



Pleasurecraft Insurance

Policy Document

bnz 
let's find a way

Welcome to your policy

This policy document, along with your policy schedule, contains all the information you need to know about your insurance cover. Please read these carefully and keep them on hand as you will find them useful if you need to make a claim.

BNZ and IAG – working together to cover you

IAG New Zealand Limited (IAG) provides and underwrites certain general insurance policies to customers who are referred to IAG by Bank of New Zealand (BNZ). BNZ does not underwrite these insurance policies, is not an agent of IAG and does not guarantee the obligations of IAG or any of its related entities. IAG manages your policy, and our expert team will look after any claims you might have.

If you have any questions about your policy or think it does not provide the cover you need, please call the team at IAG as soon as possible – we will be happy to help.

How to contact us

Call the team at IAG on **0800 808 618** if you have any questions, need help, or want to make a claim.

From overseas call direct on **+64 9 985 0103**.



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IAG New Zealand Limited (IAG) provides and underwrites certain general insurance policies to customers who are referred to IAG by Bank of New Zealand (BNZ). If you purchase one of these insurance policies following a referral by BNZ, IAG will pay BNZ commissions and other fees. BNZ personnel are not personally paid a commission or incentivised for referring customers to IAG. BNZ does not underwrite these insurance policies, is not an agent of IAG and does not guarantee the obligations of IAG or any of its related entities. Full details of cover, and a copy of your policy document, is available at [Terms and conditions](#) or on request from IAG on 0800 808 618.

Introduction

About this policy

Your policy consists of:

1. this policy document, and
2. the **schedule**, and
3. the information **you** have provided in the **application** and any subsequent information **you** provide.

Your duty of disclosure

When **you** apply for insurance, **you** have a legal duty of disclosure. This means **you** must tell **us** everything **you** know (or could be reasonably expected to know) that a prudent insurer would want to take into account in deciding:

1. whether to accept or decline **your** insurance, or
2. the cost or terms of the insurance, including the **excess**.

You also have this duty every time **your** insurance renews and when **you** make any changes to it.

If **you** breach this duty, **we** may treat **your** policy as being of no effect and to have never existed. Please ask **us** if **you** are not sure whether **you** need to tell **us** about something.

Changing your mind

If **you** are not happy with this policy, **you** are welcome to change **your** mind, provided **you** tell **us** within 15 days of the date this policy started. **We** will treat **your** policy as being of no effect and to have never existed and refund in full any premium **you** have paid. This does not apply if **you** have made a claim on **your** policy.

Reading this policy

Some of the words in this policy are in **bold**. This is because they have a special meaning. If a word is shown in bold, it will be listed in the 'Definitions' section. To make it easy for **you** to understand this policy, **we** have included some examples or comments in *italics*. The words in italics do not affect or limit the meaning of the section they refer to.

Please also note that the headings in this policy are designed to help **you** find **your** way around. They should not be used when interpreting this policy wording.

Our agreement

We have an agreement with **you**. **You** agree to pay **us** the premium. In exchange, **we** promise to cover **you** as set out in this policy document.

Part one

Event A – cover for your craft

What you are covered for

Accidental loss

You are covered for sudden and **accidental loss** to **your craft** that occurs during the **period of insurance** in **New Zealand**.

What you are not covered for

Causes not covered

You are not covered for **loss** to:

1. **your craft** caused by any of the following:
 - a. faulty:
 - i. design or manufacture, or
 - ii. construction or assembly, or
 - b. latent defect, or
 - c. wear and tear, osmosis, gradual deterioration, marine and non-marine infestations or weathering.
2. electrical or electronic equipment, fuses, protective devices, or lighting or heating elements caused by electrical current.

However, exclusions 1. and 2. only apply to the part of **your craft** first affected. They do not apply to resultant sudden and **accidental loss** to other parts of **your craft**.

Losses not covered

You are not covered for rot, corrosion, rust, mildew, delamination, electrolysis or fouling.

However, this exclusion only applies to the part of **your craft** first affected. It does not apply to resultant sudden and **accidental loss** to other parts of **your craft**.

Theft of unsecured property

You are not covered for **loss** to **your craft** caused by theft of **your** property while **your craft** is unattended, that would otherwise be covered under this policy if the property is not:

1. locked securely within **your craft**, or
2. securely attached to **your craft**, or

3. removed from **your craft** and stored in a locked and secure vehicle or building.

Breakdown or failure not covered

You are not covered for:

1. mechanical or electrical breakdown or failure. However, **we** will pay for **loss** which breakdown or failure causes to any other part of **your craft** or if the breakdown or failure is a direct result of the following:
 - a. fire, collision or impact to **your craft**, or
 - b. malicious act.
2. **loss** to the motors or electrical equipment of **personal watercraft** caused by water ingestion.

Sails, masts, spars and rigging

You are not covered for **loss** to sails, masts, spars or rigging occurring while **your craft** is racing, unless the **loss** is caused by:

1. fire, swamping, stranding, sinking or collision, or
 2. contact with an external object (ice included) other than water, or
 3. malicious acts,
- not otherwise excluded by this policy.

This clause does not apply to **social yacht racing**.

Recreational gear in use

You are not covered for **loss** to fishing, diving, water skiing gear or other personal effects while in use.

Important

Please also read 'Exclusions that apply to all parts of this policy'.

What we will pay

Repairable damage

If **we** consider **your craft** is economic to repair, **we** will at **our** option:

1. arrange to repair **your craft** to substantially the same condition as it was in before the **loss** occurred, or
2. pay **you** the cost of repairs as estimated by **our** assessor.

Total loss

If **we** consider **your craft** is **uneconomic to repair**, **we** will:

1. pay **you** the **sum insured**, or
2. replace **your craft** with a new craft of the same model and specification, provided:
 - a. the **loss** occurred within 3 years of **you** purchasing **your craft** new, and
 - b. it is available in **New Zealand**, and
 - c. it is not a 'one-off' or custom build craft, and
 - d. **your craft** costs no more than \$1,000,000 to replace.

Sails, outboard motors and protective covers

The most **we** will pay for **loss** to:

1. sails, or
2. outboard motors, or
3. protective covers, over 3 years' of age is **present value**.

Recreational gear

The most **we** will pay for **loss** to:

1. fishing equipment, or
 2. diving equipment, or
 3. water skiing equipment,
- is the **sum insured** for that item.

Theft of an unsecured craft trailer

Where the **loss** arises from theft of **your craft** trailer and:

1. **your craft** trailer is not contained within a locked and secure building, or
2. **your craft** trailer is:
 - a. not fitted with a suitable anti-theft device, or
 - b. not physically attended by **you**,

then an additional \$2,000 **excess** applies.

This additional **excess** does not apply where the theft is accompanied by violence or threat of violence to **you**.

Specified items

The most **we** will pay for any **event** for a specified item is its specified sum insured.

Maximum payment

The most **we** will pay in total for any **event** is the **sum insured**.

(Unless the total loss new craft replacement provision above applies).

Part one – automatic additional benefits

You get these **bonus covers** automatically

These benefits are subject to the terms of this policy, except where the terms are varied in the benefit.

Additional expenses

We will pay expenses incurred by **you**, **your partner** or **family** member of up to \$250 per day to attend:

1. court proceedings, or
 2. any other statutory enquiry,
- in connection with **loss** to **your craft** that is covered by this policy.

The most **we** will pay in total during the **annual period** is \$10,000.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.

Additions

We will insure any additional property **you** purchase, during the **period of insurance**, in connection with or for use on **your craft**, provided:

1. the most **we** will pay is the lesser of:
 - a. 25% of the **sum insured**, and
 - b. \$25,000 in total, and
2. **you** give **us** receipts and invoices.

You must tell **us** of any additions prior to **your** next renewal date.

Any adjustments to premium or sum insured will be completed upon renewal.

Emergency towing

We will pay the reasonable costs incurred by **you** to remove **your craft** from anywhere in **New Zealand** to the nearest place of repair, following the mechanical or electrical breakdown of **your craft** while afloat, during the **period of insurance**.

The most **we** will pay for any **event** is \$2,000.

The most **we** will pay in total in any **annual period** is \$4,000.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.

Medical expenses

We will pay the reasonable medical expenses, including surgical, ambulance, hospital and other associated services that arise as a result of **bodily injury** to any person when on board, boarding or leaving **your craft**.

The most **we** will pay is \$5,000 for any **event** regardless of the number of persons who suffer **bodily injury** arising from the **event**.

The **excess** does not apply to this automatic additional benefit.

Personal effects

This policy is extended to cover sudden and **accidental loss** to **your** personal effects while on **your craft**.

For the purpose of this automatic additional benefit, personal effects include any articles of wearing apparel, watches, cameras, binoculars and possessions that would normally be used on a boat. Personal effects do not include any money, travellers' cheques, papers and documents, jewellery or fashion accessories.

We will pay the **present value** or the **sum insured**, whichever is the lesser.

The most **we** will pay is \$10,000 for any **event**.

Prevention of loss to your craft

We will pay:

1. the reasonable costs incurred by **you** in trying to prevent or minimise imminent **loss** that is or would be covered by this policy, and
2. the cost of having to replenish, refill or replace safety flares or fire extinguishers that were used in trying to prevent or minimise **loss** that is or would be covered by this policy.

The most **we** will pay is 25% of the **sum insured** for any **event**.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.



Replacement craft

When **you** buy a replacement craft of a similar type, **we** will automatically provide cover for 30 days for that replacement craft under this policy from the date of purchase, provided:

1. the purchase price will be the sum insured, and
2. the purchase price does not exceed \$1,000,000, and
3. **you** pay any additional premium that is required, and
4. after the 30 day period **we** retain the right to accept or reject **your** application for cover and determine the terms upon which that cover is offered.

Rescue costs

We will pay the reasonable costs for the rescue of **you, your** passengers or members of **your** crew from anywhere in **New Zealand** during the **period of insurance**.

The most **we** will pay is \$25,000 for any **event**.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.

Salvage costs

We will pay the reasonable costs incurred by **you** to remove **your craft** from anywhere in **New Zealand** to the nearest place of repair following **loss** covered by this policy.

The most **we** will pay for any **event** is the **sum insured** for the lost item.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.

Social yacht racing

We will insure **you** for sudden and **accidental loss** to **your craft** during the **period of insurance** while it is being used for **social yacht racing** in **New Zealand**.

Temporary accommodation

We will pay the reasonable costs of temporary accommodation that **you, your partner, your family** and domestic pets have incurred as a result of being unable to return to **your** usual place of residence following **loss** to **your craft** that is covered by this policy.

The most **we** will pay is \$2,000.

The **excess** does not apply to this automatic additional benefit.

Transportation costs

We will pay the reasonable costs of transport for **you, your partner, your family** and domestic pets in **your craft**, from the place where the **loss** occurred to **your** home or **your** nearest immediate destination at **our** option, if **your craft** can no longer be used following **loss** covered by this policy.

The most **we** will pay per **event** is \$500 per person (or domestic pet) up to \$2,000 in total.

This is in addition to the 'Maximum payment' under 'What we will pay'.

Wreckage removal

We will pay the reasonable costs incurred by **you** to remove **your craft** from any place **you** own or occupy in **New Zealand**, to a landfill or similar disposal site, following **loss** covered by this policy, provided **your craft** is **uneconomic to repair**.

The most **we** will pay is 10% of the **sum insured** for any **event**.

This is in addition to the 'Maximum payment' under 'What we will pay'.

The **excess** does not apply to this automatic additional benefit.

Part two

Event B – your legal liability

What you are covered for

Your legal liability

You are covered for **your** legal liability and necessary and reasonable defence costs, for:

1. **accidental loss** to anyone else's property, or
2. **bodily injury** to anyone else,

occurring during the **period of insurance**, arising in connection with **your** use of **your craft**, in **New Zealand**.

Reparation

You are covered for **your** legal liability to pay **reparation** to a victim who has suffered **accidental loss** of property or **bodily injury** as a result of **your** committing an offence during the **period of insurance** in connection with **your** use in **New Zealand** of **your craft** or another craft used for pleasure purposes, provided that **you** had the owner's permission to use their craft.

Provided:

1. **you**, or any other person entitled to cover under this benefit, tell **us** immediately if **you** or they are charged with any offence in connection with the use of **your craft** or another craft used for pleasure purposes, which resulted in **loss** of property or **bodily injury** to another person, and
2. **we** give **our** written approval before any offer of **reparation** is made.

There is no cover under this benefit for any amounts that are covered under the Accident Compensation Act 2001 ('the Act'), or would be covered but for:

- a. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, or
- b. the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act, or
- c. a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.

Other person's liability

We will insure the legal liability and necessary and reasonable defence costs, and legal liability to pay **reparation**, of any other person arising in connection with their use of **your craft**, or engaged in water skiing or any other similar water sport involving being towed by **your craft**, in the same manner as **we** cover **you**, for:

1. **accidental loss** to anyone else's property, or
2. **bodily injury** to anyone else,

occurring during the **period of insurance** in **New Zealand**, provided:

- a. such use of **your craft** has **your** permission, and
- b. their liability is not covered by any other insurance, and
- c. the person using **your craft** meets all the same terms of this policy that **you** must meet.



What you are not covered for

Liability and costs not covered

You are not covered for:

1. liability, including liability for **reparation**, or defence costs for **loss** to any property:
 - a. owned by **you** or anyone **we** cover and who claims under this policy, or
 - b. in **your** care or in the care of anyone **we** cover under this policy other than for:
 - i. a craft being towed without charge by **your craft**, or
 - ii. clothing, personal effects and luggage being carried by and belonging to any passenger on **your craft**,
 - c. being carried by, loaded into or unloaded from **your craft** or any dinghy or similar craft attached to **your craft** other than specified under b.ii. above.
2. liability or defence costs:
 - a. arising while **your craft** is in transit by road while it is attached to a car or vehicle, or
 - b. arising out of a contract or agreement, unless **you** would have been liable even without a contract or agreement.
3. liability, including legal liability for **reparation**, or defence costs for **bodily injury** to:
 - a. **you**, **your partner** or **family**, or
 - b. any other person or persons **we** cover under this policy.
4. any fine or penalty.
5. any legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament including any regulations, rules or bylaws made under any Act of Parliament.

6. liability or defence costs in any way connected with any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up), unless the seepage, pollution or contamination occurs during the **period of insurance** and is caused by a sudden and **accidental event** that occurs during the **period of insurance**.

Important

Please also read 'Exclusions that apply to all parts of this policy'.

What we will pay

Amount payable

The most **we** will pay under 'Part two: Event B – your legal liability', including defence costs and punitive and exemplary damages, is \$5,000,000 for any **event**.

Punitive or exemplary damages

The most **we** will pay for punitive or exemplary damages is \$250,000 for any **event**.

Settlement of any claim

We may pay the full amount under this 'Part two: Event B – your legal liability', or any lesser amount that the legal liability can be settled for plus defence costs to date, and this will meet all **our** obligations under this part of this policy.

Part two – automatic additional benefits

You get these **bonus covers** automatically

These benefits are subject to the terms of this policy, except where they are varied in the benefit.

Manslaughter defence costs

We will pay the legal defence costs necessarily and reasonably incurred to defend a charge of manslaughter resulting from:

1. **you** or **your partner** using **your craft**, and
 2. any member of **your family** using **your craft** with **your** permission, and
 3. **you** or **your partner** using any other craft that **you** or **your partner** do not own and are not purchasing, provided **you** or **your partner** have the owner's permission to use the craft,
- in **New Zealand** during the **period of insurance**.

'Part two: Event B – your legal liability' 'What you are not covered for' – clause 5 (offences) does not apply to this benefit.

The most **we** will pay in total during the **annual period** is \$10,000.

The **excess** does not apply to this benefit.

Raising and removing the craft

We will pay the costs necessarily and reasonably incurred by **you** in raising and removing **your craft** during the **period of insurance** in **New Zealand**, where **you** are instructed to do so by a legally authorised statutory authority.

Exclusions that apply to all parts of this policy

Confiscation

You are not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with confiscation, nationalisation, requisition, acquisition, or destruction of or damage to property by order of government, public or local authority or under any statute or regulation, unless such order is required to prevent or control **loss** that would otherwise have been covered by this policy.



Electronic data and programs

You are not covered for any loss, damage, cost, expense, prosecution or liability connected in any way with **electronic data** arising from any cause whatsoever including, but not limited to, a **computer virus**.

This includes loss of use, reduction in functionality or any other associated loss or expense in connection with **electronic data**.

However, this exclusion does not apply to physical damage to other covered property that results from that loss of or damage to **electronic data**, and which is not otherwise excluded.

Excess

For each **event**, the **excess** will be deducted from the amount of **your** claim unless stated otherwise under an additional benefit.

Where an **event** occurs that results in a claim under more than one section or benefit (or sub-section of a benefit) of this policy, **we** will apply only the highest applicable **excess**.

Intentional or reckless acts

You are not covered for any loss, damage, cost, expense, prosecution or liability arising from any intentional or reckless act or omission by **you** or anyone else covered by this policy.

Losses not covered

You are not covered for **loss** or legal liability:

1. arising while **your craft** is on hire or charter or is being used, other than for private pleasure purposes, unless used for search and rescue work, by or on behalf of the police, coastguard or other authority, or
2. caused by **your craft** being in an unsafe or unseaworthy condition, where **you** were aware, or with any reasonable diligence ought to have been aware, of **your craft** being in that condition, or
3. arising while **your craft** (unless it is a yacht) is engaged in any race or speed test (at a speed in excess of 30 kilometres per hour), or is being tested for any race or speed test, or
4. arising when:
 - a. **you**, while **you** are operating or are in charge of **your craft**, or
 - b. any other person, while they are operating or are in charge of **your craft** with **your** permission, are under the influence of alcohol or other intoxicating substance, or
5. arising if at the time of any **event** giving rise to a claim, **your craft** is attached to a motor vehicle that is being driven by or is in the charge of any person who:
 - a. is driving with an excess breath alcohol or blood alcohol concentration in terms of New Zealand Land Transport Law, whether or not a conviction is entered against that person, or

- b. fails or refuses to permit a breath test or specimen of blood to be taken after having been lawfully required to do so, or
- c. is under the influence of drugs or other intoxicating substances, or
- d. fails or refuses to stop, or remain at the scene, following an accident (as required by law)

Clauses 4. and 5. do not apply if the person in charge of **your craft** has stolen or converted **your craft** within the terms of New Zealand criminal law, or

- 6. arising while **your craft**, if it is a jet-boat, is being used in water not normally navigable by conventional propeller driven craft and is constructed of material other than steel or aluminium, or
- 7. arising when inboard petrol engine powered craft, excluding sailing yachts or **personal watercraft**, do not have an operating bilge blower or gas detector, or
- 8. arising when **your craft** is being operated at a speed in excess of 100 kilometres per hour.

Nuclear

You are not covered for any loss, damage, cost, expense, prosecution or liability of any type in connection with:

- 1. ionising radiation or contamination by radioactivity from:
 - a. any nuclear fuel, or
 - b. any nuclear waste from the combustion or fission of nuclear fuel.
- 2. nuclear weapons material.

Sanctions

You are not covered for any loss, expense or liability to the extent that the provision of such cover or the payment of such claim would contravene any sanction, prohibition or restriction under any United Nations resolution or trade or economic sanctions, laws or regulations of New Zealand, Australia, the United Kingdom, the United States of America or the European Union.

Terrorism

You are not covered for any loss, damage, cost, expense, prosecution, death or liability of any type in connection with an **act of terrorism**, including in connection with controlling, preventing, suppressing, retaliating against, or responding to an **act of terrorism**.

War

You are not covered for any loss, damage, cost, expense, prosecution, death or liability of any type in connection with any of the following, including controlling, preventing or suppressing any of the following:
war, invasion, act of foreign enemy, hostilities or warlike operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, civil commotion assuming the proportions of or amounting to an uprising, insurrection, military or usurped power.

How to claim

What you must do

If anything occurs that may lead to a claim under this policy, **you** must:

1. do what **you** can to take care of the covered property and to prevent any further loss, expense or liability, and
2. tell **us** as soon as possible, and
3. notify the police as soon as possible if **you** think any **loss** was caused by an illegal act, and
4. allow **us** to examine the covered property before any repairs are started, and
5. send to **us** as soon as possible anything **you** receive from anyone about a claim or possible claim against **you**, and
6. give **us** any information or help that **we** ask for, and
7. consent to **your** personal information, in connection with the claim, being:
 - a. disclosed to **us**, and
 - b. transferred to the Insurance Claims Register Limited, and
8. not destroy or dispose of anything that is or could be part of a claim, and
9. tell **us** immediately if **you** are charged with any offence which resulted in **loss** of property or **bodily injury** to another person.

What you must obtain our agreement to do

You must obtain **our** agreement before **you**:

1. incur any expenses in connection with any claim under this policy, or
2. negotiate, pay, settle, admit or deny any claim against **you**, or
3. do anything that may prejudice **our** rights of recovery, or
4. negotiate, offer to pay or pay any **reparation**, including, but not limited to, offers made as part of any case management conference or sentencing hearing.

Actions we may take

We may take action in **your** name to:

1. negotiate, defend or settle any claim against **you** that is covered by this policy, and
2. recover from any other person anything covered by this policy.

You must assist **us** with these actions. **We** will be responsible for the reasonable legal costs of these actions.

Dishonesty

If **your** claim is dishonest or fraudulent in any way, **we** may at **our** sole discretion:

1. decline **your** claim, either in whole or in part, and
2. declare either this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the dishonest or fraudulent act.

Policy conditions

Breach of any condition

If:

1. **you**, or
2. any other person **we** cover under this policy, or
3. anyone acting on **your** behalf,

breaches any of the conditions of this policy, **we** may at **our** sole discretion:

- a. decline **your** claim, either in whole or in part, and/or
- b. declare either the insurance **you** have with **us** under this policy or all insurance **you** have with **us** to be of no effect and to no longer exist from the date of the breach.

True statements and answers

True statements and answers must be given (whether by **you** or any other person) in all communications with **us**, including when:

1. this insurance is **applied** for and renewed, and
2. **we** are notified about any change in circumstances, and
3. **you** make any claim under this policy.

Cancellation

By you

You may cancel this policy at any time by notifying **us** or BNZ. If **you** do, **we** will refund any premium that is due to **you** based on the unused portion of the **period of insurance**. **You** must pay any outstanding premium for the used portion of the **period of insurance**.

By us

We may cancel this policy by giving **you** notice in writing or by electronic means at **your** last known address. Unless otherwise specified in this policy, cancellation will take effect from the 14th day after the date of the notice. **We** will refund **you** any premium that is due to **you** based on the unused portion of the **period of insurance**.

Automatically

This policy will be automatically cancelled if **you** do not pay the premium. Cancellation under this clause will be effective from the date to which the policy was paid up to.

Change of terms

We may change the terms of this policy (including the **excess**) by giving **you** notice in writing or by electronic means at **your** last known address. Unless otherwise specified in this policy, the change in terms will take effect from the 14th day after the date of the notice.

Changes in circumstances

You must notify **us** immediately if, after **we** have accepted **your application** for this policy, there is a material:

1. increase in the risk covered, or
2. alteration in the risk covered.

We may change the terms of this policy in response to any material change in circumstances **you** or anyone else advises to **us**. The change in terms will be effective from the date of the change in circumstances.

Information is 'material' where we would have made different decisions about either:

(a) accepting your insurance, or (b) setting the terms of your insurance, including the premium and excess, if we had known that information. If in any doubt, notify us anyway.

The 'risk covered' refers to both: (a) the actual property or liabilities covered and (b) you or other persons covered by this policy.

Currency

Any amounts shown in this policy and in the **schedule** are in New Zealand dollars and include Goods and Services Tax.

Governing law and jurisdiction

The law of New Zealand applies to this policy and the New Zealand courts have exclusive jurisdiction.

Joint insurance

If this policy covers more than one person, then all persons are jointly covered.

This means that a breach of this policy by any one person affects everyone's ability to claim under this policy.

Legislation changes

Any reference to any Act of Parliament or subordinate regulations or rules referred to in this policy includes any amendments made or substitutions to that law.

Mooring requirements

If **your craft** is normally moored, then the mooring must:

1. conform with all licensing and statutory regulations, and
2. be suitable for the size, displacement and the type of **craft**, and
3. be regularly maintained and in good order and condition, and
4. be visually inspected out of the water:
 - a. in accordance with the regulations set down by the controlling authority, or
 - b. at least every two years where no controlling authority applies.

Other insurance

You must tell **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy. This policy does not cover **your loss** or liability at all if it is insured to any extent under any other insurance policy. **We** will not contribute towards any claim under any other insurance policy.

Other parties with a financial interest

If **we** know of any financial interest over the insured property, **we** may:

1. pay part or all of any claim settlement to that other party and this will go towards meeting the obligations **we** have under this policy for the **loss**, and
2. disclose information about the claim to that other party if required.

Any other party who has a financial interest under this policy is not covered and does not have rights to claim under this policy.

Reasonable care

You must take reasonable care at all times to avoid circumstances that could result in a claim.

Your claim will not be covered if **you** are reckless or grossly irresponsible.

You and anyone using **your craft** with **your** permission must take reasonable care to:

1. protect **your craft** and maintain it in a safe and seaworthy condition, and
2. prevent **loss** or liability.

You must go onboard to check the anchor and tackle, and general safety of **your craft**, at least once every 24 hours, while **your craft** is:

1. unattended at anchor, or
2. on a temporary mooring to **you**.

Salvage

You must not abandon **your craft** to **us**. However, after **your craft** is declared **uneconomic to repair**, **we** may keep **your craft** and retain the salvage.

Uneconomic to repair

If **we** have paid **your** claim for **your craft** that is **uneconomic to repair**:

1. this policy is automatically cancelled, and
2. **we** will not give any refund of premium, and
3. **your craft** will become **our** property.

This means that you will need to make new insurance arrangements on any replacement craft.



Definitions

The definitions apply to the plural and any derivatives of the words in this policy.

For example, the definition of ‘accident’ also applies to the words ‘accidents’, ‘accidental’ and ‘accidentally’.

accident

unexpected and unintended by **you** and anyone using **your craft**.

act of terrorism

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

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

annual period

the **period of insurance**. However, if:

- › **your** premium is paid by instalments other than annual payments, or
- › the **period of insurance** is for more than 12 months,

the annual period is the current 12 month period calculated consecutively from the date this policy first started.

application

the information provided by **you** to **us** when **you** purchased this insurance or requested a quotation for this insurance from **us**.

bodily injury

the **accidental** death of, or **accidental** bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.

computer virus

a set of corrupting, harmful or otherwise unauthorised instructions or code, including a set of maliciously introduced unauthorised instructions or code,

programmatic or otherwise, which propagate themselves through a computer system or network of whatsoever nature. This includes, but is not limited to, ‘Trojan horses’, ‘Worms’ and ‘Time or logic bombs’.

craft

the vessel described in the **schedule**, including its: auxiliary, dinghy, trailer and any other equipment or accessories that are either attached to or permanently kept on board the vessel. This also includes **your** fishing, diving and water skiing equipment that are normally kept on board the vessel, provided they are not covered under any other insurance.

electronic data

facts, concepts and information converted to a form usable for communications interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment. It includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

event

any one event or series of events arising from one source or original cause.

excess

the first amount of the claim that **you** must pay, which is shown in either the **schedule** or in this policy wording.

family

any family member who permanently resides with **you**.

loss

physical loss or physical damage.

New Zealand

1. afloat on the coastal or inland waterways of New Zealand, and
2. afloat on any area of sea that is not more than 200 nautical miles off the North and South Islands of New Zealand, and
3. during transit in New Zealand, including transit by sea, provided the transit is by a purpose built trailer, transporter, cradle or beach trolley that is designed for transit of **your craft**, and
4. on land in New Zealand, however, not in transit except during slipping, hauling out or re-launching.

However, 1. and 2. above do not apply during the time from when Customs clearance is gained or required to be gained, on departure from New Zealand, until Customs clearance is gained upon return to New Zealand.

partner

your husband or wife or person with whom **you** are living in the nature of a marriage.

period of insurance

the Period of Insurance shown in the **schedule**.

personal watercraft

a craft that is a jet-propelled watercraft that has a fully enclosed hull and does not take on water if capsized. It is designed to be operated by a person standing, sitting astride or kneeling on it, but not seated within it and can carry up to 3 passengers in 'pillion passenger' style.

present value

the estimated reasonable cost to replace an item with an item in New Zealand that is of equivalent age, quality and capability, and is in the same general condition.

reparation

an amount ordered by a New Zealand court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002, but subject to any limit of liability under the Maritime Transport Act 1994.

schedule

the latest version of the Schedule **we** issued to **you** for this policy.

social yacht racing

yacht racing where the use of a spinnaker and/or extras is not permitted and the race distance is no more than 25 nautical miles.

sum insured

the Sum Insured shown in the **schedule** for that section or item.

uneconomic to repair

a total loss because **your craft** is:

- > uneconomic or unsafe to repair, or
- > stolen and not recovered.

we, us, our

IAG New Zealand Limited.

you

the person(s), or entity shown as the Policy Owner in the **schedule**.

Call: 0800 808 618

Visit: bnz.co.nz/insurance