2. We do not cover and will not pay for any loss or damage caused by or resulting from:
 - a. loss of use or any other consequential loss, or loss or depreciation in value;
 - b. deterioration, wear and tear, delamination, corrosion, rust, rot, mould, or damage caused by marine organisms or by sunlight, electrolysis, osmosis, dampness, normal wetting or weathering;
 - c. any other gradually operating cause;
 - d. marring, denting, scratching or chipping unless caused by *your boat* being *accidentally* stranded, or in a collision with another *boat* or external object other than water;
 - e. any *mechanical or electrical breakdown*. However, we will pay for any loss or damage such *mechanical or electrical breakdown* causes to any other part of *your boat* or if the *mechanical or electrical breakdown* is caused by any of the following:
 - i. fire, explosion or lightning
 - ii. collision with another *boat* or external object other than water
 - iii. a malicious act by *others*
 - iv. *theft*;
 - f. scratching, denting or marring to *your jet boat* or *personal watercraft* caused by being in shallow waters, or loss or damage to the jet unit or motor caused by dirt or debris entering and/or leaving the jet unit or motor;
 - g. water ingestion to the motors or electrical equipment of *your personal watercraft*;
 - h. loss or damage to sails, masts, spars, booms, spinnaker poles, and standing or running rigging, when *racing* or preparing for a race, except where:
 - i. the Racing Risk Extension applies; or
 - ii. the loss or damage is caused by *your boat* being stranded, sunk, burnt or on fire, or in a collision with another *boat* or external object other than water.
 - i. any loss or expenditure incurred solely in remedying a fault or error in design or construction or, in the event of damage resulting from a fault or error in design or construction and giving rise to a claim under this policy, for any additional expenditure incurred by reason of betterment or alteration in design or construction, or for the cost and expense of replacing or repairing any part condemned solely in consequence of a fault or error in design or construction;

- j. any loss or damage or liability if *your boat* is in an unseaworthy condition;
 - k. any loss or damage or liability while *your boat* is let out on hire, or charter with a paid master and/or crew, or is used for any purpose other than private pleasure purposes;
 - l. loss or damage to *your boat* if primarily powered by motor while participating in or while being prepared for any type of race, *speed testing or trialling*, reliability or time trial or any similar activities;
 - m. damage caused by *your* reckless acts or wilful misconduct;
 - n. the unexplained disappearance of *your boat* or the unexplained disappearance of *boat's gear, fishing or diving equipment, or personal effects*, or any other property from *your boat*, if not reported as stolen to the New Zealand Police within a reasonable period;
 - o. any loss or damage to *your personal watercraft* attributable to its *theft* whilst not on its *trailer* unless its ignition key or similar device has been decoupled;
 - p. *theft* of outboard motors under 25 hp that are not securely locked to *your boat*, or stored in a securely locked part of *your boat*, or stored in a securely locked building;
 - q. loss or damage to *fishing or diving equipment* (unless covered by Optional Additional Benefit: *Fishing or Diving Equipment* kept aboard a Moored Craft).
 - r. loss or damage to *your boat* if it is used for permanent living accommodation, unless we have agreed in writing to provide cover for this use;
 - s. loss or damage where the towing *vehicle* and /or the *trailer* upon which *your boat* is being carried on a *road* does not meet warrant of fitness or minimum braking standards as required by law;
 - t. costs which can be recovered under the provisions of the Accident Compensation Act 2001.
3. We do not cover and will not pay for any loss or damage or *injury*, or any legal liability, when *your boat* is under the control of any person who is affected by intoxicating liquor and/or drug(s).
 4. We do not cover and will not pay for any loss or damage when any person is driving a *vehicle* towing *your boat* who:
 - a. has a proportion of blood/alcohol or breath/alcohol exceeding the legal limit, or refuses to take or fails a breath or blood test; or
 - b. is doing so without a valid licence or is not complying with the conditions of their licence.
 5. We do not cover and will not pay for loss, destruction, damage, *injury* or liability caused by:
 - a. war, invasion, act of foreign enemy, warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, destruction or acquisition by government or local authorities;
 - b. any contamination by radioactivity from nuclear fuel or nuclear weapons, whether *accidental* or not;
 - c. any *act of terrorism*.
 6. When *your boat* is not on its usual mooring or berth, we do not cover and will not pay for loss, damage, *injury* or liability arising from *your boat* being left unattended at anchor for more than 24 consecutive hours.
 7. We do not cover and will not pay for loss, damage, *injury* or liability arising from *your boat* being on a mooring or berth that is not suitable for *your boat's* size and type.

8. We do not cover and will not pay for loss, damage, *injury* or liability arising from *your boat* being on a mooring or berth
 - a. that has not been inspected or serviced within a period; or
 - b. does not meet the minimum specifications set by any port, harbourmaster, local council or any other legally competent authority.

9. We do not cover and will not pay for any loss, loss of use, reduction in function or damage to systems on *your boat* caused by a loss or corruption of *electronic software or data*.

Policy Conditions

These conditions give *you* information about *your* and *our* obligations arising from this policy. Some parts of this policy can cover other parties as well as *you*. To gain benefit of any cover under this policy, they must also meet all the same conditions and obligations that *you* are required to meet.

Assignment

You must not assign or attempt to assign this policy or *your* interest in this policy to any other person or party without *our* written consent.

Breach of Policy Terms, Policy Exclusions or Policy Conditions

No claim shall be payable where any person entitled to indemnity under this policy breaches any of the Policy Terms, or Policy Exclusions or Policy Conditions. Nothing in this policy affects *our* right to avoid the policy for non-disclosure.

Cancellation

We may cancel this policy at any time by sending a letter, facsimile or e-mail to this effect to *you* at *your* last known postal address, facsimile number or e-mail address, or to *your* insurance adviser. The cancellation will take effect at 4.00 pm on the 7th day after the communication has been sent. *We* will refund the unused part of *your* paid *premium*. *You* may cancel this policy by giving written notice to *us*. *We* will refund the unused part of *your* paid *premium* less *our* short-term rates provided that *you* have not made a claim.

Care of *Your Boat and Trailer*

You must:

- a. at *your* cost or expense, take all reasonable steps to prevent loss or damage to *your boat* and *trailer* and maintain *your boat* and *trailer* in good repair. When in use, *your boat* must be seaworthy and *your trailer* must be roadworthy.
- b. secure *your personal watercraft* to the *trailer* or conveyance with a *recognised security device* when *your personal watercraft* is not in use.
- c. secure *your trailer* with a *recognised security device* when unattended, unless the *trailer* is within a fully enclosed and secured building. Where *your trailer* is not secured, an additional \$2,500 *excess* applies for claims involving *theft* of the *trailer*.

Our Right to Examine *your Boat and Trailer*

We have the right to examine *your boat* and *trailer*

- a. should *you* propose to amend *your* insurance with *us*;
- b. during a *period of insurance*;
- c. after a *period of insurance* has finished, if there is an outstanding claim.

Correctness of Statements and Fraud

The proposal, application or declaration form is the basis of this contract. All statements made by *you* or on *your* behalf on any of these forms or otherwise in support of this policy or any claim must be complete and correct in all respects. If any claim under this policy is supported by any incorrect statement or is in any respect fraudulent then *your* claim is not payable and this entire policy automatically terminates from the date that the incorrect information was supplied to *us*, or the statement or fraudulent claim was made to *us* and *we* will not refund the unused part of *your* paid *premium*.

Instalment Premiums

Where we have agreed to accept payment of *premium* by instalments:

- a. in the event of a claim being made against this policy, we reserve the right to require immediate payment of the balance of any annual *premium*; and
- b. all benefits under this policy will be suspended from the date the first unpaid *premium* instalment was due, and *your* policy will be automatically cancelled from that date if any *premium* instalment/s remains unpaid for 28 days.

To ensure that *you* have an opportunity to maintain cover in the event that a *premium* instalment has not been made to *us*, we will attempt again to collect the outstanding *premium* instalment from *your* nominated bank account.

Joint Insureds

Where this policy is issued in joint names, then this policy is a joint policy. This means that if one of *you* does or fails to do anything so that there is no cover, there will be no cover for any of *you* - not just the person responsible.

Jurisdiction

This policy is governed by New Zealand law and the New Zealand courts have exclusive jurisdiction over any legal proceedings.

Monetary Amounts and GST

All monetary amounts are New Zealand dollars, and include Goods and Services Tax (GST).

Other Insurance

This policy does not cover loss or liability where cover is already provided by other insurance. We will not contribute towards any claim under any other policy.

Other Interests

If *your boat* is mortgaged or secured by any other financial agreement, we may make payment for any loss direct to the interested party. This will meet our obligations under this policy.

Claims

On the happening of any *event* that may give rise to a claim under this policy, *you* must:

1. Notify *us* of such *event* or occurrence as soon as possible and
 - a. Take all reasonable steps to minimise the extent of loss;
 - b. As soon as possible, send *us* any communications which *you* receive in relation to an *event* which may give rise to a claim;
 - c. Obtain *our* consent before proceeding with repairs;
 - d. Make any damage available for inspection by *us* and/or provide *us* with photographic evidence of any damage should a health and safety issue warrant immediate removal or destruction;
 - e. Provide any information or assistance that *we* may require, including proof that *you* own the property *you* are claiming for and evidence of its value. Proof might include receipts, bank or credit card statements, valuations, photographs and contracts of sale;
 - f. Advise the New Zealand Police immediately if *your* claim involves *theft, burglary* or vandalism;
 - g. Assist *us* to take any recovery action *we* choose to instigate against person or persons *we* consider are responsible for the loss; and
 - h. Co-operate with *our* assessors, investigators, lawyers and anyone else *we* may appoint to help *us*, at *your* cost, including meeting with them;if *our* requests are reasonable.

Failure to comply with conditions 1.a. to 1.h. may result in *your* claim being declined or, if the claim has already been settled, *we* may require *you* to return funds paid by *us*.

2. *You* must not, without *our* prior written consent, incur any expense or negotiate, pay, settle, admit, repudiate or make any agreement in relation to any claim. *We* may assume control and conduct of any claim and any counterclaim, or the defence of any charge or prosecution covered by this policy including but not limited to the appointment of lawyers.
3. *We* will decide the best way to advance *your* claim, including inspecting any damage, choosing the repairer or supplier, and arranging for the repair or replacement. If *we* choose to repair or replace *we* will seek independent quotes from *our* repairers or suppliers. If *you* wish, *you* can recommend a repairer or supplier to provide a quote for consideration. *We* will select who is to repair or replace, arrange for this to be done, oversee any repairs and keep *you* informed of progress.
4. *We* will be entitled, at *our* expense and in *your* name, to take any proceedings necessary to obtain relief from any other party and to take over and conduct the defence and settlement of any claim. At *your* cost *you* must provide all reasonable assistance and co-operation.
5. When *your* claim has been accepted by *us*, *we* may direct disposal or salvage. Unless *we* have accepted abandonment, *you* retain all *your* property rights and legal liabilities.
6. *You* authorise *us* to disclose information to third parties in relation to any claim that *you* make under this policy. *You* also authorise *us* to obtain information from third parties that is relevant to any claim that *you* make under this policy.
7. *You* must, prior to settlement of *your* claim, complete documentation which evidences *our* settlement of *your* claim.

Our Contact details

During normal working hours (between the hours of 8:30am to 5:00pm Mondays to Fridays):

Telephone:	09 363 2600	Vero Marine Insurance
Toll Free phone:	0508 856 856	PO Box 1759
Facsimile:	09 363 2601	Auckland
Email:	claims@veromarine.co.nz	