

# AM&T

A Company of **Allianz** 



# COMMERCIAL HULL INSURANCE

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POLICY DOCUMENT  
NEW ZEALAND MARKET

# REST EASY. OUR KNOWLEDGE RUNS DEEP.

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## **AM&T is a leading specialist in marine and transit insurance.**

The team at AM&T are the trusted experts in New Zealand and Australia when it comes to the sometimes complex world of marine and transit insurance.

At AM&T, we provide specialist knowledge, superior service and support, all with the security of knowing your policy is backed by the global strength of Allianz.



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# Introduction and important notices

## Introduction

Welcome and thank You for choosing Our Commercial Hull Insurance Policy.

This is an important document. You should read it carefully before making a decision to purchase this insurance. It will help You to:

- decide whether this insurance will meet Your needs; and
- compare it with other products You may be considering.

It tells You:

- what is covered;
- the claims procedures; and
- the conditions and exclusions that apply.

When You buy insurance You enter into a legal contract in which You promise to meet certain obligations and conditions. When We agree to insure You, We do so based on the information provided by You or on Your behalf. In return for paying the Premium to Us, We will give You the protection described in this Policy for events that occur during the Period of Insurance.

Please note that any recommendation or opinion in this document is of a general nature only and does not take into account Your objectives, financial situation or needs.

You need to decide if this insurance is right for You and You should read all of the documents that make up the Policy to ensure You have the cover You need.

If You do not fully understand this Policy, please ask Your Insurance broker to explain it to You.

All claims and general enquiries should be directed through Your insurance broker.

## Who is the Insurer?

Allianz Australia Insurance Limited ABN 15 000 122 850 (Incorporated in Australia) trading as Allianz New Zealand of Level 11, Tower 1, 205 Queen Street, Auckland, New Zealand 1010, is the insurer of this Policy and is one of Australia's largest general insurers.

AM&T NZ is a division of Allianz New Zealand specialising in Cargo, Commercial Hull and Marine Liability insurance.

We utilise years of local expertise, combined with global experience to offer a wide range of products and services to Our customers. As a member of the worldwide Allianz Group, We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments

and a wide range of risk management services.

In the Policy document We refer to Allianz Australia Insurance Limited as "We", "Us", "Our" and "Allianz".

## Our contract with You

Where We agree to enter into a Policy with You it is a contract of insurance between Us and You (see the definition of "You" for details of who is covered by this term) and is a contract of marine insurance as defined by the Marine Insurance Act 1908.

We only cover those parties shown in the Schedule unless otherwise stated in the Policy as being a person or entity entitled to cover. If more than one person is insured under the Policy, a failure or wrongful action by one of those persons may adversely affect the rights of any other person insured under the Policy.

We cover You in accordance with the insurance as described in this Policy, for the Period of Insurance shown on the Schedule and for any subsequent period where renewal may be agreed. The maximum amount We will pay under the Policy will not exceed the Sum Insured or the Limit of Indemnity shown on the Schedule unless otherwise specified herein. Cover is only provided where the relevant event or incident occurs within the Geographic Limits (where applicable).

You are required to comply with the terms and conditions of the Policy. Please remember that if You do not comply with any term or condition, We may (to the extent permitted by law) decline or reduce any claim payment and/or cancel Your Policy.

The Policy consists of:

- this document which sets out the standard terms of Your cover and its limitations;
- Your current Schedule issued by Us. The Schedule is a separate document, which shows the insurance details relevant to You. It may include additional terms, conditions and exclusions relevant to You that amend the standard terms of this document; and
- any other change to the terms of the Policy otherwise advised by Us in writing (such as an Endorsement). These written changes may vary or modify the above documents.

These are all important documents and should be carefully read together and kept in a safe place for future reference. When You enter into the Policy You confirm and warrant that You have read or will read the Policy documents when provided to You. Any new or replacement Schedule We may send You, detailing changes to Your insurance or the Period of Insurance, will become the current Schedule, which You should carefully read and retain.

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

## No Workers Compensation cover

This Policy does not include workers compensation cover. Compensation for bodily injury for employees may be available under the Accident Compensation Act 2001.

## Understanding Your Policy and its important terms and conditions

To properly understand the significant features, benefits and risks of this insurance You need to carefully read:

- the rest of this “Introduction” section – this sets out how You apply for cover, the basis on which We insure You, the duty of disclosure You need to meet before We insure You, Our privacy information, Our dispute resolution procedures and other important information;
- the “Words with special meaning” section – this sets out what We mean by certain words used in the Policy. These words begin with a capital letter throughout this document;
- the “General Policy exclusions” section – this sets out the general exclusions and limits that apply to cover and benefits;
- the “General Policy conditions” and “Claims” sections – these set out certain general rights and obligations that You and We have;
- all of the documents that make up the Policy, including the Policy Schedule and any Endorsements or other written changes to the cover We issue You with – these contain specific details relevant to You and can affect the cover.

Headings are provided for reference only and do not form part of Your Policy for interpretation purposes.

## Applying for cover

When You apply by completing Our application process You need to provide the information We require to determine whether to issue a Policy and if so, on what terms, including (to the extent they are optional):

- the covers and benefits You want (including the property You wish to cover);
- the limits You want;
- the period of cover You want;
- whether You want any third parties to be noted as having an interest;
- the Deductible that You agree to contribute for certain claims;
- whether any standard terms need to be varied (this may be by way of an Endorsement).

Where We agree to issue a Policy, cover is provided on the basis:

- that You have paid or agreed to pay Us the Premium for the cover provided;
- of the verbal and/or written information provided by You which must have given in accordance with Your Duty of Disclosure.

Your Duty of Disclosure and the consequences of nondisclosure, are provided under the heading ‘Your Duty of Disclosure’ on page 3.

## Renewal procedure

Before Your Policy expires, We will advise You whether We intend to offer renewal and if so on what terms.

This document also applies for any renewal We make, unless We tell You otherwise.

It is important that You check the terms of any renewal before renewing to satisfy Yourself that the details are correct. In particular check the sum insured amounts to ensure that the levels of cover are appropriate for You and that You are properly covered in the event of a major loss.

Please note that You need to comply with Your Duty of Disclosure before each renewal (see below).

## Contact for assistance or confirmation of cover

If You need to confirm any Policy transaction or clarify any of the information contained in this document or if You have any other queries, please contact Us via the details on the back cover.

## Your Duty of Disclosure

Before entering into a contract of insurance, You have a duty, at law, to disclose to Us all material facts. This duty also applies when You renew, vary, extend or reinstate Your Policy. The same duty applies to any person making statements or providing information on Your behalf.

Information is material if it may influence a prudent Insurer in deciding whether or not to accept cover, renew or alter the Policy, the terms and conditions to operate, including the Premium payable.

Examples of information You may need to disclose include but are not limited to:

- anything that increases the risk of an insurance claim;
- subject to the Criminal Records (Clean Slate) Act 2004, any criminal conviction or offence;
- if another insurer has cancelled or refused to insure or renew insurance, has imposed special terms, or refused any claim;
- any insurance claim or loss made or suffered in the past five years.

These examples are a guide only. If there is any doubt as to whether a particular piece of information needs to be disclosed, this should be referred to Allianz Australia Insurance Limited.

## Non-disclosure

If You fail to comply with Your Duty of Disclosure, it may result in:

- the Policy being void;
- the Policy being cancelled; or
- the amount We pay if You make a claim being reduced.

## Alteration of Risk

You must give Us immediate notice in writing if there is any material change in the circumstances or nature of the risks covered by this Policy, or no claim arising after the change shall be payable unless We have agreed to the change in writing. If We agree to the change You must pay Us any additional Premium We require.

## Premium

The amount of Your Premium is determined by taking a number of different matters into account including Your risk profile. It is important for You to know that the Premium varies depending on the information that We receive from You about the risk to be covered by Us. Based on Our experience and expertise as an insurer, We decide what factors increase Our risk and how they should impact on the Premium.

Your risk profile is based on a combination of factors that assist in determining the likelihood of a claim occurring in the Policy year and the amount that the claim is likely to cost Us. The factors that make up Your risk profile include:

- Your past loss history, experience in commercial Vessel operations, and the claims history and experience of Your employees or persons who are allowed to use the Vessel;
- the type, age, area of operation, location and Usage of the Vessel;
- the Insured Value of the Vessel including Equipment and Accessories;
- the cover required and Deductible applicable; and
- whether You pay Your Premium annually or by instalments, and whether Your Vessel is financed and under what type of finance and relevant insurance, criminal and bankruptcy history.

Factors that increase the risk to Us may result in a higher base Premium whilst factors that decrease Our risk may result in a lower base Premium.

Your Premium also includes amounts that take into account Our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. GST) in relation to the Policy. These amounts will be set out separately on Your Schedule as part of the total Premium payable.

When You apply for this insurance, You will be advised of the total Premium amount payable, when it needs to be paid and how it can be paid. This amount will be set out in the Schedule, which will be sent to You after commencement of the Policy. If You fail to pay We may reduce any claim payment by the amount of Premium owing and/or cancel the Policy. Special rights and obligations apply to instalment Premium payments as set out below.

## How to make a claim

If You need to make a claim under the Policy, please refer to the Claims Section on page 14.

## Cancellation

- a) You may cancel the Policy at any time by notifying Us in writing.
- b) We have the right to cancel the Policy where permitted by law.

For example, We can cancel the Policy:

- if You failed to comply with Your Duty of Disclosure, or
- where You have made a misrepresentation to Us during negotiations prior to the issue of the Policy, or
- where You have failed to comply with a provision of the Policy, including payment of Premium, or
- where You have made a fraudulent claim under Your Policy or under some other contract of insurance that provides cover during the same period of time that Our Policy covers You;

## Where the Marine Insurance Act 1908 applies

Where the Marine Insurance Act 1908 applies, We may cancel this Policy in the event of non-payment of the Premium or for any other reason available at law.

- c) If We decide to cancel Your Policy We will give written notice to You personally or by post to Your last known address or, Your intermediary as may be appropriate. Such notice will be effective from the expiry of the stipulated period calculated from 4pm on the third business day after the day it is given to You, unless it specifies a later date. A posted notice is deemed given to You at the time it would have been delivered in the normal course of the postal service.

- d) In the event that You or Us cancel the Policy, We may deduct a pro rata proportion of the Premium for time on risk, reasonable administrative costs related to the arrangement of and termination of Your Policy and any government taxes or duties We cannot recover. In the event that You have made a claim under the Policy and We have agreed to pay the full Sum Insured, no return of Premium will be made for any unused portion of the Premium.
- e) If the Premium has been funded by a Premium funding company which holds a legal right over the Policy by virtue of a notice of assignment and/or irrevocable power of attorney, a refund will be made to the Premium funding company in accordance with the provisions set out above.

## Privacy Act – Information

Pursuant to the Privacy Act 1993 the following information is provided for Your benefit:

- the Proposal collects personal information about You;
- the information is collected to evaluate the insurance being sought;
- the intended recipient of the information is Allianz Australia Insurance Limited;
- the information is being collected and held by Allianz Australia Insurance Limited of Level 11, Tower 1, 205 Queen Street, Auckland, NZ 1010;
- the collection of this information is required pursuant to the common law duty to disclose all the material facts relevant to the insurance sought and is mandatory;
- the failure to provide this information may result in Your application for insurance being declined, or the Policy being void from the beginning;
- You have the right of access to, and correction of, this information subject to the provisions of the Privacy Act 1993.

## Fair Insurance Code

Allianz Australia Insurance Limited supports the principles of the Fair Insurance Code. The purpose of the Code is to increase the standards of practice and service within the insurance industry. To the extent the Code applies to this product, a copy of the Fair Insurance Code is available from the Insurance Council of New Zealand website ([www.icnz.org.nz](http://www.icnz.org.nz)).

## Complaints – Internal and external complaints procedure

If You are dissatisfied with Our service in any way contact Us and We will attempt to resolve the matter in accordance with Our Internal Dispute Resolution procedures. To obtain a copy of Our procedures contact Us.

A dispute can be referred to the Financial Services Complaints Limited (FSCL) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms.

To find out more about the role of FSCL and FSCL's Terms of Reference, refer to FSCL's website – <http://www.fscl.org.nz/> or You can contact them as follows:

Financial Services Complaints Limited  
 PO Box 5967  
 Lambton Quay  
 Wellington 6145  
 Freephone: 0800 347 257  
 Email: [info@fscl.org.nz](mailto:info@fscl.org.nz)

## If this insurance has been issued through an insurance intermediary

If Your Policy has been issued through Our agent, or a broker who is acting under an agency arrangement such as a binder with Us, then they are acting as Our agent and not as Your agent.

If Your Policy has been issued by a broker, other than a broker acting under such an agency arrangement with Us, then the broker is acting as Your agent.

Where this Policy has been arranged through an intermediary a commission is payable by Us to them for arranging the insurance.

# Words with special meaning

**Agreed Value** means the amount specified in the Schedule as the value of the Vessel(s) insured. This amount is agreed by both You and Us in writing and valid until the next renewal date. If You obtain an Agreed Value Policy rather than a Market Value Policy, in the event of a total or constructive total loss We will pay You up to the amount We agree with You for Your Vessel.

**Crew** means any person including the skipper working on board the Vessel as an employee.

**Damage** means any form of physical harm to the Vessel.

**Deductible/Excess** means the amount payable by You for each and every loss recoverable under this Policy as specified in the Schedule, this Policy or any Endorsement to this Policy which We will deduct from the claim settlement. Where an Excess is expressed as a specified sum it means the amount specified. Where the Excess is expressed as a percentage it means the monetary equivalent of such percentage of each loss. Where a claim is made in respect of more than one occurrence, the Excess will apply as though a claim was made for each separate occurrence.

**Diving Equipment** means masks, snorkels, tanks, regulators, buoyancy compensation devices, fins and flippers, wet and dry suits, pumps, compressors and other similar equipment used for the purpose of recreational/sport diving owned by You.

**Equipment and Accessories** means items manufactured and intended for use on Your Vessel which are portable or not permanently attached to the Hull.

Equipment includes: equipment fitted or carried on the Vessel in accordance with statutory/safety requirements and/or as used with the navigation and operation of the Vessel including:

- lifesaving equipment;
- auto pilot;
- navigation equipment;
- depth sounders;
- global positioning systems;
- marine radios/transceivers;
- Tools;

but excluding Sports, Fishing or Diving Equipment unless agreed and specified in the Schedule.

Accessories include:

- anchors;
- batteries;
- paddles and oars;

- portable fuel containers;
- Vessel covers and canopies.

Personal Effects/Property as defined below are excluded from this definition of Equipment and Accessories.

**Endorsement** means documentary evidence of an amendment to this Policy or the Schedule which forms part of the Policy.

**Fishing Equipment** means rods, reels, tackle and other similar equipment used for the purpose of recreational/sport fishing owned by You.

**Geographical Area/Limits** means the geographical area of operation specified in the Schedule, but unless otherwise agreed and specified in the Policy Schedule not exceeding the lesser of:

- those limits as defined in Your licence to operate;
- 250 nautical miles off the New Zealand North and South Islands.

**Hull** means the structure of the Vessel including deck(s), cabin(s), superstructure, fixtures and fittings that are not normally removable and normally sold with the Vessel including its Motor(s)/Machinery and Equipment and Accessories.

**Insured Event** means an event or cause of loss specified in the Policy and/or Institute Clauses specified in the Schedule, for which We are providing cover.

**Institute Clauses** means the standard wordings as prepared by the Lloyd's Market Association and International Underwriting Association of London. Any Institute Clauses referred to in the Policy or the Schedule or any other document are deemed to be those most current at the time of attachment of the risk and are amended to be subject to New Zealand law and practice. In the event of any of these clauses being altered or added to, new clauses shall automatically form part of this Policy, unless the alteration or addition reduces Your cover in which case You shall be advised in writing.

**Insured Value** means the amount specified in the most recently dated Schedule as being the value of the Vessel(s) insured.

**Latent Defect** means any flaw in the material used in the construction of the Hull and superstructure, Motor(s)/Machinery, sails, masts, spars, standing and running rigging of the Vessel that is not known to You and is not discoverable by a competent tradesperson carrying out a normal inspection.

**Legal Liability/Legally Liable** means Your responsibility in law arising out of the use of the Vessel to pay compensation for death or injury or for Damage to the property of other people, excluding any property owned by or in Your physical or legal control.

**Limit of Indemnity** means the monetary limits specified in the Schedule for Damage to the Vessel. The Limit of Indemnity is inclusive of and not additional to any applicable Deductible.

**Limit of Liability** means the amount stated in the Schedule as applicable to Legal Liability (P&I) cover. This is the maximum amount We will pay for any one loss or series of losses arising from the one event for all Legal Liability directly or indirectly.

**Market Value** means the sale value of the Vessel immediately prior to the claimed loss or Damage taking into account the condition and location of the Vessel. If You obtain a Market Value Policy We will pay You up to Our assessment of the sale value of Your Vessel. Your Vessel is insured on a Market Value basis unless We have agreed to insure it for Agreed Value.

**Motor(s)/Machinery** means inboard and/or outboard motors, stern drive units, jet units, gear boxes, propellers, shafts, skegs, fuel tanks and lines, wiring harness and instruments, fixed generators and refrigeration machinery including ancillaries necessary for the operation of the refrigeration machinery.

**Period of Insurance** means the period commencing on the effective date and ending at 4pm New Zealand time on the expiry date as shown in the most recently dated Schedule.

**Personal Effects/Property** means clothing and personal accessories, waterproof gear, shoes, hygiene items, food and drink and its containers (including thermos flasks, eskies and mobile fridges), cameras and personal entertainment equipment (e.g. DVD/CD players, iPods or MP3 players).

Personal Effects/Property does not include: money or any negotiable documents/documents that represent money, credit cards, watches and jewellery, spectacles, sunglasses, mobile phones, pagers, laptop computers or PDAs/tablets, mobile GPS units, compact discs, audio or video tapes, precious metals or stones.

**Policy** means this document and any Endorsement, the Institute Clauses, or any other clauses and/or Warranties, specification, attachment or memoranda affixed to it, the Schedule and the Proposal.

**Premium** means the Premium specified in the current Schedule and any Endorsement Premium plus any applicable government charges.

**Proposal** means the application form completed by You or the quotation slip submitted on Your behalf in which You provided the information upon which We relied to enter into the Policy.

**Salvage** has a dual meaning which is either what is left of the Vessel after it has suffered loss or Damage, or the physical act of recovering a Vessel which has been lost or Damaged, but where it has a residual commercial value.

Salvage costs are the costs associated with recovering the Vessel (Salvage operations).

**Schedule** means the most recently dated schedule We have provided to You which specifies important information such as the Policy number, Geographical Area of operations, the details of the Hull(s), the Insured Value, the Institute Clauses and or any other clauses, Warranty(ies) (if applicable) and any Deductible payable.

**Seaworthy** means the Vessel is reasonably fit in all respects, including the Hull, Motor(s)/Machinery, Equipment and Accessories during operation or at mooring to encounter the ordinary perils of the protected waters, inland waters, rivers or lakes, the sea and ports in which it will be operating.

**Sports Equipment** means water-skiing and aquaplaning together with associated equipment.

**Tender** means an auxiliary boat or dinghy (including Motor) which is carried on deck or towed behind Your Vessel that is used as a lifeboat or by way of transportation to Your Vessel, excluding personal watercraft (jet skis) unless agreed and extended in writing.

**Tools** means tools kept permanently on Your Vessel for emergency, breakdown and maintenance purposes.

**Trailer** means the Trailer noted as covered in the Schedule and its winch including power winch.

**Usage** means the commercial operations which the Vessel is normally engaged, as You have declared to Us. This automatically includes voluntary rescue work and incidental private use by You or Your authorised employees.

Regardless of declared Usage, We do not cover You under this Policy in respect of any liability associated with business activities other than the operation of the Vessel itself including:

- any underwater activity (diving);
- any construction activity (e.g. pile driving/dredging);
- sports participation (skiing, aquaplaning etc) or tourist in water activities.

**Vessel** means the craft/vessels named in the Schedule and includes:

- Hull, Motors and Machinery;
- Equipment and Accessories (excluding Sports, Fishing and Diving Equipment, unless agreed and specified in the Schedule);
- sails, masts, spars, booms and fittings, standing and running rigging, where applicable;
- Trailer (if specifically noted as covered on the Schedule);
- Tender or life boats (up to a maximum designed speed not exceeding 50 knots).

In the case of two or more craft being named in the Schedule, each craft is deemed to be separately insured.

**Warranty(ies)** means You will undertake that some particular thing shall or shall not be done or that some conditions shall be fulfilled or that You affirm or negative the existence of a particular state of facts. The Warranty may be express or implied.

**We, Us or Our, Insurer, Underwriter** means Allianz Australia Insurance Limited ABN 15 000 122 850 (Incorporated in Australia) trading as Allianz New Zealand of Level 11, Tower 1, 205 Queen Street, Auckland, New Zealand 1010. AM&T NZ is a division of Allianz New Zealand.

**You or Your, Insured** means any party specified in the Schedule.

Where the Insured is comprised of more than one entity, the term "You" will be considered as applying to each entity in the same manner as though a separate Policy had been issued to each entity, however, Our Limit Of Liability shall not exceed the Sum Insured specified in the Schedule and Our liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

## Cover

We agree to provide You with insurance as described in this Policy and/or the most recently dated Schedule, for the Period of Insurance and any subsequent period where renewal may be agreed, based on the information provided to Us by You or on Your behalf.

This insurance provides coverage in accordance with the terms and conditions of the Policy including any Institute Clauses referenced in the Schedule whilst the Hull(s) is operating within the Geographical Area of operations shown in the Schedule, plus the following, as applicable.

### Deliberate Damage

The Policy is extended to cover You for deliberate Damage by Government or local authorities exercising their rights under current legislation in order to prevent or minimise an environmental hazard/pollution resulting from an Insured Event provided this has not resulted from lack of due diligence by You, owners or managers.

### Fixed Fire Appliance Discharge Clause

The Policy is extended to cover cleanup costs up to NZ\$5,000 each claim any one accident or occurrence during the currency of the Policy arising from and/or loss or Damage caused by sudden, spontaneous and complete discharge of any permanently fixed fire suppression appliance fitted on board the Vessel(s) in the absence of any fire, explosion or other event deemed to be a fire appliance system trigger, but excluding where the fire suppression appliance is being tested, fitted, maintained, recharged or otherwise in use or being worked upon.

### Fishing/Sports Equipment

When specified in the Schedule, this Policy is extended to indemnify You for:

- a) accidental Damage to Your Sports, Fishing and Diving Equipment whilst on Your Vessel (excluding accidental Damage occurring during use); and
- b) theft of Your Sports, Fishing and Diving Equipment provided there is visible evidence of forcible and violent entry into the securely locked Vessel or a securely locked compartment within the Vessel in which the Sports, Fishing and Diving Equipment is stored;

occurring during the Period of Insurance.

The maximum amount We will pay is the NZ\$25,000 in total with a limit of NZ\$2,500 for any one item.

## Leased Equipment Clause (excluding Fishing, Diving and recreational Equipment)

This insurance is extended to cover Equipment, Machinery and apparatus not owned by You but installed for use on the Vessel and for which You have assumed liability but Our liability under this Policy will not exceed the contractual liability You have for such equipment, Machinery or apparatus. All equipment, Machinery or apparatus installed on the Vessel and not owned by You shall be included in the Agreed Value of the Vessel(s).

## Negligent/wrongful act by hirers/charterers

Provided the loss or Damage has not resulted from lack of due diligence by You or the Vessel owners or managers, We will cover the wrongful act or misconduct of a hirer, charterer or member of a managed recreational boating group who is using the Vessel, provided:

- You do not reveal the existence of this additional benefit to charterers/hirers;
- You assist Us in all respects to pursue rights of recovery against charterers/hirers and/or other responsible third parties.

## Passenger Liability extension

Where noted in the Schedule, We agree to indemnify You up to the Limit of Liability specified for any sum or sums which You shall become Legally Liable to pay to passengers pursuant to the Institute Clauses listed in the Policy Schedule including passengers' baggage and passengers' Personal Effects but excluding any liability, costs or expense arising in respect of:

- (i) instruction, advice or recommendation of any kind whatsoever given to or tasks undertaken by passenger(s) undergoing training for any activity, including but not limited to sailing and seamanship;
- (ii) passengers engaged in diving, swimming, snorkelling, water-skiing, boom netting, para-sailing or any other aqua sport or land activity unless caused by such passenger(s) being run down by the Vessel(s);
- (iii) instruction, advice or recommendation of any kind whatsoever given to or caused by the use of equipment or accessories whilst the Passenger(s) is/are participating in diving, swimming, snorkelling, water-skiing, boom netting, para-sailing or any other aqua sport or land activity.

## Personal and Crew property

If a claim is paid under this Policy for loss or Damage to Your Vessel, We will also cover You for loss or Damage to Your Personal Property or Personal Property belonging to Your Crew which was on-board Your Vessel at the time of such loss. We will pay up to \$1,000 for each claimant up to a maximum of NZ\$5,000 in the aggregate, each and every loss or series of losses caused by the one Insured Event in addition to the Sum Insured specified in the Schedule.

## Shore cover

We will cover loss or Damage to parts of the Vessel removed for the purposes of repair, overhaul or servicing whilst they are ashore and during transit from and to the Vessel for that purpose.

## Transit cover

We will cover accidental Damage to Your Vessel:

- whilst in transit on the Vessel's own Trailer provided the Vessel is designed to be normally trailered and You comply with all statutory requirements; or
- whilst being transported by a professional road haulier providing You have advised Us beforehand and We have agreed to extend the cover in writing. We may require a variation to Your standard Excess and an additional Premium.

**This extension does not provide cover for any liability to third parties arising from the land transport of the Vessel.**

# General exclusions

The exclusions contained within the Institute Clauses described in the Schedule and forming part of this Policy shall be paramount where they conflict with any terms contained in this exclusion section of the Policy.

This Policy does not cover any loss, Damage, destruction, liability, cost or expense of any nature whatsoever that is directly or indirectly caused by or contributed to by or arising from when:

## Outside agreed limits

1. Your Vessel is outside the Geographical Area specified in the Schedule unless You have advised Us and We have agreed to extend cover in writing. This exclusion will not apply where Your Vessel goes beyond the Geographical Area specified in the Schedule:
  - as a result of circumstances beyond the reasonable control of the person in charge or control of it; or
  - to reasonably respond to an unforeseen emergency.

We will continue to provide cover, provided that as soon as possible:

- Your Vessel returns within the Geographic Limits (except in the case of Total Loss); and
- You notify Us of the circumstances taking it beyond the Geographic Limits.

Your Policy will be automatically suspended when Your Vessel clears New Zealand Customs and Immigration for the purpose of leaving New Zealand waters and will recommence when it clears New Zealand Customs and Immigration on return (unless You advise Us and We agree to extend cover in writing);

## Usage

2. Your Vessel operations are materially different to those originally declared to Us unless We have agreed to extend cover to such operations;
3. Your Vessel is towing another Vessel(s) for hire or reward, unless the circumstances were declared to and agreed by Us;

## Major repairs

4. Your Vessel is undergoing major Hull repair or undergoing alteration to the Hull unless You tell Us beforehand in writing and We agree in writing to insure You;

## Radioactive, nuclear, asbestos

5. This Policy excludes any loss, Damage, destruction, death, injury, illness, liability, cost or expense of any nature whatsoever that is directly or indirectly caused by or contributed to or by, resulting from, arising out of or in connection with from any of the following:
  - (i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
  - (ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
  - (iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
  - (iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this clause (iv) does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
  - (v) any chemical, biological, bio-chemical or electromagnetic weapon;
  - (vi) any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, or in any way involving, asbestos, or any materials containing asbestos in whatever form or quantity.

This Policy also excludes any loss, Damage, destruction, death, injury, illness, liability, cost or expense of any nature whatsoever that is directly or indirectly caused by or contributed to or by, resulting from, arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to exclusions i) to vi);

## Cyber

6. liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system. However, in respect of war perils covered by the Policy, this exclusion does not apply to the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile;

## Terrorism

7. any act of terrorism arising directly or indirectly out of or in any way connected with biological, chemical, radioactive, or nuclear pollution or contamination or explosion; or
8. any action controlling, preventing, suppressing, retaliating against or responding to any act referred to in (7) above.

An act of terrorism includes, but is not limited to, any act, preparation in respect of action or threat of action, designed to:

- (i) influence a government or any political division within it for any purpose; and/or
- (ii) influence or intimidate the public or any section of the public with the intention of advancing a political, religious, ideological or similar purpose.

## Property (physical Damage) exclusions

We will not cover You for:

### Undeclared risks

- a) any Vessels not listed on the Schedule;
- b) loss or Damage to Sports, Fishing, Diving Equipment, (unless agreed and specified in the Schedule);

### Vessel Condition

- c) pre-existing Damage (i.e. occurring prior to commencement of this Policy);
- d) loss or Damage caused by the Vessel being Unseaworthy or arising from lack of maintenance;
- e) any reduction in value of Your Vessel due to the Vessel's age, condition or because of repairs or unrepaired Damage;

### Consequential Loss

- f) delay, loss of market, financial or consequential loss or any other secondary financial loss of any description sustained by You;
- g) emotional, psychological or sentimental loss which occurs due to loss or Damage sustained to Your Vessel;
- h) Loss of data from any computer hardware or software unless there is visible external physical Damage;

### Other

- i) the cost of improving or altering the Vessel;
- j) theft by a person to whom You have loaned Your Vessel;
- k) loss or Damage to sails and protective covers caused by the wind while set unless there has also been Damage to the masts and spars or the Vessel has been stranded or in collision or contact with any external substance other than water.

## Liability (P&I Liability) exclusions

We will not cover any Legal Liability for:

### Crew, employees and family members

- a) death or bodily injury to You or Your Crew;
- b) loss or Damage to property owned by You or Your Crew or in Your/their physical or legal control except as provided under the Personal and Crew property extension on page 9;
- c) bodily injury to, or the illness or death of, a person who is covered or should have been covered by any compulsory compensation insurance, including any compulsory third party insurance and workers compensation insurance;

### Other excluded parties

- d) third party personal injury or property Damage caused any tradesperson or company engaged in repair, service or maintenance of Your Vessel;
- e) third party personal injury or property Damage caused by marina operators, port authorities and the like in charge of Your Vessel at the time of the accident;
- f) death or bodily injury to passengers, passengers' baggage and/or passengers' Personal Effects unless the Passenger Liability Extension and the Limit of Liability are shown in the Policy Schedule;

### Motor vehicle/towing risks

- g) death, bodily injury or Damage occurring to property while the Vessel is attached to, or it breaks away from or accidentally detaches from a motor vehicle;

### Contractual Liability

- h) a contract that imposes on You a liability which You would not otherwise have;

### Fines, penalties etc

- i) any fine or penalty, aggravated, exemplary or punitive damages;

### Other

- i) the carrying or passing on of any infectious disease or virus by You, whether accidentally, knowingly, wilfully, maliciously or otherwise including any losses caused by quarantinable disease listed in the Australian Quarantine Act 1908 or similar;
- j) underwater excavation or construction including the lifting, cutting, drilling, crushing or depositing of spoiling, or pile driving;

# General conditions

## Applicable law

The law of New Zealand shall apply to, and the Courts of New Zealand will have exclusive jurisdiction in respect of, any litigation arising out of this Policy. Any compensation awarded, or costs or expenses of litigation incurred, outside New Zealand, are not covered.

## Automatic Reinstatement Clause

When We pay a claim under this Policy, the Limit of Indemnity will be automatically reinstated subject to the payment of an additional Premium and government charges (where applicable).

## Alteration of Risk

You must give Us immediate notice in writing if there is any material change in the circumstances or nature of the risks covered by this Policy, or no claim arising after the change shall be payable unless We have agreed to the change in writing.

## Authority

We may give to and obtain from any other insurers, insurance reference bureaus and credit reporting agencies any information relating to Your credit or insurance history as well as insurance claims information.

## Breach of condition or Warranty

The law gives Us a number of rights if You do not comply with the conditions of this Policy. In particular cases We may be able to:

- cancel the Policy;
- avoid the Policy from the commencement date of the Period of Insurance;
- refuse to pay a claim;
- reduce the amount to be paid out on a claim.

## Where the Marine Insurance Act 1908 applies

Warranties are conditions which must be exactly complied with, whether material to the risk or not. Under the Marine Insurance Act 1908, where applicable, if they are not complied with, then, subject to any express provisions in the Policy, We are discharged from liability as from the date of the breach of the Warranty, but without prejudice to any liability incurred by Us before that date.

## Cross Liability

Where You are comprised of more than one entity, the term "You" will be apply to each entity in the same manner as though a separate Policy had been issued to each entity, however, Our Limit of Indemnity shall not exceed the

sum specified in the Schedule and Our liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

## Due Care

At all times You must take appropriate care in Your Vessel operations and the operation and maintenance of the Vessel(s) in Your care, custody or control.

## Fraudulent claims

In no case shall this Policy cover physical loss, destruction, deterioration, Damage or expense occasioned by or happening through fraudulent or dishonest acts by You or any other party with Your knowledge. We may refuse to pay the whole or part of the claim and to the extent permitted by law, may also cancel the Policy.

## GST notice

Provided that GST is recoverable by Us, all Sums Insured, Limits of Indemnity and sub-limits specified in the Policy and Schedule are exclusive of GST. GST will be added, where applicable, to claim payments. If Your Sum Insured or Limit of Indemnity is not sufficient to cover Your loss, We will only pay the GST on the sum that relates to Our settlement of Your claim. Where any part of this Policy specifies any sum insured this amount excludes Goods and Services Tax.

## Licensing/Registration Warranty

You must:

- a) comply at all times with the licensing and registration requirements of the governing legislation for the crewing, operation and safety of the Vessel according to the type and class of operation and that its type and class are maintained;
- b) ensure the Vessel is operated by a master or any other person in charge of the Vessel who is the holder of a certificate of competency issued by the appropriate governmental authority;
- c) obey any conditions attaching or imposed by the registration of the Vessel and ensure these conditions are complied with by the dates stipulated in those conditions.

No liability shall attach to Us when the Vessel at the time of an Accident does not have a current certificate of seaworthiness issued by the appropriate government authority at the port of registry where this is a statutory requirement.

## Other Insurance

If at the time of the loss another Policy is in force covering the same risk, We will only pay the amount in excess of the amount that is recovered under that other Policy, limited to the Agreed Value.

## Prohibited Cover or payments

Irrespective of any other provision of the Policy, We shall not be deemed to provide cover or be liable to pay any claim or provide any benefit (including a refund a Premium) hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would contravene or otherwise expose Us to any penalty, sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, New Zealand, the European Union, United Kingdom or United States of America.

## Third party interests

You must inform Us of the interests of all third parties (e.g. financiers or lessors) to be covered by this Policy. We protect the interests of third parties only if You have informed them and such interest(s) are noted in the Schedule.

## Underinsurance

We require You to insure the Vessel for the full value. If You do not and the actual value of the Vessel or Equipment insured under this Policy is higher than the Sum Insured in the Schedule (at the time of loss or Damage), We shall only pay You the proportional amount that the total value of the loss bears to the Sum Insured specified in the Schedule wording.

## Waiver of subrogation rights

We may not be liable to pay any benefits under this Policy for loss or Damage if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that Damage.

# Claims

These procedures are important. Failure to follow them might jeopardise a claim under this Policy.

## Notification

### A You MUST:

As soon as You become aware of any, or any potential loss or Damage which may result in a claim under the Policy, at Your own expense act as if You are not insured. You must:

- (i) take all measures as may be reasonable for the purpose of averting or minimising loss or Damage that would be covered under this Policy.

We will reimburse You for any charges properly and reasonably incurred in pursuance of these duties;

- (ii) immediately advise Us of the loss or Damage. We may decide to appoint a surveyor or an assessor to inspect the Damage to determine the cause, and who might be responsible for it. You should co-operate with the surveyor fully as this will assist with the speedy adjustment of Your claim;

- (iii) complete Our claim form if We ask You to, and any other form and take it or mail it to Our claims department at any of Our offices.

Measures taken by You or Us with the object of saving, protecting or recovering the Hull insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of any party.

### B You MUST NOT:

- (i) authorise the repair or replacement of anything without Our agreement;

- (ii) release any other third party from liability;

- (iii) without Our consent:

- make or accept any offer or payment, or in any other way admit You are liable, or
- settle or attempt to settle any claim, or
- defend any claim;

### C After You have advised Us of any loss of or Damage to the Vessel:

- (i) You must comply with all Policy terms and conditions before We will meet any claim under the Policy;

- (ii) only We have the right to settle or defend a claim against You by another party;

- (iii) when any other third party may be liable, You must advise that party in writing that it is Your intention to claim on them;

- (iv) We have the right to recover from any person against whom You may be able to claim any money paid by Us. We may take over and conduct, in Your name the defence or settlement of any claim and We will have full discretion in the conduct of any proceedings in connection with the claim.

## How much We pay

### Loss or Damage to Your Vessel

In the event of a total or constructive total loss of Your Vessel, the amount We will pay will depend on whether We have agreed to insure Your Vessel for Market Value or Agreed Value.

- a) Where You have insured Your Vessel on a Market Value basis, We will at Our option:
  - (i) repair or replace Your Vessel; or
  - (ii) pay You the reasonable cost of repairing or replacing Your Vessel; or
  - (iii) pay You up to the Market Value of Your Vessel.
- b) Where You have requested and We have agreed to insure Your Vessel for Agreed Value, We will pay You or any other party agreed with You, at Our option:
  - (i) the Agreed Value specified in the Schedule; or
  - (ii) replace the Vessel with one of similar age and condition.

Once We pay You, We may decide to take ownership of any Salvage.

We will settle claims for partial loss in accordance with the Institute Clauses specified in the Schedule.

### Deductible

The amount specified in the Schedule as the Deductible will be deducted from each and every loss except for total and/or Constructive Total Loss of the Vessel.

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For all enquiries please call your insurance intermediary

**[amandtnewzealand.co.nz](http://amandtnewzealand.co.nz)**

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