

# Boat Insurance

Policy Wording

ami



# Welcome to your policy

## Thank you for choosing AMI Insurance

This policy wording, 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.

## How to contact us

In **New Zealand**, just call **0800 100 200**. If you have any questions, need help, or want to make a claim, our contact centres are available 7 days a week or visit [ami.co.nz](http://ami.co.nz)

From overseas call us direct on **+64 3 371 9000**.



**WriteMark**<sup>®</sup>  
Plain Language Standard

Our promise to customers includes communicating clearly. This document meets the WriteMark quality award, independent proof we have achieved a high standard of plain language.

# Contents

Your cover at a glance	3
Important information about your policy	4
What we mean by 'your boat', 'accessory' and 'modification'	8
Boat use we cover and do not cover	11
When cover applies while your boat is moored, berthed or being transported	12
Section one – cover for your boat	13
Section one – automatic benefits	16
Section one – optional benefit	23
Section two – legal liability	24
Section two – automatic benefit	26
Exclusions – what we do not cover	27
Claims – what you need to do	36
Conditions of your cover	37
Definitions	40
How we pay claims – some examples	41

# Your cover at a glance

This table summarises the cover and does not form part of your policy. Your policy sets out full details about your cover and the limits, exclusions and conditions that apply.

	Boat Insurance
<b>What we cover</b>	
Sudden and accidental loss of or damage to your boat	✓
Legal liability	✓
<b>Automatic benefits</b>	
Completion of journey	✓
Contents of your boat	✓
Hull inspection	✓
Incorrect fuel	✓
Methamphetamine contamination	✓
Prevention of loss	✓
Reimbursement of race entry and competition fees	✓
Replacement of keys and locks	✓
Social yacht racing up to 25 nautical miles	✓
Storage of your boat	✓
Temporary cover for additional or replacement boats	✓
Towing	✓
<b>Optional benefit</b>	
Yacht racing up to 50 nautical miles	Available to purchase – for certain sailboats only, contact us for more information

# Important information about your policy

'You' and 'your' mean any person or entity shown as the Insured in your **policy schedule**. 'We', 'us' and 'our' mean IAG New Zealand Limited.

## What your policy is

Your policy is a contract between you and us, and has three parts:

- This policy wording. It explains what we cover and do not cover, your responsibilities, how to contact us and how to make a claim.
- Your **policy schedule**. This contains information specific to you, such as the type of insurance you have, who and what is insured, your **sum insured**, the **period of insurance** and the premium that applies.
- Any addendum, endorsement or warranty that we apply. This may add special terms and conditions to your policy. It may be a separate document or printed in your **policy schedule**.

## Receiving your policy documents

You may choose to receive your policy documents by email or post:

- If we send your policy documents to you by email, we will send them to the person and email address you nominated for receiving policy documents. Any policy documents we send to this email address will be considered to have been received by you 24 hours after we send them.
- If we send your policy documents to you by post, we will send them to the person and mailing address you nominated for receiving policy documents.

You are responsible for making sure the person and email or mailing address we have for your policy documents are correct. If any of these contact details change, you must let us know as soon as possible. We will consider you have received all policy documents we send to the person and email or mailing address you nominated, even if those details are no longer correct.

## How to read your policy

Words in **bold** have a special meaning. These words and what they mean are listed in the section 'Definitions'.

Headings, examples and comments are a guide only. They do not change the meaning of your policy.

The headings help you find your way around this policy wording. The examples and comments in boxes help you understand how your policy works.

## What you must let us know about as soon as possible

You must let us know as soon as possible if any of the following applies:

- your circumstances change, and the change may affect the chance of a claim or the amount of a claim under your policy
- information in your **policy schedule** needs to be amended
- your boat has a modification listed in your **policy schedule** under 'Your boat details', which you have not already told us about
- other insurance covers your boat
- your boat will be **used** in any of the circumstances that are not covered, as listed below in the section 'Boat use we cover and do not cover'
- something happens that could lead to a claim under your policy.

### Examples of what you must let us know about as soon as possible:

- a new person starts driving or sailing your boat regularly
- you change the address where you usually keep your boat
- you modify your boat in a way we need to know about (see the list of modifications in your policy schedule)
- you will use your boat for charter or hire
- you have an accident involving your boat.

See also:

- 'Boat use we cover and do not cover' that explains uses we do not cover
- 'Modified boat' in the section 'Exclusions' – 'General exclusions'
- 'Change in circumstances' and 'Duplicate insurance' in the section 'Conditions of your cover'
- 'Claims – what you need to do' that explains what else you need to do for a claim.

If you are not sure whether we need to know about something, it is important that you check with us.

## 15-day cooling-off period for your new, renewed or amended policy

You have a 15-day cooling-off period when any of the following happens:

- You take out your new policy. The cooling-off period begins on the date your policy starts.
- Your policy renews. The cooling-off period begins on the renewal date.
- You amend your policy part way through the **period of insurance**. For example, you add an optional benefit or increase your **sum insured**. The cooling-off period begins on the date your policy amendment takes effect and only applies to the amendment.

If, for any reason, you change your mind about your policy or the amendment to your policy, we will refund the applicable premium you have paid if both the following apply:

- you let us know within the 15 days
- you have not made a claim under the cover that you have changed your mind about.

We then treat your policy or the amendment to your policy as if it never existed.

## You pay the excess

The excess is the first amount of your claim that you must pay. The excess is deducted from your claim settlement or from the policy limit if that is less. Your **policy schedule** shows the different excesses that apply.

For each **incident** the boat excess and any other applicable excess applies, unless stated otherwise.

If you insure more than one boat with us, the excess applies individually to each boat.

If one **incident** results in a claim under more than one section, benefit, or sub-section of a benefit, we deduct only the highest applicable excess.

If one **incident** results in more than one claim under certain personal property policies you hold with us at the same address, we deduct only the highest excess of the policies you are claiming under. This applies to a boat, car, caravan, contents, home, landlord's, motorcycle, motorhome, residential contract works or trailer policy.

### **Examples of how we deduct the excess from a claim or the policy limit**

**Situation:** We accept your claim under a benefit that has a limit of \$5,000. Your claim is \$2,500.

A \$500 excess applies.

Since your claim is less than the benefit limit, we deduct the excess from your claim.

**Cover:** We pay you \$2,000.

**Situation:** We accept your claim under a benefit that has a limit of \$2,000. Your claim is \$2,500.

A \$500 excess applies.

Since the benefit limit is less than your claim, we deduct the excess from the benefit limit.

**Cover:** We pay you \$1,500.

## **We provide cover if you pay the premium**

When you take out your policy, you agree to pay us the premium. In return for paying the premium, we provide the cover you have chosen.

You may pay the premium in either:

- one lump sum each year
- instalments by direct debit from an account or credit card you nominate, if we offer you the option of instalments.

Your **policy schedule** shows the amount you need to pay and the due date for the annual premium or each instalment.

## **What happens if you do not pay on time**

If any premium is not paid by the due date, we will send you a notice. The notice will outline the overdue amount and when it needs to be paid to keep your policy active.

If the premium remains unpaid after the date specified in our notice, we will cancel your policy for non-payment. If you choose to pay the premium in instalments, cancellation will take effect from the date your policy was paid up to.

If you choose to pay the premium in one lump sum each year but do not pay in full, cancellation will take effect from the date your new policy started or your existing policy renewed. We will refund any partial premium paid.

We will not pay any claim for anything that happens after the cancellation takes effect.

You may need to make a claim when the premium is overdue but before we cancel your policy for non-payment. If this happens, you must pay the overdue amount as part of the claim settlement process.

## **What happens when your policy is about to renew**

We will write to you at least 14 days before your policy expires. We will let you know the date and time of expiry and advise you if we are prepared to renew your policy. If we offer to renew your policy, we will send you an updated **policy schedule** and quote a renewal premium. You should review any offer of renewal to ensure the insurance cover is still appropriate for you.

If you paid the last premium by direct debit, we continue to deduct the renewal premium in the same way from the same account or credit card. This means your policy will automatically renew if we offer you a renewal. We do this whether you pay in one lump sum each year or in instalments. If you do not want us to continue to deduct these payments and automatically renew your policy, please contact us before your current policy expires.

On renewal, we may change your boat **sum insured** to account for general factors that affect boat value changes in the wider market.

In our offer of renewal, we show you the **sum insured** that will apply during the next **period of insurance**. You are responsible for checking that the **sum insured** is enough to cover **loss** to your boat, including its accessories and modifications, and the motor and trailer described in your **policy schedule**. If you do not agree with the **sum insured** in our offer of renewal, please contact us.

## How we collect and use your personal details

We collect and hold the personal information you gave us when you applied for your policy, and any further information you give us while insured with us, including when you make a claim.

We use this information to decide whether and on what terms to provide you with insurance cover, and to administer your policy and any claims. To do these things, we may share your personal information with our service providers and other parties that have a financial interest in the covered property.

You have the right to access and correct any information that we hold about you by contacting us.

## You can make a complaint

Sometimes things do not go to plan and at times you may feel we have let you down. If this happens, please let us know. We will do our best to put things right or explain something we could have made clearer.

If you are still not satisfied, you can make a complaint by contacting us. We will take you through the steps of the complaints process and continue to work with you to try and find a resolution.

# What we mean by 'your boat', 'accessory' and 'modification'

'Your boat', 'accessory' and 'modification' have special meanings.

## Your boat

'Your boat' means your insured boat described in your **policy schedule**.

'Your boat' includes its:

- inboard or outboard motor, if this is described in your **policy schedule**
- trailer, if this is described in your **policy schedule**
- sails
- tender or dinghy used with your boat
- standard tools supplied by your boat's manufacturer or similar substitute tools
- fixtures and fittings, such as kitchen and bathroom fixtures, built-in furniture and built-in appliances, such as ovens and fridges
- furnishings that are supplied with the boat when it is purchased or sold, such as curtains, squabs and mattresses
- accessories or spare parts in or on your boat
- accessories that have been temporarily removed from your boat for security purposes, cleaning or servicing
- modifications.

'Your boat' does not include:

- fuel
- additives, lubricants or other fluids
- spare parts not in or on your boat
- bedding and linen.

We cover bedding and other household linen such as towels and tablecloths under the 'Contents of your boat' automatic benefit.

## Accessory

'Accessory' means a part of your boat that is either:

- fitted to or usually fitted to your boat, and not directly related to the function of your boat
- safety equipment usually used with and stored on or in your boat.

'Accessory' does not include mobile phones, laptop computers or tablet computers, or any item that is or would be covered under the 'Contents of your boat' automatic benefit.

### **Examples of items we cover and do not cover as accessories**

**Item:** Navigation equipment such as a GPS, compass, fish finders, anchors, ropes, shackles, and seat covers.

**Cover:** Yes, if these are usually fitted to your boat.

**Item:** Life rafts, life jackets, emergency equipment such as fire extinguishers, distress flares and emergency beacons, and first aid kits.

**Cover:** Yes, if these are usually used with and stored in your boat.

**Item:** Water sports equipment, such as diving tanks, fishing rods, and water skis.

**Cover:** We do not cover these as accessories. We cover these under the 'Contents of your boat' automatic benefit instead, if they are used with and stored in your boat. For details, including the most we pay under this benefit, see 'Contents of your boat' in 'Section one – automatic benefits'.

## **Modification**

'Modification' means any:

- change to your boat from the builder or manufacturer's original specification or recommendations
- performance enhancement to your boat
- change to the appearance, safety or handling of your boat.

We do not cover any modification to your boat that prevents it from meeting either:

- a maritime rule or regulation applicable to your boat
- relevant electrical or gas safety standards.

If your boat is a trailered boat, we do not cover any modification to its trailer that prevents the trailer from meeting a Warrant of Fitness standard.

We need to know about certain modifications. The modifications we asked about when you applied for your policy and the answers you gave us are listed in your policy schedule under 'Your boat details'. Check this list and let us know as soon as possible if you need to update any of your answers.

We do not cover anything under this policy if you have a modification in this list but have not told us about it, even if you got the modification after you applied for your policy. For details, see 'Modified boat' in the section 'Exclusions'.

The only modifications you need to tell us about are those in this list.

It is important that your sum insured is enough to cover the value of all modifications, including those you do not need to tell us about.

**Examples of modifications you need tell us about:**

- changes to the engine to increase its performance above the manufacturer’s specification
- changes to the hull that have not been done by a qualified boat builder or marine engineer.

For further details, see the list in your policy schedule under ‘Your boat details’.

**Examples of modifications you do not need to tell us about:**

- changes to the fitted stereo or cabinets
- changes to the paintwork.



# Boat use we cover and do not cover

Cover applies while any boat or boat trailer is being **used** for any personal purposes, except in the circumstances listed below.

Cover is suspended while any boat or boat trailer is being **used** in any of the following circumstances:

- To earn an income.
- For charter or hire, including through an arrangement between private individuals. However, this does not apply to search and rescue work on behalf of an authority such as the police, New Zealand Search and Rescue, or Coastguard.
- In any type of race or competitive trial. However, this does not apply if the boat is a yacht.
- In a speed test at a speed faster than 16 knots.
- To tow for financial gain or reward, except for being paid back for the normal running costs of the boat.
- More than 200 nautical miles off the coast of mainland New Zealand, or in 'blue water' or open ocean.
- From the time the boat departs until it returns from a voyage beyond New Zealand territory when Customs clearance is required. This applies even to the parts of the voyage that are within 200 nautical miles off the coast of mainland New Zealand.

You must let us know as soon as possible if your boat will be **used** in any of the above circumstances.

We do not provide any cover if an incident happens while your boat, or another boat you are operating, is used in the circumstances above.

If the boat is a yacht, cover applies while racing. However, cover for your sails, masts, spars and rigging is limited while your boat is racing unless certain conditions are met.

See also:

- 'Social yacht racing up to 25 nautical miles' in 'Section one – automatic benefits'
- 'Yacht racing up to 50 nautical miles' in 'Section one – optional benefit'
- 'Sails, masts, spars and rigging while racing' in the section 'Exclusions' – 'Boat exclusions'.

# When cover applies while your boat is moored, berthed or being transported

Cover applies in the following situations, but only if certain conditions are met.

## If your boat is usually moored or berthed

If your boat is usually moored or berthed, all the following conditions must be met:

- the usual mooring or berth must conform with all licensing and statutory regulations
- the usual mooring or berth must be suitable for your boat
- the usual mooring or berth must be regularly maintained and in good condition.

The applicable parts of the usual mooring or berth must be visually inspected out of the water either:

- in accordance with the regulations set down by the controlling authority
- at least every two years where no controlling authority applies.

You must let us know as soon as possible if you change the location where you usually keep your boat.

We may cancel or change the terms of your policy as a result of any new information.

For details, see 'Change in circumstances' in the section 'Conditions of your cover'.

## If your boat is on a temporary mooring, berth or anchor it must be checked every 24 hours

If your boat is not on its usual mooring or berth, including when it is temporarily anchored offshore, someone must go aboard to check the anchor, tackle and general safety and seaworthiness of your boat at least once every 24 hours.

### **Example of checking the general seaworthiness of your boat:**

You check that:

- the bilge is dry
- the bilge pump float switch is set to automatic
- no debris is in the bilge or around its outlets
- the bilge pump and its power supply are working.

## If your boat is being transported

Cover applies while your boat is being transported, including during slipping, hauling out or re-launching. However, the person moving it must use a trailer, transporter, cradle or beach trolley suitable for your boat.

# Section one – cover for your boat

In this section we explain how we cover your boat. We also set out what happens and what we pay following **loss** to your boat.

## What we cover

We cover sudden and **accidental loss** to your boat that happens during the **period of insurance** in New Zealand.

We do not cover anything that happens more than 200 nautical miles off the coast of mainland New Zealand, or in 'blue water' or open ocean.

We also do not cover anything that happens from the time the boat departs until it returns from a voyage beyond New Zealand territory when Customs clearance is required, even during parts of the voyage that are within 200 nautical miles off the coast of mainland New Zealand.

See also:

- 'Boat use we cover and do not cover'
- 'Incidents outside New Zealand' in the section 'Exclusions'.

## What we pay for repairable damage

If we decide the **loss** to your boat is economic to repair, at our option we either:

- pay the reasonable cost incurred to repair your boat as near as reasonably possible to the condition it was in just before the **loss**
- pay you our estimate of the reasonable cost to repair your boat as near as reasonably possible to the condition it was in just before the **loss**.

For an accessory, the most we pay is its **market value** unless stated otherwise in a benefit.

## We may pay for aftermarket or used parts

At our option we may pay for comparable reconditioned or recycled used parts, or aftermarket new parts, instead of original equipment manufacturer new parts.

A reconditioned or recycled part is a used part that has been restored to a condition equal to or better than the part you had before.

An aftermarket part is a part that may not be produced by your boat's manufacturer and does not have your boat's branding.

## When a part is not available

If any part or tool is unavailable from a supplier based in New Zealand, the most we pay is the reasonable cost of fitting and our choice of:

- The item's last known selling or list price in New Zealand.
- The cost to have the item made in New Zealand.

- Our estimate of the reasonable cost to replace the item with one from a supplier based in New Zealand, that is of equivalent quality and capability, and in the same general condition just before the **loss**. The replacement item will be equal to or better than the original item; however, the brand, price, method of manufacturing or specifications and features may differ.

## Your contribution to improvements or repairs for damage not covered under your policy

We may ask you to pay the difference or contribute to the cost before starting repairs if either:

- the repairs put your boat in a better condition than it was in just before the **loss**
- our assessor identifies damage to your boat that is not covered under your policy but needs to be repaired to make your boat seaworthy, or compliant with relevant safety standards, such as electrical or gas safety standards.

If you do not agree to pay, we pay you our estimate of the reasonable cost of repairs, excluding the cost of the improvements or repairs for damage not covered under your policy.

### Examples of repairs that may put your boat in a better condition:

- new paintwork
- replacement of your sail.

### Examples of damage not covered under your policy:

- rust damage
- worn-out seals.

For details of other damage not covered under your policy, see 'Boat exclusions' in the section 'Exclusions'.

If a repairer replaces an old part with a new one as part of your claim, we may pay the market value of the old part and ask you to contribute to the remaining cost of the new part.

If your boat has other damage covered under your policy but not caused by the same incident as your current claim, you may make a separate claim for the other damage. We must accept this separate claim before repairing the other damage. A separate excess may apply to each claim.

## What we pay for a total loss

If we decide your boat is a **total loss**, at our option we do one of the following:

- pay you the **market value**, or your **sum insured** if that is less
- replace your boat with a new boat of the same model and specification, if both the following apply:
  - the **loss** happened within 24 months of you purchasing your boat new
  - the specific model is available in New Zealand.

If your boat's trailer is described in your **policy schedule** and both conditions are met for the trailer, we replace the trailer with a new one of the same model and specification and pay applicable on-road costs.

If you pay the premium by instalments, we deduct any premium you owe us up to the end of the **period of insurance** before we settle your claim.

We deduct the excess and any premium owing from any claim payment.

## After we settle a total loss claim

After we settle a **total loss** claim, all the following apply:

- we cancel your policy with effect from the end of the day of the **loss**
- we do not refund or credit any premium
- your boat and any salvage become our property
- we deregister your boat trailer if required by law.

If the claim was for your stolen boat and the boat is later recovered, you must let us know as soon as possible.

As we own the boat after a total loss, we keep any salvage as well as any refunds, such as for the unused portion of the boat trailer's vehicle licence (registration).

For examples of how a claim payment might be calculated, see 'How we pay claims – some examples' at the end of this document.

# Section one – automatic benefits

You automatically get the following benefits. The terms and conditions of your policy apply.

The amounts we pay under these benefits are included in the amounts payable under 'Section one – cover for your boat', unless stated otherwise in a benefit.

## Completion of journey

If we accept a claim for **loss** to your boat that leaves it undriveable or unable to be sailed on water, or unable to be towed on land, we pay the reasonable costs incurred for the following:

- To move your boat from where the **loss** happened to the nearest repairer, place of storage or safe place on your journey.

We also pay the reasonable costs of the following if we approve them first to:

- move your boat to a repairer or place of storage near your home if repairs cannot be completed during your journey
- return your boat to your home or its usual mooring or berth after repairs are complete
- return your boat to your home or its usual mooring or berth, or a repairer or safe place of storage near your home or its usual mooring or berth, if it is stolen and recovered before a **total loss** claim is settled.
- For temporary repairs to make your boat seaworthy or your boat trailer roadworthy so you can get to your destination or to a repairer. The temporary repairs must be both:
  - necessary to keep your boat secure or to get back on the water or road safely
  - directly related to the **incident** that caused the **loss**.
- To transport you, your passengers and domestic pets from your boat, from the place where the **loss** happened, to your home or to your nearest immediate destination if closer.

We also pay the reasonable costs to transport you and anyone in the towing vehicle, including any domestic pets, if all the following apply:

  - the towing vehicle cannot be driven as a result of the **incident** that caused the **loss**
  - the transport costs are not covered under any other insurance.
- For one night's accommodation for you, your passengers and domestic pets in your boat on the water, or in the vehicle towing your boat on land, up to \$1,000 for an **event**.

If someone else drives or sails, or tows your boat with your permission, we cover them under this benefit as if they were you.

The amount we pay is in addition to any payment under 'Section one – cover for your boat'.

If you have other cover for 'Completion of journey' with us, we only pay one benefit under all policies in total for an **event**, being the benefit most favourable to you.

## Contents of your boat

We cover sudden and **accidental loss** to the following items that are used with and stored in your boat, if they are not covered under any other insurance:

- removable furniture and removable furnishings
- loose floor coverings, such as mats, rugs or runners
- household appliances not permanently installed, such as freestanding televisions or kettles

- bedding and other household linen, such as towels and tablecloths
- utensils and crockery
- water sports equipment, including diving, fishing and water-skiing equipment.

We do not cover any of these items as accessories of your boat.

We do not cover any of the following:

- personal effects, such as clothing and jewellery
- food
- mobile phones, laptop computers or tablet computers.

At our option we pay either:

- the cost incurred to repair the item, as near as reasonably possible to the same condition it was in just before the damage, if we decide it is economic to repair the item
- our estimate of the reasonable cost to replace the item with one from a supplier based in New Zealand, that is of equivalent age, quality and capability, and in the same general condition just before the **loss**.

The most we pay for an **event** is \$1,000, unless your **policy schedule** shows a different amount for 'Contents'.

The amount we pay is in addition to any payment under 'Section one – cover for your boat'.

#### **Examples of items we cover and do not cover as contents of your boat**

**Item:** Removable bedding such as sheets and pillows, and water sports equipment such as wetsuits and snorkels.

**Cover:** Yes, if these are usually used with and stored in your boat.

**Item:** Carpet glued to your boat floor.

**Cover:** As the carpet is glued, we do not cover it under 'Contents of your boat'. We cover it as part of your boat instead.

**Item:** Mattresses, squabs and permanently installed appliances such as ovens and mounted televisions.

**Cover:** We do not cover these under 'Contents of your boat'. We cover these as part of your boat instead.

## **Hull inspection**

We pay the reasonable cost to inspect your hull if you think your hull could be damaged following an **incident** covered under this policy.

We must agree to this cost first.

The amount we pay is in addition to any payment under 'Section one – cover for your boat'.

#### **Examples of what we cover and do not cover under this benefit**

**Situation:** Your boat runs into a sandbank and you think your hull could be damaged as a result.

**Cover:** Yes, if we agree to the cost before you arrange the hull inspection. An excess applies whether or not the inspection finds damage that we accept a claim for.

**Situation:** You want your hull inspected as part of your routine boat maintenance.

**Cover:** No.

## Incorrect fuel

We cover **loss** to your boat caused by the **accidental** use of:

- the incorrect fuel type in your boat engine's fuel tank
- any engine additive or vehicle liquid in your boat engine's fuel tank.

We pay the reasonable cost to remove the fuel, engine additive or vehicle liquid and repair your boat. You or the operator must take action to prevent further **loss** as soon as reasonably possible after you or they realise the mistake.

We do not cover replacement of the fuel, engine additive or vehicle liquid, or **loss** caused by any of the following:

- using any contaminated fuel, contaminated engine additive or contaminated vehicle liquid
- intentionally using the incorrect fuel
- operating your boat using the incorrect fuel if you or the operator do not stop when safe to do so once you or they realise the mistake
- using the incorrect octane level fuel over time
- not using an additive when this is required for the type of engine.

### Examples of using the incorrect fuel type or using an engine additive incorrectly:

- you put petrol in a diesel engine
- you put diesel in a petrol engine
- you put an exhaust emissions additive in a fuel tank.

## Methamphetamine contamination

If your boat sustains contamination damage connected to it being stolen, at our option we do one of the following:

- Pay the reasonable cost incurred to remediate your boat.
- Pay you our estimate of the reasonable cost to remediate your boat.
- Decide your boat is a **total loss**. For details, see 'What we pay for a total loss' and 'After we settle a total loss claim' in 'Section one – cover for your boat'.

We do not cover contamination damage caused by, or connected to, any of the following:

- you or a member of your family
- your **partner** or a member of their family
- a person who has your permission to **use** your boat
- a trustee or beneficiary of a trust that owns your boat
- a director or shareholder of a company that owns your boat.

In this benefit, some words have specific meanings:

- 'Contamination damage' means damage caused by methamphetamine contamination that exceeds the contamination level.
- 'Contamination level' means the applicable guideline value for indoor surface contamination as set out in the most recent version of the guidelines followed by the Ministry of Health.
- 'Methamphetamine' means the Class A controlled drug Methamphetamine or Class B controlled drug Amphetamine as defined by the Misuse of Drugs Act 1975. 'Methamphetamine' includes any of their precursor chemicals and by-products.
- 'Remediate' means to reduce the level of methamphetamine contamination to below the contamination level.

## Prevention of loss

We pay the reasonable costs incurred to prevent damage in certain circumstances.

### Prevention of loss to your boat

We pay the reasonable cost you incur to prevent or minimise impending damage to your boat, if the damage would be covered under your policy if it happened.

The most we pay for an **event** is 25% of your **sum insured**, or \$10,000 if that is less.

If your claim is only for the cost to prevent or minimise impending damage to your boat, you do not pay an excess.

If someone else **uses** your boat with your permission, we cover them under this benefit as if they were you.

The amount we pay is in addition to any payment under 'Section one – cover for your boat'.

#### Examples of what we cover under 'Prevention of loss to your boat':

**Situation:** A fire breaks out on your boat. You use your fire extinguisher to put it out.

**Cover:** We pay the cost to refill your fire extinguisher and repair the fire damage to your boat. As your claim involves damage to the boat, an excess applies.

**Situation:** You are out sailing for a few days and the latest weather forecast shows an unexpected, large storm will cross your path. It is not safe to sail through the storm and return to your boat's usual mooring.

**Cover:** We pay the cost to berth your boat at a nearby marina until it is safe to sail again. As your claim does not involve damage to your boat, you do not pay an excess.

We may also pay for emergency repairs, hull inspection and towing costs under other automatic benefits.

See also, in 'Section one – automatic benefits':

- 'Completion of journey'
- 'Hull inspection'
- 'Towing'.

### Prevention of loss to someone else's boat or property

If your fire extinguisher, flares or Emergency Position-Indicating Radio Beacon (EPIRB) from your boat are used in an attempt to prevent loss to someone else's boat or property, we pay the reasonable cost to replace, refill or recharge these items. If your claim is only to replace, refill or recharge these items, you do not pay an excess.

You may claim under this benefit only once during the **period of insurance**.

The amount we pay is in addition to any payment under 'Section one – cover for your boat'.

If you have other fire extinguisher replacement or refilling cover with us, we only pay one benefit under all policies in total for an **event**, being the benefit most favourable to you.

We do not cover a fire extinguisher that has expired or that is of a commercial grade.

If your claim is for a different type of **incident**, the most we pay for a fire extinguisher, flare or EPIRB from your boat is its **market value**.

#### **Example of what we cover under 'Prevention of loss to someone else's boat or property':**

**Situation:** A fire breaks out at the marina. You use your fire extinguisher to put it out.

**Cover:** We pay the cost to refill your fire extinguisher. As your claim is only to refill your extinguisher, you do not pay an excess.

## **Reimbursement of race entry and competition fees**

If we accept a claim for **loss** to your boat, we reimburse you for a non-refundable event entry fee if both the following apply:

- the **loss** happens before the start of the competition
- you and your passengers must withdraw from the event as a result of the **loss**.

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

We cover your **partner** and your family permanently living with you, driving your boat with your permission, under this benefit as if they were you.

The amount we pay is in addition to any payment under 'Section one – cover for your boat'.

## **Replacement of keys and locks**

We pay the reasonable cost to replace keys and locks if your claim is only for keys to your boat that are any of the following:

- lost
- stolen
- believed on reasonable grounds to have been duplicated without your permission.

For a claim of \$1,000 or less, you do not pay an excess. The excess applies to any additional cost above \$1,000.

However, if your keys sustain sudden and **accidental** damage, we settle your claim in accordance with the terms and conditions under 'Section one – cover for your boat'. We deduct the applicable excess from your claim settlement.

#### **Example of how the excess applies to an additional cost above \$1,000 under this benefit**

**Situation:** Your boat keys have been stolen.

**Total claim amount:** \$1,100.

**Cover:** We pay the first \$1,000 of the claim.

The additional cost is \$100. Your excess is \$500.

The additional cost is less than your excess, so we pay you \$1,000. You pay the additional cost of \$100.

## **Social yacht racing up to 25 nautical miles**

We cover sudden and **accidental loss** to your boat while sailing in a social yacht racing event if both the following apply:

- the most direct route of the racing event's course is 25 nautical miles or less
- your boat does not use spinnakers or extras in the race.

For social yacht races with a distance between 26 and 50 nautical miles, see the 'Yacht racing up to 50 nautical miles' optional benefit, if you have purchased this.

If you do not meet the conditions of this benefit, cover for your sails, masts, spars and rigging is limited while your boat is racing. For details, see 'Sails, masts, spars and rigging while racing' in the section 'Exclusions' – 'Boat exclusions'.

## Storage of your boat

If we accept a claim for **loss** to your boat, we pay the necessary and reasonable cost to store it at a location we agree until one of the following happens:

- your boat can be repaired
- we settle your claim.

This includes the cost to transport your boat to and from a repairer.

If we decide the storage is no longer necessary, we may move your boat or ask you to move it to another location we agree. Any further costs, or mooring, berthing or other requirements, are your responsibility.

The amount we pay is in addition to any payment under 'Section one – cover for your boat'.

## Temporary cover for additional or replacement boats

If you purchase an additional boat or a replacement boat for your boat, we cover that boat under your policy in the same way as we cover your boat if all the following apply:

- the other boat is involved in an **incident** within 14 days of the purchase
- the other boat is not yet insured
- the other boat is one we would cover under your policy
- you apply to insure the other boat with us within 14 days of the purchase
- the purchase price of the other boat is the sum insured
- you accept any special terms and conditions we apply
- you pay any additional premium we require.

We set up a new policy for the other boat. The start date of the new policy is the date you purchased the other boat.

### Example of what we would cover under this benefit

**Situation:** You purchase a second boat. It is damaged in an accident one week later, before you insure it.

**Cover:** We set up a new policy for your second boat. We cover the damage as if it was your insured boat.

# Towing

We cover the reasonable cost of towing in the following circumstances.

## Towing and salvage of your boat from the water

If we accept a claim for **loss** to your boat that leaves it undriveable or unable to sail, or would result in your boat sinking, we pay towing and salvage costs incurred. We only pay the necessary and reasonable cost to move your boat to the nearest repairer or secure place.

The amount we pay is in addition to any payment under 'Section one – cover for your boat'.

## Towing your boat after a breakdown while afloat

If your boat has a mechanical or electrical breakdown while afloat, we pay the reasonable cost incurred to move your boat to the nearest place of repair.

The amount we pay is in addition to any payment under 'Section one – cover for your boat'.

The cost to repair the breakdown may not be covered under your policy. For details, see 'Breakdown or failure' in the section 'Exclusions' – 'Boat exclusions'.

## Towing your boat trailer

We pay the necessary and reasonable towing and rescue costs incurred if you are unable to tow your boat trailer in any of the following circumstances, and if we approve these costs first:

- Your boat trailer sustains **loss**, and we accept a claim for that **loss**. We pay to move your boat trailer to the nearest repairer or secure place.
- You become ill or injured while towing your boat trailer, and none of your passengers can tow your boat trailer for you. We pay to move your boat trailer to the nearest secure place.
- The towing vehicle sustains sudden and **accidental loss** while you are towing your boat trailer. We pay to move your boat trailer to the nearest secure place.

If someone else tows your boat trailer with your permission, we cover them under this benefit as if they were you.

The amount we pay is in addition to any payment under 'Section one – cover for your boat'.

We do not cover the cost to move the towing vehicle.

# Section one – optional benefit

The following benefit is an optional benefit. Cover only applies if your **policy schedule** shows that you have purchased the benefit. The terms and conditions of your policy apply.

The amount we pay under this benefit is included in the amounts payable under ‘Section one – cover for your boat’.

## Yacht racing up to 50 nautical miles

This benefit is only available for certain sailboats. Contact us for more information.

We cover sudden and **accidental loss** to your boat while sailing in a yacht racing event, if both the following apply:

- the most direct route of the racing event’s course is 50 nautical miles or less
- the race is organised by a registered yacht club or association.

For social yacht races with a distance of 25 nautical miles or less and that do not include the use of spinnakers or extras, see the ‘Social yacht racing up to 25 nautical miles’ automatic benefit.

If you do not meet the conditions of this benefit, cover for your sails, masts, spars and rigging is limited while your boat is racing. For details, see ‘Sails, masts, spars and rigging while racing’ in the section ‘Exclusions’ – ‘Boat exclusions’.

## Section two – legal liability

In this section, we explain how we cover your legal liability and the legal liability of another person. We also set out the most we pay for legal liability.

### What we cover

We cover your legal liability for **loss** to another person's property or **injury** to another person through the **use** of a boat or boat trailer. Cover includes your legal liability for general average or salvage charges following your boat being carried by ship.

### Your legal liability when you use your boat

We cover your legal liability resulting from:

- **accidental loss** to another person's property, including loss of use and the cost of debris removal, including marine salvage and recovery
- **injury** to another person.

Cover applies if the **loss** or **injury** is caused by your **use** of your boat during the **period of insurance** in New Zealand. This includes use of your boat for water-skiing or other similar water sports that involve being towed by a boat.

Cover includes:

- defence and other legal costs and expenses incurred, that we approve first
- costs that a court orders you to pay
- **reparation**.

In 'Section two – legal liability' only, 'your boat' includes items covered under the 'Contents of your boat' automatic benefit.

We do not cover anything that happens more than 200 nautical miles off the coast of mainland New Zealand, or in 'blue water' or open ocean.

We also do not cover anything that happens from the time the boat departs until it returns from a voyage beyond New Zealand territory when Customs clearance is required, even during parts of the voyage that are within 200 nautical miles off the coast of mainland New Zealand.

See also:

- 'Boat use we cover and do not cover'
- 'Incidents outside New Zealand' in the section 'Exclusions'.

### Your legal liability when you use another person's boat

We cover your legal liability caused by your **use** of a boat or boat trailer that another person owns. We cover this in the same way as we cover you when you **use** your boat, including its trailer. Both the following must apply:

- you have the owner's permission to **use** the boat or boat trailer
- the liability is not covered under any other insurance.

The terms and conditions of your policy apply, including 'Boat use we cover and do not cover'.

We do not cover **loss** to the boat or boat trailer that you are **using**, or the excess under any other insurance.

We do not cover your legal liability if you hire the boat or boat trailer, but do not take out legal liability insurance that is available through the hire company.

## Another person's legal liability when they use your boat

We cover another person's legal liability caused by their **use** of your boat, including its trailer. We cover their legal liability in the same way as we cover your legal liability. Both the following must apply:

- the other person has your permission to **use** the boat or boat trailer
- the liability is not covered under any other insurance.

The terms and conditions of your policy apply, including 'Boat use we cover and do not cover'.

## General average or salvage charges for boats on a ship

We cover general average or salvage charges for which you are legally responsible as a result of your boat, including its trailer, being carried by ship between places in New Zealand.

'General average' is a marine term that describes how the cost of losses will be shared between people with property on the ship.

## What we pay

Limits apply to what we pay for legal liability.

### The most we pay for legal liability

The most we pay for an **event**, including all legal liability, costs, expenses and **reparation**, is:

- \$5,000,000 for liability for **loss** to property, including loss of use and removal of debris
- \$1,000,000 for liability for **injury**.

However, the most we pay in total for an **event** involving both **loss** to property and **injury** is \$5,000,000.

If your claim is only for legal liability, you do not pay an excess.

The amount we pay is in addition to any other payment under your policy.

### Full and final settlement for legal liability

We may pay the full amount under this part of your policy, or any lesser amount for which the legal liability can be settled. This payment will meet all our obligations under this part of your policy.

## Section two – automatic benefit

The terms and conditions of your policy apply to this automatic benefit.

### Pollution clean-up

We cover your legal liability for the reasonable cost to remove, contain or clean up pollutants released from your boat as a result of a sudden and **accidental event** for which we accept a claim under 'Section one – cover for your boat'.

If someone else **uses** your boat with your permission, we cover them under this benefit as if they were you.

The most we pay for an **event** is \$1,000,000. The amount we pay under this benefit is included in the total amount payable under 'Section two – legal liability'.

# Exclusions – what we do not cover

This section explains what we do not cover. It is divided into three sub-sections – boat exclusions, liability exclusions and general exclusions.

See also at the start of this policy wording:

- ‘When cover applies while your boat is moored or being transported’
- ‘Boat use we cover and do not cover’ which sets out the circumstances and boat **use** that will suspend all cover under your policy.

## Boat exclusions

The following exclusions apply to your boat.

### Types of loss

We do not cover any of the following:

- Depreciation.
- Loss of use.
- Consequential loss.
- **Loss** caused by or connected to:
  - wear and tear, rust or corrosion
  - rot, mould or mildew, weathering or gradual deterioration
  - osmosis or delamination
  - electrolysis
  - fouling, including damage caused by marine life such as barnacles
  - marine and non-marine infestations
  - vermin, including damage caused by a single creature.

This only applies to the property directly affected, not to sudden and **accidental loss** to other parts of your boat resulting from the **loss** to the directly affected property.

- **Loss** to fuses, protective devices or lighting or heating elements caused by electricity. This only applies to the property directly affected, not to sudden and **accidental loss** to other parts of your boat resulting from the **loss** to the directly affected property.

However, this exclusion does not apply to the extent cover is provided under ‘Section two – legal liability’ or an automatic or optional benefit.

#### Examples of consequential loss we do not cover

**Situation:** We accept a claim for your stolen boat. You need to take time off work to purchase a new boat.

**Cover:** We do not cover your lost wages from taking time off work.

**Situation:** Your boat is damaged in an accident and we accept your claim.

**Cover:** We pay to repair the damage, but do not cover any loss in value of your boat following the accident.

## Breakdown or failure

We do not cover any mechanical, electrical or electronic breakdown, wearing out or failure (including where this is a result of an external source). However, this exclusion does not apply:

- to breakdown or failure that is a direct result of **loss** from an external source that is covered under 'Section one – cover for your boat'
- to the extent cover is provided under the 'Incorrect fuel' automatic benefit.

### Example of what we cover and do not cover

**Situation:** A fault in your boat's electronic system causes a collision.

**Cover:** We do not cover the fault. We cover the cost to repair the damage caused by the collision.

## Defects and faults

We do not cover any **loss** caused by, or connected to, any:

- defect, including a structural defect
- faulty design
- faulty work.

This exclusion only applies to the property directly affected and not to sudden and **accidental loss** to other parts of your boat resulting from the defect, faulty design or faulty work.

### Example of sudden and accidental loss to other parts of your boat resulting from a defect

**Situation:** A defect in your boat trailer's jockey wheel causes your boat to drop suddenly, damaging your boat's hull.

**Cover:** We do not cover the defective jockey wheel. We cover the cost to repair the damage to your boat's hull.

## Incorrect fuel or additive

We do not cover any **loss** caused by, or connected to, any of the following:

- using the incorrect fuel type or octane level
- using an engine additive or vehicle liquid incorrectly
- using any contaminated fuel, contaminated engine additive or contaminated vehicle liquid.

However, this exclusion does not apply to the extent cover is provided under the 'Incorrect fuel' automatic benefit.

## Pre-existing damage

We do not cover any:

- damage to your boat that existed at the time you took out your policy
- damage to your boat that was left unrepaired from a previous claim
- damage as part of a claim if the damage to your boat was caused by a different **incident** to the one related to your current claim.

### Example of pre-existing damage caused by a different incident

**Situation:** We accept a claim for damage to a panel of your boat. Your boat's anchor was damaged in a different incident.

**Cover:** We do not cover the anchor as part of the current claim. You may make a separate claim for the anchor. A separate excess may apply to each claim.

## Sails, masts, spars and rigging while racing

We do not cover **loss** to sails, masts, spars or rigging on your boat that happens while your boat is racing.

However, this exclusion does not apply to any of the following:

- The extent cover is provided under:
  - the 'Social yacht racing up to 25 nautical miles' automatic benefit
  - the 'Yacht racing up to 50 nautical miles' optional benefit (if you have purchased this)
- **Loss** caused by any of the following, if it is not otherwise excluded under your policy:
  - fire, swamping, stranding, sinking or collision
  - contact with an external object (including ice) other than water
  - malicious acts.

## Theft of items while your boat is unattended

We do not cover **loss** caused by the theft or attempted theft of any items from your boat while your boat is unattended.

However, this exclusion does not apply if any of the following apply:

- the item is securely attached to your boat when the **loss** happens
- the item is stolen with your boat
- the theft follows unauthorised or forceful and violent entry to either:
  - a locked compartment or area of your boat
  - a secure location where your boat is stored, such as inside a locked building or behind a locked gate.

## Tyres

We do not cover tyres for any:

- damage caused by braking
- wear and tear
- punctures, cuts or bursts, unless these result from either:
  - **loss** for which we accept a claim
  - malicious damage.

This exclusion also applies if a tyre needs to be repaired or replaced so your boat can be released to you as part of a claim.

### Examples of what we cover and do not cover

**Situation:** You are towing your boat trailer and are involved in a nose-to-tail crash. Your boat trailer tyre is damaged as a result of this crash.

**Cover:** We cover the cost to repair or replace the damaged tyre as part of the cost of repairing your boat trailer.

**Situation:** Your boat trailer tyre has a puncture and deflates. As a result of the flat tyre, you crash your boat trailer.

**Cover:** We do not cover the tyre puncture. We cover the cost to repair the damage to your boat trailer caused by the crash.

## Undamaged parts

We do not cover costs relating to any undamaged part of your boat, unless we decide this is necessary to repair the **loss** covered.

### Examples of what we do not cover:

- repainting an undamaged panel to match the paint on a repaired panel
- replacing undamaged fabric to match the colour of replaced curtains
- replacing undamaged cabinetry to match the colour of a replaced door.

## Water ingestion of personal watercraft

We do not cover **loss** to the motor or electrical equipment of personal watercraft, such as a jet ski, caused by or connected to water ingestion. However, this exclusion does not apply to water ingestion that is a direct result of **loss** from an external source that is covered under 'Section one – cover for your boat'.

## Liability exclusions

We do not cover any liability for **loss** to property that you own, or that is in your care or in the care of any other person covered under your policy.

However, this exclusion does not apply if the property is any of the following:

- a disabled boat being towed by any boat in accordance with your policy terms and conditions
- personal effects belonging to a passenger in any boat, and the effects are in the boat at the time of the **incident**.

We do not cover any liability connected to any of the following:

- **Loss** to property being carried by or loaded into or unloaded from any boat or boat trailer. However, this exclusion does not apply if the property is personal effects belonging to a passenger in the boat, and the effects are in the boat at the time of the **incident**.
- Any boat trailer while it is being towed by a vehicle.
- The ownership, **use** or maintenance of any boat or boat trailer within the restricted area of an airport.
- Any contract or agreement, unless you would have been liable even without the contract or agreement.
- Costs resulting from the prosecution of any offence under any Act of Parliament including any regulations.

- Personal injury if cover is available under the Accident Compensation Act 2001. We also do not cover the injury if the Accident Compensation Corporation (ACC) would have covered a claim if one had been lodged or lodged on time.

We do not cover a claim that ACC has rejected.

## General exclusions

We do not provide any cover, including for loss, damage or liability, in any of the following circumstances.

### Alcohol, drugs or other intoxicating substances

We do not cover anything if any of the following applies to the person operating or in charge of the boat or the vehicle towing the boat or boat trailer:

- they are affected by a drug or other intoxicating substance, including alcohol, to such an extent that they cannot properly control the boat or boat trailer, or the vehicle towing the boat or boat trailer
- they are driving a vehicle to tow the boat or boat trailer and any of the following applies:
  - they have a breath or blood alcohol level over the legal limit
  - they refuse to take a breath or blood alcohol test following an accident, as required by law
  - they do not stop or stay at the scene following an accident, as required by law.

However, this exclusion does not apply if your boat or its trailer was stolen or subject to attempted theft when the **incident** happened, and a police report has been filed for the theft or attempted theft.

### Communicable disease

We do not cover anything connected to, or contributed to by, any:

- communicable disease contamination
- loss of value or loss of use of your boat resulting directly or indirectly from communicable disease contamination
- rescue of you, your passengers or other members of your crew where the rescue is attributable to a communicable disease or the threat or fear of a communicable disease
- actual or alleged transmission of any communicable disease or the threat or fear of such transmission.

In this exclusion, some words have specific meanings:

- 'Communicable disease' means any:
  - disease stated to be a quarantinable disease under the Health Act 1956
  - disease in respect of which a state of emergency has been declared under the Civil Defence Emergency Management Act 2002
  - disease in respect of which a pandemic or epidemic has been declared by the World Health Organization or the New Zealand government or any New Zealand government agency or lawful authority
  - disease declared by the World Health Organization to be a Public Health Emergency of International Concern
- 'Communicable disease contamination' means the actual, suspected or potential presence, or the threat or fear of such presence, of any communicable disease at, in or on your boat.

## Computer systems

We do not cover anything caused by, or connected to, the unavailability or corruption of, or failure to access, process, use or operate, any computer or electronic system that forms part of your boat.

It does not matter how the unavailability, corruption or failure happened. For example, the unavailability, corruption or failure may be connected to a breakdown, fault or defect, or an external source. An external source may be a computer virus or someone accessing any of your boat's computer or electronic systems without your permission.

However, this exclusion does not apply to any:

- unavailability, corruption or failure that is a direct result of **accidental loss** caused by non-electronic means that is otherwise covered under 'Section one – cover for your boat'
- sudden and **accidental loss** to other parts of your boat resulting from the unavailability, corruption or failure, that is otherwise covered under 'Section one – cover for your boat'
- legal liability you have for **loss** to another person's property, or **injury** to another person, resulting from the unavailability, corruption or failure, that is otherwise covered under 'Section two – legal liability'.

### **Example of sudden and accidental loss to other property because a computer system is unavailable**

**Situation:** Your boat's computer system is hacked and your throttle got stuck at full power. You crash into another boat because your boat could not be slowed.

**Cover:** We do not cover your throttle. We cover the damage to your hull caused by the crash and your legal liability for damage to the other boat.

## Confiscation

We do not cover anything caused by, or connected to, any:

- confiscation, nationalisation, requisition or acquisition under an order
- destruction of or damage to property under an order.

By 'order', we mean a government order, public or local authority order, or an order under an Act of Parliament or Regulation.

However, this exclusion does not apply if that order is required to prevent or control **loss** that would otherwise have been covered under your policy.

## Electronic data

We do not cover lost electronic data, or anything caused by, or connected to, lost electronic data.

However, this exclusion does not apply to any:

- Sudden and **accidental loss** to other property directly resulting from lost electronic data, if the **loss** and property are covered under your policy.
- Cover provided under the 'Replacement of keys and locks' automatic benefit.
- Claim covered under 'Section one – cover for your boat' for any electrical or electronic hardware component or system of your boat. In this case, we pay the reasonable cost to restore, reset or reprogramme any:
  - software, programs or other coded instructions to restore manufacturer's settings
  - hardware components or systems that need work as part of repairing damage to other parts of your boat.

In this exclusion, 'electronic data' means information changed to a form usable for communications, processing or controlling. This includes, for example, software, programs and other coded instructions for data processing or controlling electronic equipment.

## Fines and damages

We do not cover any fine, penalty, or punitive or exemplary damages.

## Illegal, unsafe or unseaworthy

We do not cover anything caused by, or connected to, any boat or boat trailer being **used** in any of the following circumstances:

- For an illegal purpose.
- In an illegal or unsafe way.
- In a condition that is unseaworthy or would not meet a Warrant of Fitness standard or relevant electrical or gas safety standards just before the **loss**. This only applies if the person **using** the boat or boat trailer should have known that this **use** or condition could result in a claim.

This exclusion only applies if the excluded **use** or condition of the boat or boat trailer contributed to the **incident**.

However, this exclusion does not apply if your boat or its trailer was stolen or subject to attempted theft when the **incident** happened, and a police report has been filed for the theft or attempted theft.

### Example of an incident caused by the condition of your boat

**Situation:** You notice your boat has a damaged hull. You take your boat out sailing and it sinks, partly because the hull damage meant that your boat could not cope with normal sailing conditions.

**Cover:** No. We do not cover the damage to your boat or your liability for the cost to remove your sunken boat from the water.

## Incidents outside New Zealand

We do not cover anything that happens:

- More than 200 nautical miles off the coast of mainland New Zealand, or in 'blue water' or open ocean.
- From the time the boat departs until it returns from a voyage beyond New Zealand territory when Customs clearance is required. This applies even to the parts of the voyage that are within 200 nautical miles off the coast of mainland New Zealand.

## Incidents outside the period of insurance

We do not cover anything that happens outside the **period of insurance**.

## Intentional or reckless acts

We do not cover anything caused by, or connected to, any intentional or reckless act or failure to act. This exclusion applies whether the action or inaction was by you, by any other person covered under your policy or by any person who has your consent or implied consent to **use** the boat.

## Modified boat

We do not cover anything if your boat has any of the modifications listed in your **policy schedule** under 'Your boat details', unless your **policy schedule** shows you have told us about it.

You must let us know as soon as possible if you need to amend any modification details in your policy schedule.

We may cancel or change the terms of your policy as a result of any new information.

For details, see 'Change in circumstances' in the section 'Conditions of your cover'.

## Non-operating bilge blower or gas detector on boats with an inboard engine

We do not cover anything caused by or connected to fire or explosion resulting from the **use** of an inboard petrol engine powered boat without an operating bilge blower or gas detector.

However, this exclusion does not apply to a sailing yacht or a personal watercraft, such as a jet ski.

## Nuclear contamination and activity

We do not cover anything caused by, or connected to, any:

- ionising radiation or contamination by radioactivity from any nuclear fuel
- ionising radiation or contamination by radioactivity from any nuclear waste from the combustion or fission of nuclear fuel
- nuclear weapons material
- nuclear power plants, including the use or escape of any nuclear fuel, material or waste.

## Sanctions

We do not provide any cover or benefit, or pay anything in connection with your policy, including any premium refund, if doing so may breach or risk exposure to any:

- sanctions, prohibitions or restrictions under United Nations resolutions
- trade or economic sanctions, laws or regulations of New Zealand, Australia, Singapore, the United Kingdom, the United States of America or the European Union.

## Seepage, pollution or contamination

We do not cover anything caused by, or connected to, seepage, pollution or contamination, including the cost to clean up.

However, this exclusion does not apply to the extent cover is provided under the 'Methamphetamine contamination' or 'Pollution clean-up' automatic benefits.

## Terrorism

We do not cover anything connected to, or contributed to by, any:

- terrorism that involves any biological, electromagnetic, chemical, radioactive or nuclear pollution, contamination or explosion
- controlling, preventing, suppressing, retaliating against or responding to terrorism as described in the point above.

In this exclusion, 'terrorism' includes any act, threat of action or preparation for action, by a person or group acting alone or in connection with any organisation or government, which is any of the following:

- designed to influence any rightful or actual government or intimidate the public
- in pursuit of political, religious, ideological, or similar purposes.

The act, threat or preparation involves any of the following:

- violence against any person
- damage to property
- endangering of life, other than that of the person committing the action
- risk to the health or safety of any person
- anything designed to interfere with or disrupt an electronic system.

## Unlawful substances

We do not cover anything caused by, or connected to, contamination from any 'controlled drug' as defined in the Misuse of Drugs Act 1975, except as provided under the 'Methamphetamine contamination' automatic benefit.

## Unlicensed drivers

We do not cover anything if any of the following circumstances apply:

- you or the driver of the vehicle towing your boat does not meet the conditions of your or their driver licence
- you or the driver of the vehicle towing your boat does not hold a driver licence appropriate for the class of the vehicle
- you or the driver of the vehicle towing your boat is not legally allowed to drive in New Zealand.

This exclusion also applies when you tow another person's boat behind a vehicle.

However, this exclusion does not apply if your vehicle was stolen or subject to attempted theft when the **incident** happened, and a police report has been filed for the theft or attempted theft.

## War

We do not cover anything caused by, or connected to (including controlling, preventing or suppressing), any:

- war
- invasion
- act of foreign enemy
- hostilities (whether war is declared or not)
- civil war
- insurrection
- rebellion
- revolution
- military or usurped power.

## Weapons

We do not cover anything caused by, or connected to, any chemical, biological, biochemical or electromagnetic weapon.

# Claims – what you need to do

This section explains your responsibilities, what you must get our agreement to first and what we may do as part of a claim.

## What you must do

If anything happens that may lead to a claim, you must take all the following steps:

- do what you can to take care of the covered property and prevent any further loss, expense or liability
- let us know as soon as possible
- file a police report as soon as possible if you think an illegal act is involved
- keep anything that is or could be part of a claim
- let us or anyone acting on our behalf assess the covered property before any repairs are started, except for temporary repairs provided under the 'Completion of journey' or 'Prevention of loss' automatic benefits
- send us as soon as possible anything you receive from another person about a claim or possible claim against you
- let us know as soon as possible if you are charged with any offence connected to the **use** of any boat or boat trailer that resulted in **loss** to another person's property or **injury** to another person
- provide any information or documents we require as soon as possible
- attend any meetings, or court hearings to give evidence, if we require this
- give us any help we ask for.

## What you must get our agreement to first

As part of a claim, you must get our agreement before you do any of the following:

- incur any expenses connected to a claim under your policy, except for expenses provided under the 'Completion of journey' or 'Prevention of loss' automatic benefits
- remove anything that is fixed to your boat
- negotiate, pay, settle, admit or deny a claim against you
- do anything that may affect our rights of recovery
- negotiate, offer to pay, or pay any **reparation**, such as make an offer as part of a pre-trial conference or sentencing hearing.

## What we may do

As part of a claim, we may decide to act on your behalf to do any of the following:

- Negotiate, defend or settle a claim against you that is covered under your policy. We cover the reasonable legal costs of these actions.
- Recover anything covered under your policy from another person. If we do this, we may also recover any uninsured loss you sustain in the same **event**.

We deduct the recovery costs we incurred from any amount recovered and share the remaining amount with you on a proportional basis.

You must co-operate fully with any action we take on your behalf.

See also 'How we pay claims – some examples' at the end of this document.

# Conditions of your cover

This section explains the conditions you must meet to have cover under your policy. Some of these conditions also apply to any other person covered under your policy.

## Breach of any condition

If you or any other person covered under your policy, or anyone acting on your or their behalf, breaches any of the conditions of your policy, we may do one or both of the following:

- decline your claim, either in whole or in part
- decline any claim connected to the same **event** that you make on any other policies you have with us.

## Dishonest or fraudulent act or omission

If you commit a dishonest or fraudulent act or omission, we may avoid your policy and any other policy you have with us. This means we treat your policy or all insurance you have with us as if it no longer exists. The avoidance will take effect from the date of the dishonest or fraudulent act or omission.

This condition also applies to:

- anyone acting on your behalf
- anyone covered under your policy and anyone acting on their behalf.

## True statements and answers

You must give true statements and answers in all communications with us, and so must any other person covered under your policy.

Giving true statements and answers includes being truthful when you:

- apply for your policy
- make a change to your policy
- make a claim
- let us know about any change in circumstances.

## Cancelling your policy

Your policy can be cancelled in several ways.

### By you

You may cancel your policy at any time by letting us know. Cancellation will take effect once you tell us, or from another date we both agree on.

We refund any premium paid for the period you have no cover. You pay any premium owing for the period you had cover.

### By us

We may cancel your policy at any time by sending you notice in writing or electronically at your last known address. Unless stated otherwise in your policy, cancellation will take effect from the 14th day after the date of the notice.

We refund any premium paid for the period you have no cover.

## Automatically

Your policy will be automatically cancelled once we settle a **total loss** claim. The cancellation will take effect from the end of the day of the **loss**. For details, see 'After we settle a total loss claim' in 'Section one – cover for your boat'.

We do not refund or credit any premium paid.

Once we settle a total loss claim, you will need to make new insurance arrangements on any replacement boat, as your policy will be automatically cancelled.

## Change in circumstances

You must let us know as soon as possible if your circumstances change, and the change may affect any of the following:

- the chance of a claim under your policy
- the amount of a claim under your policy
- the information in your **policy schedule**.

If the change in circumstances affects any of these, we may cancel or change the terms of your policy. Any cancellation or change of terms will take effect from the date of the change in circumstances.

### Examples of a change in circumstances that you need to let us know about:

- you change the address where you usually keep your boat
- you are convicted of a criminal offence
- you modify your boat in a way that we need to know about (see the list of modifications in your policy schedule)
- you will use your boat for charter or hire.

If you are not sure whether we need to know about something, it is important that you check with us.

## Change of terms

We may change the terms of your policy (including the excess) at any time by sending you notice in writing or electronically at your last known address. Unless stated otherwise in your policy, the change in terms will take effect on the 14th day after the date of the notice.

## Changes to Crown entities

Any reference to any Crown entity includes any new name given to that entity, and any replacement entity that is responsible for the same or similar functions.

## Changes to legislation

Any reference to any Act of Parliament or related regulations or rules your policy refers to includes any amendments made or replacements to that law.

## Currency

All amounts shown in your policy are in New Zealand dollars.

## Duplicate insurance

You must let us know as soon as possible if any other insurance covers you for any risks covered under your policy. We do not cover **loss** or liability that is insured to any extent under any other insurance. We also do not contribute towards any claim under any other insurance.

## Goods and Services Tax (GST)

All amounts shown in your policy include Goods and Services Tax.

## Governing law and jurisdiction

The law of New Zealand applies to your policy and the New Zealand courts have sole jurisdiction.

## Insurance Claims Register

We may put details of any claims you make on the Insurance Claims Register. This is a database of insurance claims that participating insurers can access. We may get personal information and details of insurance claims you have made from the Insurance Claims Register.

## Joint insurance

If your policy covers more than one person, everyone is jointly covered and must meet your policy terms and conditions. If any person does not meet your policy terms and conditions, we may decline a claim or treat your policy as if it never existed.

### Example of joint cover when making a claim

**Situation:** Your boat is damaged while being towed by a vehicle driven by a person who is covered under your policy. The driver was over the legal alcohol limit at the time. You make a claim for the damage.

**Cover:** No.

## Other parties with a financial interest

If any other party has a financial interest over the covered property, we may do any of the following:

- Pay part or all of any claim settlement to that other party. This payment will go towards meeting the obligations we have under your policy.
- Give information about your policy and any claim to that other party.

Any other party who has a financial interest over the covered property is not covered under and cannot claim under your policy.

## Reasonable care

You must take reasonable care to avoid situations that could result in a claim. We will not accept a claim resulting from you or any other person covered under your policy being reckless or grossly irresponsible.

# Definitions

The definitions apply to the plural and any other form of the words. For example, the definition of 'accidental' also applies to the words 'accident', 'accidents' and 'accidentally'.

**accidental** means unexpected and unintended by you or any other person covered under your policy who is **using** your boat, including its trailer, or any other boat or boat trailer.

**event** means any one or more occurrences of covered **loss** or liability during the **period of insurance** arising from one source or original cause or related causes.

**incident** means something that happens at a particular point in time, at a particular place and in a particular way.

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

**loss** means physical loss or physical damage.

**market value** means the estimated reasonable cost to replace your boat, accessory or modification with one of the same make, model, year, specification and condition just before the **loss**.

**partner** means your husband or wife, or the person living with you in the nature of marriage.

**period of insurance** means the period of insurance shown in your **policy schedule** that specifies the start and end dates of your policy.

**policy schedule** means the latest version of your policy schedule outlining the details of your cover.

**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.

**sum insured** means the sum insured for your boat, including its accessories and any modifications, shown in your **policy schedule**. The motor and trailer described in your **policy schedule** are also included in this sum insured.

**total loss** means your boat is either:

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

## Example of when we may decide your boat is a total loss

We may decide your boat is a total loss if the expected cost of the repair is uneconomic compared to the market value of your boat just before the loss, or your sum insured if that is less.

You are responsible for checking that your sum insured is enough to cover the value of your boat, including its accessories and modifications, and the motor and trailer described in your policy schedule.

**use** means:

- driving, sailing, berthing, mooring, docking, anchoring or living in any boat
- parking or garaging any boat trailer
- getting in, on, off or out of, or being in or on, storing or towing any boat or boat trailer.

# How we pay claims – some examples

The following examples show how a claim payment might be calculated and what amount you may be required to pay. These examples do not cover all scenarios or benefits and do not form part of your policy.

## Claim example 1 – repairing your boat

While towing your boat on its trailer, you have a crash with another vehicle where you are at fault. Your car and the other vehicle are not damaged, but your boat and its trailer are damaged and cannot be towed by your car.

<b>Sum insured</b>	Market value \$25,000
<b>Boat excess</b>	\$500

You make a claim and we arrange for your boat and its trailer to be towed from the location of the accident to a repairer. You take your valuables from your boat with you.

We accept your claim.

### What the costs are

The towing cost is \$350.

We estimate the cost to repair your boat and its trailer to be \$2,250.

### How we settle your claim

We pay the towing company \$350 and pay the repairer \$1,750 (being the cost of repairs of \$2,250 less the \$500 boat excess).

You pay the repairer the boat excess of \$500.

## Claim example 2 – total loss

While driving your boat, you have a crash with another boat. The other boat is not damaged, but your boat is undriveable.

<b>Sum insured</b>	Market value \$34,700  The most we pay is the value of your boat based on its condition just before the damage, or the sum insured if that is less
<b>Boat excess</b>	\$1,000
<b>Premium payment frequency</b>	Monthly instalments

You make a claim and we arrange for your boat to be towed from the location of the accident to a repairer. You take your valuables from your boat with you.

We accept your claim.

### What the costs are

The towing cost is \$300.

We decide your boat is a total loss.

As you have a market value policy, the most we pay is based on your boat's condition just before the damage. Your sum insured is \$34,700, and in this case, the market value of your boat just before it was damaged was \$32,500.

## How we settle your claim

We pay the towing company \$300 and pay you \$31,280, calculated as:

<b>Market value</b>	\$32,500
<b>Less the boat excess</b>	– \$1,000
<b>Less the remaining unpaid monthly instalments</b> (since you pay the premium in instalments, we deduct any premium you owe us up to the end of the period of insurance before we settle a total loss claim)	– \$220
<b>TOTAL</b>	<b>\$31,280</b>

## What happens next

After we settle your total loss claim, your boat (including its trailer) and any salvage become our property. We deregister your boat and keep any refund for the unused portion of the boat trailer's vehicle licence.

You remove and keep your personal belongings that are not permanently attached to your boat.

Your policy is automatically cancelled from the end of the day of the loss. You want us to cover a new boat, so you apply for a new policy.

## Claim example 3 – boat stolen and recovered

Your boat is stolen and you report this to the police. A few days later, your boat is found damaged and with missing accessories, including your life jackets, distress flares and emergency beacons. Contents of your boat including fishing rods, crockery and cutlery, are also missing.

<b>Sum insured</b>	Market value \$10,000
<b>Contents limit</b>	\$2,500
<b>Boat excess</b>	\$500

You make a claim. We accept your claim.

## What the costs are

We estimate the cost to repair your boat to be \$2,000.

The market value of the missing accessories is \$750.

The reasonable cost to replace the missing contents with equivalent items of a similar age and condition is \$1,000.

## How we settle your claim

We pay the repairer \$2,000 and pay you \$1,250, calculated as:

<b>Market value of the missing accessories</b>	\$750
<b>Plus the reasonable cost to replace the missing contents with equivalent items of similar age and condition</b>	\$1,000
<b>Less the boat excess</b>	– \$500
<b>TOTAL</b>	<b>\$1,250</b>

## Claim example 4 – liability claim for damage to someone else’s property

While driving your boat at a marina, you lose control and crash it into someone else’s berthed boat.

<b>Liability limit</b>	\$5,000,000
<b>Boat excess</b>	\$500

The boat owner makes a claim with their insurer for the damage to their boat. The boat owner’s insurer considers you legally liable for the damage and seeks to recover the cost from you. You make a claim for legal liability. We agree you are liable for the claim made against you and accept your claim.

### What the costs are

The boat owner’s insurer assesses that you are liable to pay \$8,000.

### How we settle your claim

We act on your behalf. We pay the boat owner’s insurer \$8,000, the cost we agree is reasonable for their repairs. We decide the damage to your boat is repairable, so you pay the boat excess of \$500 to the repairer of your boat and we pay the remaining reasonable repair costs.

## Claim example 5 – damage to your boat while on a journey

While driving your boat, you hit a rock, damaging your boat. You manage to get your boat to shore but cannot take it any further, and you cannot continue your journey or return home.

<b>Sum insured</b>	Market value \$6,500 The most we pay is the value of your boat based on its condition just before it was damaged, or the sum insured if that is less
<b>Boat excess</b>	\$700
<b>Premium payment details</b>	Annual premium, paid in full

### You make a claim.

We accept your claim.

We arrange for your boat to be moved from the location of the accident to a storage location. You take your valuables from your boat with you.

While we assess your boat, you arrange accommodation for you and the passengers from your boat. We cover one night’s accommodation under the ‘Completion of journey’ automatic benefit, up to \$1,000.

### What the costs are

The towing cost is \$500.

The accommodation cost is \$400.

We decide your boat is a total loss.

As you have a market value policy, the most we pay is based on your boat’s condition just before the damage. Your sum insured is \$6,500 and in this case, the market value of your boat just before it was damaged was \$5,250.

## How we settle your claim

We pay the towing company \$500 and pay you \$4,950, calculated as:

<b>Market value of your boat</b>	\$5,250
<b>Plus reimbursement of accommodation cost</b>	\$400
<b>Less the boat excess</b>	– \$700
<b>TOTAL</b>	<b>\$4,950</b>

## What happens next

After we settle your total loss claim, your boat (including its trailer) and any salvage become our property. We deregister the boat and keep any refund for the unused portion of the boat trailer's vehicle licence.

Your policy is automatically cancelled from the end of the day of the loss. We do not refund or credit any premium. You want us to cover a new boat, so you apply for a new policy.

## Claim example 6 – excess greater than repair cost

You accidentally reverse your boat into a jetty and you do minor damage to the rear of your boat. The jetty is not damaged.

<b>Sum insured</b>	Market value \$55,000
<b>Boat excess</b>	\$1,000

You make a claim.

## What the costs are

Our repairer assesses the cost to repair your boat to be \$800.

## What happens next

You do not go ahead with your claim, as the boat excess is more than the repair cost. You arrange and pay for the repairs to your boat.

## **Boat Insurance**

Copyright (2025) IAG New Zealand Limited

**[ami.co.nz](https://ami.co.nz)**

AMI has relationships with insurance intermediaries who issue our policies. AMI is a business division of IAG New Zealand Limited. IAG New Zealand Limited pays remuneration to insurance intermediaries when they issue AMI policies, and when these policies are renewed or varied. This policy document is subject to copyright.

**Form no: AMI0067/8 Issued: December 2025**