

ami

We're right here

Boat Insurance



Policy wording

backed by **iag**

About your policy.



Thank you for choosing to insure your boat with us.

We've designed this document to help you clearly understand the terms of your policy, but if you're unsure about anything, please pop into your local AMLI store to discuss it or call us on **0800 100 200**, we're happy to explain.

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Important bits to read

We agree to provide you and anyone else who will use the boat with insurance cover as long as you meet certain conditions. If you do not meet these conditions, we may decide not to accept a claim or to cancel your policy or treat it as though it never existed.

You must:

- do what you can to **protect your boat** against loss or damage
- **be truthful and correct** in everything you tell us
- let us know if **you have had any fines or criminal convictions**
- let us know if you **alter your boat**, or add any accessories of significant value
- let us know if you **change your address**
- let us know if there is any **change of ownership** or a **change of use** of your boat.

Other stuff to know

What happens if my boat is written off?

If we decide that your boat is damaged beyond economic repair, we will pay you the market value of your boat at the time of the loss or damage. Once we have paid you, your boat becomes our property. Because you have been paid out in full your policy will cease without a refund of premium. The maximum amount payable for any item is the amount specified in the Policy Schedule.

Do I always have to pay an excess?

Your excess is the amount you must contribute as the first payment towards the cost of each claim you make. The Policy Schedule shows how much excess you have to pay. However, you won't have to pay any excess if you make a claim under 'Cover for your legal liability' (see page 3).

How do I pay my excess?


If your boat is being repaired, you pay the amount of your excess to the repairer once repairs are complete. If your boat has been stolen or written off, we will deduct your excess from the amount we pay you.

About your insurance contract

- a.** This policy forms part of the insurance contract between us and you.
- b.** Your insurance contract consists of:
 - this policy
 - the Policy Schedule
 - the information you provided in the proposal
 - the payment notice
 - any changes that we write to you about
 - any changes you request and we agree to in writing.
- c.** Your insurance contract begins when we accept the proposal, and ends on the expiry date stated in the Policy Schedule. You can renew your policy as from the expiry date by paying a renewal premium.
- d.** You must pay your insurance premium by the date stated on the payment notice. You cannot make a claim until you have paid your premium. If you do not pay your premium your policy will cease to operate.
- e.** If you are not happy with this boat policy, you can change your mind, provided you tell us within 15 days of the date of your proposal. We will withdraw cover effective from the beginning of the insurance contract and we will fully refund the premium you have paid. This clause will not apply if any claim has been made.

Our definition of 'boat'

Boats covered by this policy

 For definitions of other words used in this policy, please see page 9.

- a.** In this policy, 'your boat' means the boat described in the Policy Schedule.
- b.** Boats that can be covered by this policy include yachts, powerboats, jet-boats, windsurfers, jet skis and any other watercraft stated in the Policy Schedule.
- c.** Boat includes:
 - the boat hull and fittings, for example wheel, tiller, rudder, mast, stove
 - any inboard motor including controls and propeller
 - boat gear and equipment that would normally be sold with the boat, for example sails, compass, anchor or ropes and shackles
 - safety equipment and navigational aids such as flares, fire extinguisher, life buoy, life raft and an Emergency Locator Beacon (ELB), radio and Global Positioning System (GPS)
 - life jackets, if they are not insured under a Household Contents policy
 - any other property separately specified in the Policy Schedule as part of your boat, which might include outboard motors, trailers and associated dinghies.
- d.** This policy covers any boat that you use solely for domestic, social, or recreational purposes.

Boats not covered by this policy

- a.** This policy does not cover any boat which is normally attached to a permanent mooring when not in use, unless it is attached to a mooring that has been approved by us.

What is covered by this policy

Cover for your boat

Your boat is covered for any accidental physical loss or damage while on land, launching or retrieving anywhere within New Zealand, or while afloat on inland or coastal waters of New Zealand and up to 50km offshore.

There are some circumstances when you are not covered – please refer to ‘What is not covered by this policy’ on pages 5–6 and the Policy Schedule.

- 1 What we will pay**
- a.** If your boat is damaged and can be repaired, we will pay to repair it to substantially the same condition it was in before the damage occurred.
 - b.** If your boat is damaged beyond economic or safe repair, or if your boat is stolen and not recovered, then we will pay you an amount up to the market value of your boat.
 - c.** For any item that is lost, stolen or damaged, we can choose to:
 - i** pay to repair the item to the condition it was in before the damage occurred, or
 - ii** replace the item with an equivalent item, or
 - iii** provide you with a voucher to the value of the item, or
 - iv** pay you the cash equivalent of the item if it cannot be replaced.
 - d.** The most we will pay for any item is the amount specified for that item in the Policy Schedule.
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Cover for additional costs

We will pay for the following additional costs if we agree to pay a claim for loss of or damage to your boat.

- 1 Boat removal**
- a.** If your boat is damaged so that it cannot be used we will pay all reasonable salvage costs.
 - b.** If your boat is stolen and then found, we will pay the cost of returning it to the place it was stolen from, or to another place we agree on with you.
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- 2 Loss prevention expenses**
- a.** We will pay for any reasonable costs you incur to defend, safeguard or recover your boat in order to minimise or prevent any loss or damage covered by this policy.
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Bonus covers

The following bonus covers are automatically included. Cover is provided on the same basis as ‘Cover for your boat’ above.

- 1 Temporary cover when you change boats**
- a.** If you buy a replacement boat, we will automatically provide temporary cover for up to 7 days on the same terms that applied to the boat you are replacing.
 - b.** The temporary cover is for the purchase price paid for your replacement boat.
 - c.** The replacement boat must not be capable of exceeding 45 knots for this cover to apply.
 - d.** This policy will not cover two boats at the same time.
 - e.** There is no cover if the replacement boat is covered by any other insurance policy.
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- 2 Cover for yachts while racing**
- a.** This cover applies if we agree to pay a claim under ‘Cover for your boat’ above.
 - b.** You are covered for accidental loss of or damage to your yacht while engaged in racing.
 - c.** This cover only applies to yachts.

- 3 Cover for personal property**
- a.** This cover applies if we agree to pay a claim under 'Cover for your boat' on page 2.
 - b.** You are covered for accidental loss of or damage to personal property owned by you or members of your immediate family living with you.
 - c.** You are not covered for any loss of personal property due to theft or deliberate damage.
 - d.** This cover does not include money.
 - e.** We will pay up to \$1,000 for loss or damage due to any one event.
 - f.** The most we will pay for any one item is \$200.
 - g.** There is no cover if your personal property is covered by any other insurance policy.
 - h.** Settlement will be based on the market value of the item.
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- 4 New boat option**
- a.** This cover applies if we agree to pay a claim under 'Cover for your boat' on page 2.
 - b.** We will replace your boat with a new boat of the same make, model and specification, as long as:
 - i** when damaged, your boat is less than one year old from new, or the date you bought it (whichever happened first), and
 - ii** we assess that your boat is uneconomic to repair, and
 - iii** a replacement boat is available in New Zealand.
 - c.** Before you receive your replacement boat, you must transfer ownership of your damaged boat to us, and we must have the agreement of any interested party stated in the Policy Schedule.
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Cover for your legal liability

You are covered for your legal liability to pay for accidental loss or accidental damage to other people's property caused while you are operating your boat anywhere within New Zealand, or while afloat on inland or coastal waters of New Zealand and up to 50km offshore, and your liability to pay reparation ordered by a New Zealand Court.

- 1 Legal liability includes**
- a.** You are covered for any accidental loss or accidental damage caused while you are operating your boat.
 - b.** You are covered for any accidental loss or accidental damage caused while you are operating another boat:
 - i** that is not owned by you, or
 - ii** that is not under hire purchase to you or is not hired or leased by you.This clause does not cover damage to that boat.
 - c.** Cover is extended for any accidental loss or accidental damage caused while your boat is being operated by someone else, with your knowledge and consent.
 - d.** You are covered for your liability in relation to anyone who is water-skiing or taking part in a similar sport while being towed by your boat.
 - e.** You are covered for any accidental loss of or accidental damage to any disabled boat you are towing with your boat as long as you are not towing the boat for any financial gain.
 - f.** You are covered for any accidental loss of or accidental damage to the property of any passengers in your boat.
 - g.** You are covered for your liability for the cost of the recovery or removal of the wreck if required by any legally authorised person or body.
 - h.** Any other person who is operating your boat with your permission is covered for their liability for any accidental loss or accidental damage caused while they are operating your boat, provided that they are not otherwise insured for their liability.

2 Reparation

- a.** We will cover your liability to pay reparation to a victim who has suffered accidental loss of property or accidental bodily injury that is the result of you committing an offence during the period of cover in connection with your use of your boat, or any boat, provided that you had the owner's permission to operate the boat.

Provided that:

- i** you must tell us immediately if you or anyone entitled to cover under this policy is charged with any offence in connection with the use of a boat which resulted in loss of property or bodily injury to another person; and
 - ii** we must give our written approval before any offer of reparation is made.
- b.** Reparation means 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.
- c.** This cover is also available for any person operating your boat provided that they had your permission to use your boat and they are not otherwise insured for their liability to pay the reparation.
- d.** There is no cover for any amounts that are covered under the Accident Compensation Act 2001 (Act), or would be covered but for:
- i** a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act,
 - ii** the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act,
 - iii** 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.
- e.** Nothing in this cover should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.

3 What we will pay

- a.** We will pay up to \$300,000 for any claim or series of claims arising from any one event.
- b.** We will also pay any reasonable legal expenses you incur that are first approved by us, or any legal expenses that are recoverable from you by any claimant.

4 What we won't pay

- a.** We will not pay for any loss or damage caused if you or someone else using your boat:
- i** does not observe the terms and conditions of the policy, or
 - ii** has other insurance which covers the liability, or
 - iii** has agreed to accept liability when otherwise you would not have been liable.
- b.** We will not pay for any damage to property that is in your custody or control unless that property:
- i** belongs to a passenger in your boat, or
 - ii** is a boat that you are towing, as long as that boat is in a disabled condition and you are not towing the boat for any financial gain.
- c.** We will not pay for any liability arising from the use of a boat trailer attached to a motor vehicle.
- d.** We will not pay for any legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament including any Regulations, Rules or By-Laws made under any Act of Parliament.

What is not covered by this policy

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- 1 No cover for accidents involving drugs or alcohol**
- a.** There is no cover if your boat is being used by or is in the control of any person who is under the influence of alcohol, drugs or other intoxicating substances.
 - b.** There is no cover if, at the time of any event giving rise to a claim, your boat is attached to a motor vehicle that is being driven by or is in the charge of any person who:
 - i** 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
 - ii** fails or refuses to permit a breath test or specimen of blood to be taken after having been lawfully required to do so, or
 - iii** is under the influence of drugs or other intoxicating substances, or
 - iv** fails or refuses to stop, or remain at the scene, following an accident (as required by law).
 - c.** This clause does not apply if the person in charge of your boat has stolen or converted the boat within the terms of New Zealand criminal law.
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- 2 No cover for intentional or reckless conduct**
- a.** There is no cover for any loss or liability arising from any intentional or reckless act or omission.
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- 3 No cover for boats**
- a.** There is no cover if your boat is in an unsafe condition, or is being used in a damaged condition, unless you or the person in charge of your boat can prove that:
 - i** the person in charge of the boat was not aware that it was unsafe or damaged, and had taken all reasonable steps to keep the boat in a safe condition, or
 - ii** the condition of your boat did not cause or contribute to the loss or damage.
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- 4 No cover for loss of use**
- a.** We will not reimburse you for any loss of income or additional costs that you incur from not having the use of your boat.
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- 5 No cover for unsecured property**
- a.** There is no cover for the theft of your outboard motor, unless it was:
 - i** securely locked to your boat, or
 - ii** stolen from a locked cabin or locked building, or
 - iii** stolen with your boat.
 - b.** There is no cover for the theft of any loose gear and equipment, unless it was:
 - i** stolen from a locked cabin or locked building, or
 - ii** stolen with your boat.
 - c.** There is no cover for the theft of your boat and trailer if they were left unattended in an area accessible to the public, unless your trailer was fitted with an anti-theft device that was operating at the time of the theft.
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- 6 No cover for certain kinds of damage**
- a.** There is no cover for:
 - i** depreciation, wear and tear, corrosion, delamination, natural decay, marine organisms, vermin, gradual deterioration or rot, or
 - ii** any existing or inherent defect, or
 - iii** any damage to the engine, mechanical, electrical or electronic systems due to their own failure, or any loss or damage which their failure may cause to the rest of these systems, or
 - iv** loss of or damage to the impellers of the jet unit caused directly or indirectly by the intake of stones or other matter during the operation of the jet unit.

- b.** There is no cover for sails or protective covers if they are:
 - i** split by the wind, or
 - ii** blown away while set, or
 - iii** damaged as a result of contact with water, unless caused by your boat stranding, sinking, burning or being in a collision.

7 No cover for certain uses

- a.** There is no cover if your boat is being operated more than 50km offshore from New Zealand.
- b.** There is no cover if your boat is:
 - i** let out on hire or charter, or
 - ii** being used to carry fare-paying passengers, or
 - iii** being tested for, or taking part in, any form of racing or speed test (except for cover provided under 'Cover for yachts while racing' on page 2).

8 No cover for certain events

- a.** There is no cover for any loss or damage caused, directly or indirectly, by the following events:
 - i** war, invasion, act of foreign enemy, hostilities (whether or not war is declared), civil war, rebellion, revolution, insurrection, military or usurped power, or
 - ii** radioactive material or its use, the existence or escape of any nuclear fuel, material or waste, or
 - iii** confiscation or destruction by the order of Government or by any person or body legally authorised to seize, confiscate or destroy your boat.

9 No cover for terrorism

- a.** There is no cover for any loss, damage, death, injury, illness, liability, cost or expense directly or indirectly caused by, resulting from or in connection with:
 - i** an act of terrorism, regardless of any other cause or event contributing to the loss, damage, injury, illness, liability, cost or expense, or
 - ii** any action taken to control, prevent, suppress or do anything else in relation to an act of terrorism.

Your excess

1 What you must pay (your excess)

- a.** Your excess is the amount you must contribute as the first payment towards the cost of repair or replacement on each claim you make. The Policy Schedule states the excess that applies under your policy.
- b.** You can either pay the excess directly to a supplier or repairer, or we can deduct the excess from our payment to you.

Claims

These are your responsibilities when making a claim. If you do not fulfill these responsibilities we can decide not to accept a claim.

1 If you need to make a claim

- a. If it is likely that you will make a claim, you must contact us immediately. You may be asked to fill out a claim form.
- b. If there has been any deliberate damage, burglary or theft, you must notify the Police immediately.
- c. You must do what you can to prevent any further loss or damage.
- d. You must make your boat available for inspection by us.
- e. You must get our permission before you arrange for any repairs or incur any expense in respect of any claim.
- f. You must immediately tell us of any communication you receive that relates to an event which has resulted, or could result, in a claim.
- g. You must provide us with any further information, documents or authorities that we may ask for.
- h. You must help us as we require, including after your claim is settled. This may involve attending court to give evidence.
- i. You must tell us immediately if you, or anyone else entitled to cover under this policy, is charged with any offence in connection with the use of a boat which resulted in loss of property or bodily injury to another person.
- j. We must give our written approval before you or anyone else entitled to cover under this policy, negotiate, pay, settle, admit or deny any claim against you or them, or 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.

2 Your rights

- a. You are entitled to:
 - i have your claim acknowledged and dealt with in a professional and efficient manner, and
 - ii receive a fair settlement of your claim as quickly as circumstances allow, or
 - iii receive a clear explanation of why any claim has not been met, and
 - iv have free access to our formal complaints procedure (see 'General policy information' on page 9), and
 - v have free access to an independent review by the Insurance and Financial Services Ombudsman.

3 Our rights

- a. We are entitled to:
 - i inspect your boat, and
 - ii deal with any salvage in a reasonable manner, and
 - iii settle any claims against you for anything covered by this policy, and
 - iv defend you or take legal action in your name against anyone else for anything covered by this policy, and
 - v complete all necessary documents and authorities as your agent.

4 If you have other insurance

- a. If you make a claim under this policy and there is another policy covering the same loss or damage, we will pay a proportion of the claim equal to our rateable share of the total loss or damage.

Your responsibilities

These are your responsibilities as a policyholder. If you do not fulfil these responsibilities, we may decide not to accept a claim or to cancel your policy or treat it as though it never existed.

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- 1 Protecting your property**
- a. You or the person using your boat must take every care to protect all property covered by this policy.
 - b. You must maintain and keep your boat in a proper state of repair and seaworthiness at all times.
 - c. If any motor insured by this policy is submerged, you must take immediate action to wash and protect the motor and electrical equipment and comply with the manufacturer's instructions, if any. We will pay the reasonable costs involved.
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- 2 Accuracy of your statements**
- a. Your contract is based on information supplied to us, either by you or on your behalf. All information supplied by you or on your behalf must be truthful and correct.
 - b. You must tell us about any circumstance that may affect:
 - i our decision whether to accept your proposal and on what terms, or
 - ii our decision whether to renew your policy, or
 - iii our decision whether to reinstate your policy, or
 - iv any claim made under this policy.
 - c. If you do not disclose all of the information you should have, your policy may not operate and we may refuse to meet a claim.
 - d. If you make a fraudulent claim, your policy will cease to operate.
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- 3 Keeping us informed**
- a. You must immediately tell us if:
 - i you sell your boat or your interest in your boat ceases, or
 - ii your boat is used for any purpose apart from domestic, social or recreational purposes.

Changing or ending your policy

- 1 Changing your policy**
- a. You can ask to change your policy at any time. We must agree in writing to any changes before they become effective.
 - b. We can change the terms of your policy by writing to or emailing you at the last known address we have for you. Any changes will become effective from 14 working days after the date of the notice.
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- 2 Ending your policy**
- a. You can cancel your policy. If you do, we will refund the unused part of your premium.
 - b. We can cancel your policy by writing to or emailing you at the last known address we have for you. The cancellation will be effective from 14 working days after the date of the notice. If this happens, we will refund the unused part of your premium.
 - c. Your policy will cease if we pay out the market value or the total sum insured stated in the Policy Schedule for a claim. If this happens, there will be no refund of premium.
 - d. Your policy will cease immediately if you sell your boat or your interest in your boat ceases. If this happens, we will refund the unused part of your premium.

General policy information

Disputes	We have a formal complaints procedure to help resolve any aspect of our policies or our service that you are unhappy with. For information, please ask at any AMI store or call us on 0800 100 200 .
Dollar amounts	Any dollar amount stated in this policy or in the Policy Schedule is in New Zealand dollars.
Goods and Services Tax	All amounts referred to in this policy include any GST that may apply.
Interested Parties	Any Interested Party named in the Policy Schedule will be a 'joint insured' only under the 'Cover for your boat' (<i>see page 2</i>) section in this policy.
Receipts and other ownership documents	We recommend that you keep all receipts and other documents that confirm your ownership of the property covered under this policy.
Words in italics	Any words in italics do not form part of the policy and are provided by way of explanation only.

Definitions

In this policy some words have special meanings. Wherever these words are mentioned in this policy, they have the following meaning:

Accident	means unexpected and unintended by you or anyone else entitled to cover under this policy.
Act of terrorism	means an act by any person or group(s) that includes (but is not limited to) the use of force or violence and/or the threat of force or violence, whether they are acting alone or on behalf of or in connection with any organisation(s) or government(s). By its nature or context, this act is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to make the public, or any section of the public, afraid.
Bodily injury	means the accidental death of, or accidental bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.
Market value	is the retail value immediately before the loss or damage to your boat or insured item. The maximum amount payable for any item is the amount set out in the Policy Schedule.
New Zealand Land Transport Law	means the statutes, regulations or notices controlling or governing road traffic and road transport in New Zealand in force at the time of the event giving rise to a claim.
Personal property	means items which are personal in nature and normally worn or carried, except money or household contents.
Policy Schedule	means the most recent Policy Schedule we have produced for you.
We, Us or Our	means AMI Insurance (AMI), a business division of IAG New Zealand Limited.
You or Your	means the person or persons or corporate body to whom the Policy Schedule is addressed.

If you are unsure about any of the information contained in this policy, please visit your nearest AMI store, or call us on 0800 100 200. We will be happy to explain.

**Thanks
for insuring
with AMI,
we're here
to help.**

Got any questions?

0800 100 200



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