

Pleasure Craft Insurance Policy

Policy Wording



CLUB
MARINE
INSURANCE



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Club Marine Pleasure Craft Insurance

Policy Wording

Section A - About Club Marine Pleasure craft Insurance

About Club Marine and Allianz Australia Insurance Limited

Club Marine specialises in providing insurance products for pleasure craft and commercial leisure craft. Evolving from a background of over 25 years as a specialist in pleasure craft insurance in New Zealand, Club Marine provides boat owners and their families with an integrated range of services designed to maximise their enjoyment on the water.

Allianz Australia Insurance Limited ABN 15 000 122 850 (Incorporated in Australia) trading as Club Marine, Level 11, Tower 1, 205 Queen Street, Auckland 1010 (Club Marine) is the insurer of the Policy and is part of one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to Our customers. As a member of the worldwide Allianz Group, We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing globally new product developments and a wide range of risk management services.

Policy Wording

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

- Decide whether this insurance meets Your needs; and
- Compare this insurance with others You may be considering.

You should read this document in its entirety to understand the coverage available and the Terms and Conditions which apply in relation to this Insurance.

Any advice contained in this document is general advice only and does not take into account Your individual objectives, financial situation or needs.

Because of this You should consider the appropriateness of the advice and this product having regard to Your objectives, financial situation and needs.

Significant features and benefits of the Club Marine Pleasurecraft Insurance Policy

By way of summary only, this Pleasurecraft Insurance provides the following covers:

Section 1 Accidental Loss or Damage to Your Boat

This section covers Accidental Loss or Damage, Fire and/ or Explosion or Theft to Your Boat and certain other property up to the sum insured and limits specified in the Schedule or this document. Additional limits apply to certain property such as Fishing Gear, Water Ski Equipment, Diving Equipment, Tools and Personal Effects. If You obtain an Agreed Value Policy rather than a Market Value Policy, We will pay You up to the Amount We agree with You for Your Boat. If You obtain a Market Value Policy We will pay You up to Our assessment of the sale value of Your Boat.

Section 2 – Liability to other people

This section covers Your and certain other persons' legal liability to pay compensation for property damage, and in some cases death and Injury, up to the sums insured noted on the Schedule (including legal costs and expenses) to other people in certain circumstances.

Section 3 – Injury to the Named Insured

This section covers Named Insureds up to the sums specified in this document and the Schedule for death and certain specified Injuries.

If more than one person is a Named Insured, the amount paid to each insured will be the amount payable under this section divided by the number of insureds.

Please refer to each cover section for details of the basis on which We settle any claim under the above cover sections.

Make sure You understand what is and is not covered

Section B of this document sets out the cover(s) We are able to provide You with. You need to decide if the limits, type and level of cover(s) are appropriate for You and will cover Your potential loss. If they are not, You may be underinsured and have to bear part of any loss You are not covered for Yourself.

Not everything is covered by this Insurance. Policy limits and conditions apply. It is important that You read this document carefully, so that You can understand what We cover and the limitations.

Read 'Words with special meanings' (see pages 9 to 13) to ensure You understand what We mean by terms used in relation to the cover We provide. For example 'Market Value' and 'Agreed Value' are defined terms that affect what We cover You for.

Make sure You understand what We do not cover. Each cover has specific exclusions that apply to it.

You should also ensure that You comply with the 'General conditions' and 'Claims conditions' of the Policy which set out certain obligations that You have. If You don't comply with them We may refuse to pay a claim.

We will only cover Your interest in the insured property unless We specifically include cover for the interest of a third party.

For full details of what We do and do not cover please read this document together with Your Schedule once issued.

Excess

If You make a claim under Your Policy You may first have to pay an Excess. We pay the relevant amounts We cover You for above any Excess. We tell You when You apply for cover what Excess(es) apply and the amount(s). We specify any Excess on the Schedule when We issue cover.

Applying for cover

To apply for this insurance You must complete Our application form and send it or submit it online to Us. Depending on the information You provide on Your application, We may ask You for further information.

When completing the application or providing Us with additional information in relation to Your application, You must comply with Your duty of disclosure. For details of this duty refer to ‘Your duty of disclosure’ on page 34 of this document.

Where We agree to provide cover We will issue You with a Schedule which sets out:

- The Period of Insurance;
- Your premium;
- The covered property;
- The limits for those covers;
- The Excesses that will apply to You or others;
- Any variation to the standard terms.

The premium We charge You is based on a number of factors including Your risk profile (e.g. where Your Boat is located, the type of Boat being insured and its value, and Your insurance history etc.) It includes any amounts that take into account Our actual or estimated obligation to pay any relevant compulsory Government charges (GST and Fire Services Levy where applicable) in relation to Your Policy as well as other additional charges We tell You about.

We will tell You, when You apply, what premium is payable, when it needs to be paid and how it can be paid. Additional charges may apply if You pay Your premium by instalments. Special conditions also apply to instalment payments – see the “General conditions” section of this document for details.

You may be eligible for a ‘No Claim Bonus’, which is a discount off Your premium. The No Claim Bonus You receive will depend on the number of years You have insured Your Boat and the number of claims You have had. You are eligible for the maximum No Claim Bonus if You have experienced no pleasure craft related claims in the last five years.

Your Schedule will show a no claim rating from 1-5. The No Claim Bonus works as follows:

Rating 1 – receives a 25% discount

Rating 2 – receives a 20% discount

Rating 3 – receives a 15% discount

Rating 4 – receives a 10% discount

Rating 5 – receives no discount.

Your No Claim Bonus will be reduced by 2 ratings for any claim You make under the Policy. (e.g. If You were on a No Claim Bonus rating 1 and make a claim Your next renewal would be offered on rating 3). Where You do not have a rating 1, You improve one rating each year that You do not make a claim. The above discounts may be changed by Us on renewal and We will tell You when this is the case.

For each claims free year You have with Club Marine without a break in cover, Your Policy gains protection points. Once You have five (5) protection points (i.e. 5 years claims free) and then make a claim, Your No Claim Bonus rating will not be affected by that claim. However any subsequent claims may affect Your No Claim Bonus rating.

Cooling off period

You have a cooling off period which means You can return Your Policy within 21 days of cover commencing and We will refund the premium paid unless You have made or are entitled to make a claim under the Policy. After the cooling off period ends You can cancel the Policy by notifying Us in writing, however We can choose to deduct a pro rata proportion of the premium for time on risk, reasonable administrative costs related to the purchase and termination of the Policy and any amounts in relation to Government taxes, duties, charges or levies paid for the Policy that We cannot recover.

In addition to cooling off You have cancellation rights (see 'Cancellation rights' on page 25 - 26) for full details of Your cancellation rights).

Section B – Your cover

Where We have agreed to cover You, Your Policy will consist of:

- This printed Policy Wording, which sets out details of Your cover and its limitations;
- The Schedule We issue to You, which shows the terms and conditions that apply specifically to You, such as the Excesses that apply, the maximum speed of Your Boat and any Geographic Limits; and
- Any written endorsements We issue amending the terms of the cover or any other document that We tell You forms part of the terms and conditions of Your cover.

You should carefully read and retain this document, the Schedule and any other document referred to above. These documents should be read together as they jointly form the contract of insurance between You and Us. Any new or replacement Schedule We may send You, detailing changes to Your insurance or the Period of Insurance, will become the current Schedule, which You should carefully read and retain.

Where We have agreed to cover You We will insure You for the cover(s) specified on the Schedule for the Period of Insurance on the basis:

- That You have paid, or agreed to pay Us the premium for the cover(s) You selected when You applied for this insurance and which the Schedule indicates are in force;
- Of the verbal and/or written information provided by You which You gave having been advised of Your duty of disclosure either verbally or in writing. If You failed to comply with Your duty of disclosure, We may be entitled to cancel Your Policy from its beginning.

For Your assistance We have provided a full explanation of Your duty of disclosure and the consequences of non-disclosure under the heading 'Your duty of disclosure' on page 34.

Words with special meanings

To understand this Policy, You need to know what We mean by certain words. We explain the meaning We give these important terms below:

‘Accidental Loss or Damage’ means physical loss and/or damage which occurs by Accident.

‘Accident’ means a happening that is unforeseen and unintended by You.

‘Agreed Value’ means the amount We agree to pay in the event of a Total Loss of the Boat less the Policy Excess. This is the amount that was agreed by You and Us in writing prior to the Total Loss and is valid until the next renewal date. In the event of a Total Loss We reserve the right to replace the Boat at Our option with a boat of similar type and quality.

‘Boat’ means the insured boat, which is either the boat described in the Schedule or a Replacement Boat. It also includes the insured Boat’s:

- Hull(s);
- Motor(s);
- Masts, Spars, Rigging and Sails;
- Trailer (but only if specifically noted as covered on the Schedule);
- Equipment and Accessories;
- Boat Tender;
- Personal Effects (but only when on the insured boat or the Boat Tender).

‘Boat Tender’ means an auxiliary boat or dinghy (including motor) which is carried on deck or towed behind Your Boat that is used as a lifeboat or way of transportation to Your Boat, excluding any personal watercraft unless agreed and extended in writing.

‘Computer Technology’ includes but is not limited to, any or any combination or part of data, computer hardware, operating system, application, software and computer chip including microprocessor chip or embedded control logic and irrespective of by whom it is owned or operated.

‘Club Care Benefits’ means assistance following an emergency or unforeseen incident which gives rise to a claim under this Policy including:

- Emergency delivery of fuel;
- Returning Your Boat to Home following repairs;
- Reasonable costs of;
 - medical evacuation and patient transport;
 - temporary accommodation (up to five nights);
 - transport home (economy class or equivalent)

‘Diving Equipment’ means masks, snorkels, flippers, regulators, tanks, buoyancy compensation devices, compressors owned by You.

‘Equipment and Accessories’ means safety equipment that meets statutory or other legal requirements and any other equipment. This includes boat canopies, electronic devices used for navigational purposes, Fishing Gear, Water Ski Equipment, Diving Equipment and Tools (but not fishing tackle). Air docks/berths upon application with nominated value and agreed to by You and Us in writing. It excludes Personal Effects and anything not owned by You unless You advise Us and We agree to extend cover in writing.

‘Excess’ means the amount shown on the Schedule which You must first pay when You make a claim under Your Policy (see the section of this Policy called ‘Claims conditions’ for more details on Excess payments).

[No Excess is applicable to third party Injury claims under Section 2 and Section 3 of the Policy.]

Berthing – Unless we have specified otherwise in the schedule (e.g. a specific cyclone excess), no Excess is payable where at the time of the loss Your Boat is berthed at the commercial marina or Your private jetty/pontoon named in the Schedule as the usual place of storage. Please note that the marina or private jetty/pontoon must be suitably designed and engineered to accommodate Your Boat and be adequately maintained.

‘Fire and/or Explosion’ means Accidental damage caused to the Boat from the combustion of materials.

‘Fishing Gear’ means rods & reels used for the purpose of recreational/sport fishing owned by You.

“Geographic Limits” means:

- those waters up to 250 nautical miles off New Zealand’s North and South Islands unless restricted or noted on the Schedule. Refer to page 27 under general exclusions for Geographic Limits.
- Whilst the vessel is in transit on its own trailer within New Zealand

‘Home’ means the location of Your Boat’s usual berth, mooring or storage facility as shown in the Schedule.

‘Hull’ means the hull, deck, cabin, deck fixtures and fittings on or below the deck of Your Boat.

‘Injured’ or **‘Injury’** means bodily injury caused solely and directly by violent, external and visible means, including exposure to the elements.

‘Insurance Broker’ means an Insurance Broker appointed by You to act on Your behalf.

‘Latent Defect’ Any flaw in the material used in the construction of the Boat that has now become evident but would not have previously been discoverable by a competent tradesperson carrying out an inspection.

‘Lawful Seizure’ loss or damage to Your Boat caused directly by any Government authority acting in the interest of public welfare to prevent or mitigate a pollution hazard which has arisen directly from damage to Your Boat which is covered by this Policy.

‘Lay Up’ If this cover is noted as applying to Your Policy on the Schedule, We will only cover You for Accidental Loss or Damage to Your Boat that occurs when the Boat is within the gates, walls or fences of Your home address specified on the Schedule (or at another location if You advise Us and We agree to extend cover in writing) during the months specified on the Schedule.

‘Lay up’ is extended to provide cover whilst going to, at, and returning from a boat dealer for servicing and maintenance or during a claim. The cover can be amended by contacting Our offices directly or through Your Insurance Broker.

‘Market Value’ means the sale value of the Boat immediately prior to the claimed loss or damage taking into account the condition and location of the Boat.

‘Masts, Spars, Rigging and Sails’ means the masts, booms, fittings, spinnaker poles, standing and running rigging and sails of Your Boat.

‘Moorings’ means any structure or item (not being part of the boat which we have agreed to cover) to which your boat is, or may be, secured when not being used.

‘Motor’ means stern drive units, inboard and outboard engines described in the Schedule and includes the propeller, shaft, gearbox, skeg, jet unit, wiring harness, instruments, portable fuel tank, battery and control cables and generator.

‘Period of Insurance’ means the period of insurance shown on the Schedule, subject to prior termination in accordance with the Policy.

‘Personal Effects’ means personal items belonging to You or Your immediate family, limited to clothing, shoes, waterproof gear, wetsuits, prescription glasses and manchester.

‘Policy’ means Our agreement with You, including this policy wording, the Schedule and any endorsements We issue in writing which may change the standard cover.

‘Recovery/Detention’ means loss or damage to Your Boat and reasonable legal expenses incurred in the release of Your Boat following impounding, arrest, detention, confiscation or similar act by any Government as a result of any act committed without Your knowledge by a charterer, or crew member.

‘Repairer’s Negligence’ means loss or damage to Your Boat caused by the negligence of any repairer engaged by Us to repair Your Boat in relation to a previous claim on Your Policy. This does not include cover for Section 2 of the Policy (Liability to other people).

‘Replacement Boat’ means a boat purchased by You to replace Your Boat described on the Schedule, which has been notified to Us within 30 days of its purchase and agreed to be covered by Us in accordance with Your Policy.

‘Salvage Charges/Wreck Removal/Precautionary Measures/Emergency Assistance’ means reasonable charges and expenses incurred by You in preventing or minimising any loss or damage covered by Section 1 of Your Policy. Including costs associated with removal of wreck. Such charges are paid in excess of any payment for the loss or damage to Your Boat and are not limited by the sum insured.

‘Schedule’ means the schedule in respect of Your Policy, which We have most recently given to You or sent to Your last known address or Insurance Broker.

‘Social Yacht Racing’ means yacht racing which does not include the use of spinnakers and/or extras, and does not exceed a distance of 25 nautical miles measured by the most direct route of the course, within the Geographical Limits of the Policy.

‘Theft’ means a claim resulting from someone taking Your Boat or components without Your knowledge, consent or agreement with the intention of depriving You of them.

‘Tools’ means tools kept permanently on Your Boat for emergency, breakdown and maintenance purposes.

‘Total Loss’ means the loss of Your entire Boat or damage to Your Boat. A boat is considered to be a Total Loss (a constructive total loss) in circumstances where, following insured damage, Your Boat is, in our opinion, uneconomical to repair or requires repairs costing more than the Market Value of Your Boat or the sum insured.

‘Trailer’ means the trailer noted as covered in the Schedule and its winch including power winch.

‘Water Ski Equipment’ means water skis, wakeboards, knee boards, ski biscuits, vests and ropes owned by You.

‘We’, ‘Us’ and ‘Our’ means Allianz Australia Insurance Limited ABN 15 000 122 850 (Incorporated in Australia) trading as Club Marine, Level 11, Tower 1, 205 Queen Street, Auckland CBD.

‘You’, ‘Your’ or ‘Named Insured(s)’ means the person or persons/company named on the Schedule as the Named Insured(s).

Please remember, if more than one person is insured by this Policy, any act, omission, statement or claim by any one of the insured people has the same effect as an act, omission, statement or claim by all of those people.

Please note that the following covers (Sections 1, 2 and 3) are subject to the sections of this Policy called 'General conditions', 'General exclusions' and 'Claims conditions' as well as the other terms of Your Policy.

Section 1 – Accidental Loss or Damage to Your Boat

What We cover

We will cover You for Accidental Loss or Damage, Fire and/or Explosion and Theft to Your Boat which occurs during the Period of Insurance:

- Within the Geographic Limits;
- Including whilst Your Boat is in transit on its own Trailer provided Your Boat is designed to be towed on the Trailer and all statutes and laws regarding the towing of Your Boat on the Trailer are complied with;
- whilst being transported by a professional road haulier providing You have advised Us beforehand and We have agreed to extend the cover in writing. We may require a variation to Your standard Excess and an additional Premium.

At Our option set out below, We will (subject to payment of the relevant Excess):

- Repair or replace Your Boat with a boat of similar type and quality ; or
- Pay You the reasonable cost of repairing or replacing Your Boat; or
- Pay You up to the Market Value of Your Boat, unless Your Schedule shows that Your Boat is insured for an Agreed Value, in which case We will pay You up to the Agreed Value. The Agreed Value will only be paid when there is a Total Loss or where We decide that the entire Boat can not be satisfactorily repaired;

but, We will not pay more than the applicable sum insured and limits specified in the Schedule or this Policy.

If we decide to repair or replace the Boat, We will reimburse You for the reasonable cost of repairs and/or replacements required to bring the Boat as near as possible to its appearance and condition immediately prior to the claimed loss or damage.

We will deduct an amount for wear and tear and depreciation based on the age of the Boat.

In respect of damage to a Motor up to five years old, We will reimburse You for the costs of new mechanical and electrical components up to the Market Value of the Motor. In this case We will not make a deduction for wear and tear, and depreciation.

The maximum We will pay You in respect of any one Accident or Theft for:

- Fishing Gear, Water Ski Equipment, Diving Equipment and Tools is limited to \$500 for each item and \$5,000 in total for all items combined unless otherwise agreed on the Schedule;
- Personal Effects is limited to \$500 for each item and \$5,000 in total for all items combined unless otherwise agreed on the Schedule.

Note, if We agree in writing limits may be increased.

We will cover Your Boat:

- If You are involved in volunteer marine rescue;
- For a Latent Defect where this has caused loss or damage to Your Boat;
- For Repairer's Negligence;
- For Lawful Seizure, but not if it results from a lack of reasonable care in the safeguard, protection and /or security of Your Boat or illegal activities;
- For Recovery/Detention.

We will also cover You for loss of entry fees that are not refundable and paid by You and Your crew up to \$1,000 should a claim under the Policy cause You to withdraw from a fishing tournament or yacht racing event. The cover provided by this benefit will only be paid if the loss or damage sustained by Your Boat necessitates Your withdrawal (prior to the commencement of the event) and no Excess will apply for these lost entry fees.

We will also pay, over and above the Section 1 sum insured shown on the schedule, but not exceeding an amount equal to the value of the Boat in the aggregate per event, the reasonable costs of minimising or preventing further insured loss to Your vessel following an insured event. This includes, but is not limited to:

- Salvage costs to recover the Boat or remove it to safety, if Your Boat gets into difficulties or is damaged by an insured event whilst afloat;
- The costs of inspecting the hull of Your Boat following an Accidental grounding (or a deliberate grounding to prevent further loss or damage to your Boat following an insured event) to ascertain the extent of damage, if any;
- The cost of removing the wreck of Your vessel where You are legally required to remove it by local or government authorities

We will further pay (without application of an excess:)

- up to \$5,000 in total for all Club Care Benefit claims
- up to \$1,000 for land transit towing costs in towing Your Boat by trailer to the nearest place where repairs can be made (provided Your Boat is designed to be towed by such a trailer)

What We don't cover

In addition to the General exclusions on pages 27 - 30 of the Policy, We will not cover You:

A. Types of property

We will not cover You for loss or damage to:

1. Cameras, portable radios and mobile phones, provisions and fuel, unless You advise Us and We agree to extend cover to them in writing;
2. Moorings;
3. Personal Effects of You, Your family or any passengers on Your Boat, Tools, Fishing Gear, Water Ski Equipment, Diving Equipment and other sports/leisure equipment not normally sold

with the Boat unless they were stored on or being used on Your Boat at the time of loss or damage;

4. The tyres of Your trailer, that occurs by applying the brakes, or by punctures, cuts, or bursting of tyres.

B. Events

We will not cover You for:

1. The cost of improving or altering Your Boat,
2. The cost of :
 - a. rectifying a latent defect, fault or error in design or construction;
 - b. repairing or replacing any part of Your Boat due to mechanical and/or electrical breakdown or failure, unless We have agreed to extend cover in writing.
3. Replacement of mechanical or electrical parts with items that are not in accordance with the manufacturer's original specifications.
4. Malicious damage caused by any person or persons named in the Schedule.
5. Emotional, psychological or sentimental loss which occurs due to loss or damage sustained to Your Boat.
6. Loss or damage:
 - a. to an outboard Motor when secured to Your Boat or the Boat Tender in a manner other than that specified or recommended by the manufacturer of the Motor, Your Boat or the Boat Tender;
 - b. to a Motor caused by or resulting from seizure and/ or overheating unless caused by an external blockage;

- c. which is a secondary financial loss sustained by You as a result of loss or damage to Your Boat or other insured property or associated loss or damage;
- d. to sails caused by the wind or water, unless Your Boat is stranded, sunk or in a collision or suffers mast or rigging failure.

7. Theft:

- a. By persons to whom Your Boat has been entrusted;
- b. Of Personal Effects of You, Your family or any passengers on Your Boat, Tools, Fishing Gear, Water Ski Equipment, Diving Equipment and other sports/leisure equipment not normally sold with the Boat unless this follows forcible and violent entry into a lockable part of Your Boat.

Section 2 – Liability to other people

What We cover

We will cover the following persons for their legal liability to pay compensation in circumstances specified in 1. to 5. below, up to the sums insured noted on the Schedule inclusive of legal costs and expenses (as specified in 6. below), to another party.

1. Use of Your Boat

You or any person in charge or control of Your Boat with Your permission (excluding boat builders, repairers, yacht clubs and marine operators except as provided by this section), for death or Injury and/or damage to property during the Period of Insurance caused by or arising out of the use of Your Boat within the Geographic Limits;

2. Use of another boat

You for death or Injury and/or damage to property during the Period of Insurance caused by or arising out of the use by You of another boat (including its hull, motor, masts, spars, rigging and sails and tender), within the Geographic Limits, provided:

- You have permission to use the other boat from its owner;
- Your Boat is not being used at the time; and
- You or any member of Your household do not own or have an interest in the other boat.

3. The discharge, release or escape of fuel, lubricants or sewage from holding tanks

You for property damage during the Period of Insurance caused by or arising from sudden and accidental pollution directly or indirectly arising from the discharge, release or escape of fuel, lubricants or sewage from holding tanks from Your Boat within the Geographic Limits, other than liability arising from or connected with:

- Your own recklessness, deliberate actions or misconduct;

- The recklessness, deliberate actions or misconduct of any person in possession of Your Boat with Your permission;
- Fuel or lubricants not being used in connection with the operation of Your Boat at the time of loss; or
- Fines, punitive, aggravated or exemplary damages.

We will pay no more than \$500,000 for any one discharge, release or escape or series of discharges, releases or escapes arising out of the same event in relation to this cover, including legal expenses.

4. Water-skiing

You and/or any person using Your Boat with Your permission and/or any person engaged in water-skiing, wakeboarding and/or aquaplaning activities (using only recognised and commercially manufactured Water Ski Equipment and/or barefoot water-skiing) while being towed by Your Boat within the Geographic Limits during the Period of Insurance, for:

- Death or Injury to a water skier being towed by Your Boat;
- Death or Injury to any person caused by a water skier who is being towed by Your Boat;
- Property damage caused by a water skier who is being towed by Your Boat.

However, this cover will only apply if a person on board Your Boat is competently and in accordance with relevant legal requirements, observing the water skiing and/or aquaplaning activities. This observer must be in addition to the person in control of Your Boat at the time of any incident giving rise to a claim and must be acting in accordance with any legal requirements.

5. Marina liability cover

You for legal liability imposed upon You by the terms and conditions of a lease or agreement with You for the provision of a berth, mooring or storage facility for Your Boat.

6. Legal costs

Provided We first agree in writing, We will pay for all legal costs and expenses incurred in defending any court proceedings which may arise in respect of any

liability covered by this section, save that We will not pay for any legal costs and expenses relating to any criminal, maritime or traffic proceedings.

What We don't cover

In addition to the General exclusions on pages 27 - 30 of the Policy, we will not cover legal liability:

1. Incurred by boat builders, repairers, yacht clubs or marina operators in respect of liability for third party personal injury or property damage:
 - (a) resulting from a negligent repair performed by such parties on your boat; or
 - (b) when they are in charge of or in control of Your Boat, other than during an emergency for the purpose of minimising any loss or damage covered by Section 1 of Your Policy;
2. Arising other than from the Hull, Motors, Masts, Spars, Rigging, Sails Equipment and Accessories being on and/or used on Your Boat, Boat Tender or Trailer;
3. Incurred while Your Boat is attached to or when it becomes accidentally detached from a motor vehicle in motion, other than during launching or hauling out of the Boat from the water.
4. For loss or damage occurring to property owned by You or in Your physical or legal control or owned by any person using Your Boat or in their physical or legal control;
5. For the death or Injury of a person who is employed or contracted in the operation of Your Boat or should have been covered by any compulsory compensation insurance;
6. For disease that is transmitted by You or anyone using Your Boat;
7. Arising out of the towing of any persons or objects in the air;
8. For any fines or penalties and/or aggravated, punitive or exemplary damages;
9. For any relief or recovery other than monetary amounts;

10. Arising from a contract that imposes on You a liability which You or a covered person would not otherwise have; other than a lease or berthing agreement with you for the provision of a berth, mooring or storage facility for Your Boat as provided above;
11. That is covered under any other policy. We will be liable under this section 2 only for the amount Your liability exceeds the limits of cover under any other policy;
12. That is in any part covered in any way by any:
 - (a) Statutory or compulsory insurance policy or statutory or compulsory insurance; or
 - (b) Compensation scheme or fund; even if the amount recoverable is nil;
13. Arising directly or indirectly out of or in any way connected with, the existence, at any time, of asbestos;
14. Arising directly or indirectly from or in any way connected with, the existence, use, operation or maintenance, at any time, of Computer Technology, electronic mail, a computer virus, an internet site or other internet based service, intranet or any website;
15. Any claim directly or indirectly caused by the use of Diving Equipment.
16. We will not pay for any legal costs and expenses relating to any criminal, maritime or traffic proceedings.

Section 3 – Injury to the Named Insured

What We cover

If a Named Insured is Injured during the Period of Insurance in an Accident when using Your Boat within the Geographic Limits and that Injury results in:

- Death;
- Permanent and total loss of sight of an eye;
- Permanent and total loss of the use of a limb;
- Permanent and total loss of the thumb or index finger.

We will pay:

- The Section 3 Cover sum insured noted on the Schedule for death; permanent and total loss of sight of an eye or permanent and total loss of the use of a limb;
- 20% of the Section 3 Cover sum insured noted on the Schedule for permanent and total loss of the thumb or index finger;
- However payment is subject to the Named Insured claiming under Section 3 obtaining medical attention from a medical practitioner and undergoing any medical examination requested by Us.

Additional Benefit

- Funeral expenses for the Named Insured up to \$5,000, in addition to the Section 3 sum insured.

What We don't cover

We will not cover:

- Death, permanent Injury or total loss of the use of a limb occurring after 12 months from the date of the Accident;
- Self inflicted death or Injury, including suicide or attempted suicide whilst sane or insane.

General conditions

These general conditions apply to all Sections of the Policy.

Goods and Services Tax

All sum insureds, limits of indemnity and sub limits are GST inclusive.

Claim settlements

You will pay the Excess shown in the Schedule. Some of the Excesses that may apply include:

- A Theft Excess may apply for Theft of trailerable power boats and personal watercraft depending on Your location;
- A racing Excess may apply and varies based on the value of Your Boat and length of race;
- An age Excess may apply if You make a claim for an incident where the driver of Your Boat, being a personal watercraft, was under 25;
- A submersion Excess may apply on some moored trailerable boats;
- Additional Excesses may apply depending on Your risk, for example if Your Boat is a large maxi yacht.

Other Excesses may apply. For details of the Excesses that apply please see the Schedule.

Non payment of premium by instalments – Right to refuse a claim

Where You pay Your premium by instalments, You must ensure You pay each instalment on time. If an instalment has remained unpaid for a period of at least 14 days, We may refuse to pay a claim. We will notify You if You have not paid an instalment.

Temporary cover for Your Replacement Boat

If You replace Your Boat, We will automatically provide temporary cover for the Replacement Boat from the date of purchase up to a maximum of 30 days and only up to the lesser of the purchase price of the Replacement Boat and the sum insured shown in the Policy Schedule under Section 1.

If cover is to continue on the Replacement Boat:

- You must give Us full details of the Replacement Boat within 30 days of purchase;
- You must obtain Our agreement to cover Your Replacement Boat;
- You must pay any additional premium We require and accept any changes in the terms and conditions of the Policy.

Cover on the replaced Boat ceases from the date of purchase of the Replacement Boat.

Modifying Your Boat

You must notify Us as soon as possible if You modify or intend to modify Your Boat from the manufacturer's original specifications.

When We receive this information, We may:

- Alter the terms and conditions of Your Policy;
- Charge You an additional premium;
- Cancel Your Policy;
- Decide not to offer to renew Your Policy.

If You do not provide the information, We may not pay a claim under the Policy.

Temporary extension to the Period of Insurance

If You have been at sea in Your Boat for more than 24 hours and Your Policy would otherwise expire (other than by cancellation), We will provide a temporary extension to the Period of Insurance until 24 hours after Your Boat arrives at its next port. The temporary extension to the Period of Insurance will apply automatically unless, when Your Boat arrives at its next port, You do not notify Us within 24 hours of its arrival to make arrangements to renew Your Policy.

Transfer of interest

If You sell, transfer or give away Your Boat, the cover under Your Policy will cease to apply upon completion of the sale, transfer or disposal as relevant.

Other insurance

We will only provide cover to the extent that the amount of the claim is in excess of any payment that may be made from any other insurance.

Yacht racing

Cover is provided for Social Yacht Racing. Should further cover be required contact Our office or Your Insurance Broker for changes in premium, Excess and conditions.

Time trials

Cover is provided for time trials conducted under the control or regulation of a club, association or equivalent body to a maximum speed of 30 knots.

Cancellation rights

You may cancel and return Your Policy at any time by contacting Us. We have the right to cancel Your Policy. For example We can cancel:

- Where You have failed to comply with a provision of Your Policy, including the term relating to payment of premium;
- Where You have made a fraudulent claim under Your Policy or under some other contract of insurance that provides cover during the same period of time that Our Policy covers You.

If You or We cancel the Policy, We may deduct a pro rata proportion of the premium for time on risk, reasonable administrative costs related to the acquisition and termination of the Policy and any Government taxes, duties or fees paid in relation to the Policy that We cannot recover.

We have the right to cancel the Policy after giving You 14 days' notice in writing or by electronic means to You or Your Insurance Broker.

In the event that You have made a claim under this Policy and We have agreed to pay the full sum insured for Your Boat, no return of premium will be made for any unused portion of the premium for the Sections under which the full sum insured has been paid.

Law

The Policy shall be governed in accordance with the laws of New Zealand. Any disputes relating to interpretation shall be submitted to the exclusive jurisdiction of the courts of New Zealand.

General exclusions

These exclusions apply to all Sections of the Policy.

Geographic Limits

Any claim arising from an incident involving Your Boat or any Boat covered by this Policy, when it is outside the Geographic Limits unless;

- Specifically provided by this Policy; or
- You advise Us and We agree to extend in writing.

However, should Your Boat go beyond the Geographic Limits:

- As a result of circumstances beyond the reasonable control of the person in charge or control of it; or
- To reasonably respond to an unforeseen emergency.

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

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

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

Commercial use

Any claim arising from an incident involving Your Boat or any Boat covered by this Policy, when it is being used for hire, charter or reward of any kind unless You first advise Us and We agree to extend cover in writing.

Persons in control

Any claim arising from an incident involving Your Boat or any Boat covered by this Policy, when that Boat is under the control of:

- An unlicensed person when a licence is necessary;
- A person without adequate experience to reasonably control that Boat;
- A person under the influence of alcohol or drugs;

- A person who has been refused Boat or motor vehicle insurance within the last five years unless We have been notified of the refusal and We have subsequently agreed to cover such a person under this Policy.

This exclusion does not apply if You can prove that:

- You did not know and had no reason to suspect that the person with control of that Boat was such a person;
- As a result of an unforeseen emergency, it was reasonable for such a person to assume control of that Boat.

Racing

You, Your Boat or any Boat covered by this Policy for racing or speed tests, other than Social Yacht Racing, unless agreed and extended by Us in writing.

Wear and tear

Any claim in respect of loss or damage caused by wear and tear, mould, deterioration, vermin (which includes small animals, sea life, insects and birds that are troublesome or destructive to boats), corrosion, electrolysis or inherent vice.

Over powered Boat

Any claim caused by or arising as a result of Your Boat or any Boat covered by this Policy being fitted with a Motor more powerful than that recommended by the manufacturer of its Hull.

Pollution

Any claim caused by or arising as a result of pollution or radioactive contamination except as otherwise specifically covered in the Policy.

Boat condition

Any claim caused by or arising as a result of the unseaworthiness, lack of repair or maintenance of Your Boat or any Boat covered by this Policy.

Safeguard

Any claim for loss or damage caused by or arising as a result of the lack of reasonable care, protection and/or

security of Your Boat or any Boat covered by this Policy or other insured property.

Nuclear

Any claim caused by or arising as a result of ionising radiation or contamination by radioactivity from:

- Any nuclear fuel or nuclear waste;
- The combustion of nuclear fuel (including any self-sustained process of nuclear fission); or
- Nuclear weapons material.

Fraud

Any claim involving false or fraudulent representation by

- You;
- Any person who is acting with Your express or implied consent. We may refuse payment of the claim and/or cancel the Policy under these circumstances

Deliberate, intentional, malicious or criminal act

Any claim caused by or arising as a result of a malicious or criminal act (including theft, conversion or misappropriation) caused by or involving:

- You;
- Any person who is acting with Your express or implied consent.

Unlawful purposes

Any claim arising from an incident involving Your Boat or any Boat covered by this Policy or other insured property when it is being used for an unlawful or illegal purpose.

Mooring

Any claim for loss or damage caused by or arising as a result of the mooring used by Your Boat or any Boat covered by this Policy not being:

- Of a suitable design and weighting for Your Boat or any Boat covered by this Policy;
- Appropriately sited;

- Regularly maintained and in good order.
- Be visually inspected out of the water, either in accordance with the regulations set down by the controlling authority for registered moorings, or at least every two years where no controlling authority applies for non-registered moorings.

Speed

Any claim caused by or arising as a result of Your Boat or any Boat covered by this Policy exceeding the speed shown on Your Schedule.

Computer software

Any claim for loss or damage to any appliance, machinery, equipment or other property which is a computer or which contains or comprises any Computer Technology and which:

- Fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such Computer Technology; or
- Arises directly or indirectly from the importation of any software virus whether the importation was malicious, negligent or accidental.

Terrorism/casualty exclusion

This Policy does not cover loss, damage, liability, Injury, illness, death, cost or expense arising directly or indirectly out of or in any way connected with:

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

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

- Influence a Government or any political division within it for any purpose;
- Influence or intimidate the public or any section of the public with the intention of advancing a political, religious, ideological or similar purpose.

War

This policy provides cover for Acts of war, civil war, revolution, rebellion, insurrection, civil strife or hostile acts by or against a belligerent power which result in loss or Damage to Your Boat whilst afloat.

However, We will not cover any claim for loss, damage, liability or expense caused by or arising from war (whether war is declared or not):

- When Your Boat is ashore; and
- Whether or not Your boat is ashore or afloat, where resulting from requisition or the outbreak of war between any of the following countries: United Kingdom, United States of America, France, the People's Republic of China or Russia.

Claims conditions

These conditions apply to all Sections of the Policy.

Prevent further damage or loss

You must do the following when appropriate to prevent further loss or damage:

- Dry engine;
- Drain oil and fuel;
- Flush out engine with hose or dewatering fluid;
- Drain again;
- Fill with oil or dewatering fluid;
- Take to repairer or mechanic as soon as possible.

Notify Us and complete a claim form

- Notify Us immediately of the details of any loss or damage, anticipated or actual liability, death or Injury which is likely to result in a claim under this Policy;
- You can notify us by either Phone (0800 11 2582) or online at www.clubmarine.co.nz

If Your Boat is damaged and You are covered under this Policy for the cost of repairing such damage, You must obtain a written, itemised quotation for repairs.

We may require statements or photographs or other documentation in support of Your claim.

After hours emergency claims service phone number

- 0800 11 CLUB (2582)

Records You must keep

You must be able to prove Your loss or damage. Please ensure You keep:

- All documentation relevant to the ownership or purchase of Your Boat and other property insured under the Policy;
- Any service records relevant to Your Boat and other property insured under the Policy;
- Evidence to support the amount of any Accidental Loss or Damage.

What You must not do without Our consent

- Admit fault, guilt or liability;
- Negotiate or make any offer of settlement or payment;
- Authorise repairs;
- Defend any claim.

If You do not comply with these requirements We may refuse Your claim.

Dismantling, diagnosis and reassembly costs

Where you make a claim for loss or damage to Your Boat, We may in some circumstances, require You to:

- dismantle Your Boat; or
- authorise Us to dismantle Your Boat,

so We can assess Your claim for the relevant loss or damage and/or decide if it is valid.

If You do not agree We may refuse to assess or pay Your claim.

Where We determine that the claimed loss or damage to Your Boat is:

- not covered by Your Policy, You will be responsible for the costs of the above dismantling as well as any costs associated with the dismantling (including but not limited to any diagnosis, reassembly, repair and/or replacement costs).
- covered by Your Policy, We will settle Your claim in accordance with the terms and conditions of Your Policy.

Repairers

You may choose the repairer of Your Boat. We can require that You take Your Boat to another repairer. You or the repairer must get a written agreement from Us to start repairs before We will accept responsibility for them.

You must make Your Boat available for Our inspection at any time. It is Your responsibility to ensure that You are satisfied with the repairs to Your Boat.

Excess

You are required to pay any applicable Excess shown on the Schedule, for each and every claim made under Your Policy. All claims arising out of one Accident or incident are treated by Us as one claim. We pay the relevant amounts less the Excess payable by You.

What help is required from You

In the event of a claim, any benefits that this Policy gives You depend on You giving Us full details of Your loss and the help that We require, including further written statements and documents We consider relevant. We may also require You to attend Court to give evidence.

You must help Us even after We have paid Your claim. We may attempt to recover the amount of Our payment from the person who caused You to suffer loss or damage or We may want to defend You if it is alleged that You caused loss or damage to someone else.

We may take over the defence of Your liability and defend, negotiate or settle the liability as We see fit. We may appoint Our own lawyers to act for You and You agree to waive in Our favour Your right to legal professional privilege.

You must notify Us immediately of any incidents, demands, notices or Court documents You receive relating to an Accident that resulted in or could result in a claim.

Our rights of recovery

We have the right to recover from any person, in Your name, the amount of any claim paid under this Policy and We have full discretion in the conduct, settlement or defence of any claim in Your name. If We recover

more than the amount We have paid to You or on Your behalf, We will pay You the balance (less any legal or other fees We have incurred in relation to the recovery action).

If Your Boat is a Total Loss

If Your Boat is a Total Loss;

- The amount of any unpaid premium for the Period of Insurance will be deducted from the amount payable to You;
- No return of premium will be made for any unused portion of the premium.

If We make a Total Loss payment for Your Boat, we are entitled, but not obliged to take ownership of the Boat. Regardless of our decision whether or not to exercise this right, we will in any case be entitled to keep the proceeds of any salvage sale up to the amount We have paid out in respect of Your claim

Other important information

Your duty of disclosure

You have a duty to tell Us before the Policy is entered into, every matter which:

- You know;
- A reasonable person in the circumstances could be expected to know, that a prudent underwriter would want to take into account in deciding whether to insure You and whether any special conditions need to apply to Your Policy.

This duty applies when You renew, extend, vary or reinstate the Policy.

What don't You need to tell Us?

You do not need to tell Us about any matter that:

- Diminishes Our risk;
- Is of common knowledge;
- We know or should know as an insurer;
- We tell You We do not need to know.

Who must tell Us?

- Everyone who is a Named Insured under the Policy must comply with this duty.

Non-disclosure

- If You fail to comply with Your duty of disclosure, it will result in the Policy being void from the beginning.

Fair Insurance Code

- Club Marine supports the principles of the Fair Insurance Code. The purpose of the Code is to increase the standards of practice and service within the insurance industry.
- Brochures on the Code are available from the Insurance Council of New Zealand website www.icnz.org.nz.

If this insurance has been issued through an Insurance Broker or Our agent

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

If Your Policy has been issued by a broker, other than a broker acting under a binder arrangement with Us, then the broker is acting as Your agent. Where this Policy has been arranged through an intermediary a commission is payable by Us to them for arranging the insurance.

Privacy Act

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

- in completing a proposal to arrange this Policy personal information about You;
- the information is collected to decide whether to issue a Policy, determine the terms and conditions of Your Policy, compile data and handle claims;
- the intended recipient of the information is Allianz Australia Insurance Limited;
- the information is being collected and held by Allianz Australia Insurance Limited; of Level 11, Tower 1, 205 Queen Street, Auckland CBD;

- the collection of this information is required pursuant to the common law duty to disclose all the material facts relevant to the insurance sought and is mandatory;
- the failure to provide this information may result in Your application for insurance being declined, or the Policy being void from the beginning;
- You have the right of access to, and correction of, this information subject to the provisions of the Privacy Act 1993.

Should You wish to obtain more information about the privacy policies of Club Marine please call 0800 88 CLUB (2582) or visit the Club Marine website www.clubmarine.co.nz and review the relevant Privacy section.

From time to time Club Marine may advise or offer You information on other Club Marine or Allianz products or services that may be relevant and of interest to You.

If You do not wish to receive these offers or information please call Club Marine 0800 88 CLUB (2582) 8.30am to 5.00pm, Mon-Fri or indicate Your decision in the appropriate area when buying or renewing a policy via the Club Marine website www.clubmarine.co.nz or when completing an application form.

Complaints - Internal and External Complaints Procedure

If You are dissatisfied with Our service in any way contact Us and We will attempt to resolve the matter in accordance with our Internal Dispute Resolution procedures. To obtain a copy of Our procedures contact Us on) 0800 88 CLUB (2582). A dispute can be referred to Financial Services Complaints Limited (FSCL) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms.

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

Financial Services Complaints Limited

PO Box 5967

Lambton Quay

Wellington 6145

Freephone: 0800 347 257

Email: info@fscl.org.nz

How to contact Us

If You have any queries, want further information about the Policy, a copy of the Policy or want to confirm a transaction call Us.

Club Marine

Level 11, Tower 1, 205 Queen Street, Auckland CBD

Tel 0800 88 CLUB (2582)

Fax 09 309 3002

Email nzclub@clubmarine.co.nz

Email nzclaims@clubmarine.co.nz

Website www.clubmarine.co.nz

Allianz Australia Insurance Limited ABN 15 000 122

850 (Incorporated in Australia) trading as Club Marine,

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A division of **Allianz** 