



COMMERCIAL BOAT INSURANCE

Marine Insurance Policy

Effective Date: 1 January 2022

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Welcome to Proteus Commercial Boat Insurance

About Proteus Commercial Boat Insurance

Nautilus Marine Underwriting Agency Ltd, trading as Proteus Marine Insurance NZBN: 9429031454261, FSP: 388326, is an insurance underwriting agency and has a binding authority from ZAIL which allows it to enter into policies of insurance. Proteus Marine Insurance acts on behalf of ZAIL and not *you* when providing these services. Always consider the relevant policy wording before purchasing an insurance policy.

ZAIL is a signatory to the Fair Insurance Code. This aims to raise standards of practice and service in the insurance industry. Proteus Marine Insurance supports and adheres to the Code.

About Zurich

The insurer of this product is Zurich Australian Insurance Limited (ACN 000 296 640, an overseas registered company incorporated in Australia) (ZAIL), trading as Zurich New Zealand. In this policy wording, ZAIL may also be expressed as 'Zurich'.

ZAIL is part of the Zurich Insurance Group, a leading multi-line insurer that serves its customers in global and local markets. The Zurich Insurance Group provides a wide range of general insurance and life insurance products and services in more than 210 countries and territories. The Group's customers include individuals, small businesses, mid-sized and large companies, including multinational corporations.

Duty of disclosure

Before *you* enter into a contract of general insurance with *us*, *you* have a duty at common law to disclose to *us* every matter *you* know, or could reasonably be expected to know, that a prudent insurer would want to take into account in deciding whether to insure *you* and, if so, on what terms. This applies to all persons to be covered under this contract of insurance.

You have the same duty to disclose those matters to *us* before *you* renew, extend, vary or reinstate a contract of general insurance. *Your* duty however, does not require disclosure of a matter:

- that diminishes the risk to be insured;
- that is of common knowledge;
- that *we* know or in the ordinary course of *our* business *we* ought to know;
- that *we* state *we* do not want to know.

Non-disclosure or Misrepresentation

If *you* make a material misrepresentation to *us*, or if *you* do not comply with *your* duty of disclosure *we* may treat *your* policy as if it never existed.

Our contract with you

Your policy is a contract of insurance between *you* and *us* and contains all the details of the cover that *we* provide.

Your policy is made up of:

- the Policy Wording. It tells *you* what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal, which is the information *you* provide to *us* when applying for insurance cover;
- *your* most current *policy schedule* issued by *us*. The *schedule* is a separate document unique to *you*, which shows the insurance details relevant to *you*. It includes any changes, exclusions, terms and conditions made to suit *your* individual circumstances and may amend the *policy*; and
- any other written change otherwise advised by *us* in writing (such as an *endorsement*). These written changes vary or modify the above documents.
- This document is used for any offer of renewal *we* may make, unless *we* tell *you* otherwise. Please keep *your policy* in a safe place. *We* reserve the right to change the terms of this product where permitted to do so by law.

Commercial Boat Insurance Policy Wording

In return for paying the premium to *us*, we will give *you* the cover described in this *policy* for events which occur during the *period of insurance* shown in *your schedule*.

Definitions

Where the following words appear in this *policy*, this is what they mean.

Accessories

accessories mean items manufactured and intended for use on *your boat* that are portable or not permanently attached to the *hull*. This includes *your boat* covers and canopies, batteries, portable fuel tanks, anchors, paddles, oars, *boat tender* and similar items used for safety equipment as required by any *legislative requirement*.

Act of terrorism

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

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

Agreed value

agreed value means the amount *we* agree to insure *your boat* for, as specified in *schedule*. If *we* have issued an Agreed Value Policy, the *schedule* will show the *agreed value*.

Aircraft

aircraft means any vessel, craft or thing made, or intended, to fly or move in or through the atmosphere or space.

Boat

boat means the Boat or Boats specified on *your schedule*, including its *hull* and *contents*, *motors* (including fuel tanks), masts, spars, rigging and sails, *trailer*, *equipment* and *accessories* and *boat tender*. It includes any replacement boat.

It excludes modifications *you* have not told *us* about or which are not shown on *schedule*.

Boat Tender

boat tender means an auxiliary boat or dinghy used as a lifeboat or means of transportation between *your boat* and shore.

Business

business means all activities and operations specified in the *schedule*.

Contents

contents mean portable household goods, appliances, refrigerators, microwave ovens, televisions, glassware, crockery, cutlery and cooking utensils for use on *your boat*, and which is only kept on *your boat*. The limit of cover for *contents* is included in the Sum Insured specified in the *schedule*.

Contents does not include antiques, ornaments, works of art, jewellery, precious stones, furs, curios, collectibles, items that contain gold and silver, bonds, cash, credit cards, cheques and any similar financial items, cameras, portable radios, mobile phones, pagers, electronic organisers, *tools* of trade, bicycles, computers, software and computing equipment or *personal effects*.

Crew

crew means any person including the *master or skipper* working on board the *boat* as an employee.

Damage

damage means any form of harm that occurs to *your boat* during the *period of insurance*, excluding any normal wear and tear or any physical harm evident prior to this *policy* being incepted.

Diving equipment

diving equipment means recognised and commercially manufactured sports diving equipment including regulators, tanks and buoyancy compensation devices owned hired or leased by *you*.

Endorsement

endorsement means an amendment made to and forming part of the *policy* which is evidenced by an Endorsement Schedule.

Equipment

equipment means items manufactured and intended for use on *your boat* that are portable or not permanently attached to the *hull*, inclusive of depth sounders, marine radios/transceivers, navigation equipment, fish finders, and *tools*.

Event

event means a sudden, unexpected and accidental occurrence which happens within the *period of insurance*. An occurrence caused by the same, repeated general harmful condition that results in an occurrence within the *period of insurance*, unless an excluded cause of loss, is considered to be one occurrence.

Excess

excess means the amount *you* must bear when a claim is accepted under the *policy* as specified in the *schedule* or shown within the *policy*.

Fishing gear

fishing gear means rods, reels, tackle and other similar equipment owned or leased by *you* and used for the purpose of recreational/sport or commercial fishing. Non-prescription sunglasses are not covered.

Geographic limits

geographic limits mean all waters within New Zealand and those waters off the coast of New Zealand as restricted or shown on *your schedule*.

Hot work

hot work means work involving the use of oxyacetylene torches, soldering, welding or oil tank cleaning equipment but not work carried out on or near *watercraft* previously engaged in carrying explosives, ammunition or inflammable liquids or gasses or any work on or near any fuel tank, fuel pipeline or fuel bunker space.

Hull

hull means the shell of the *boat*, deck, fixtures and fittings either on or below deck that are not normally removable and would normally be sold with the *boats*.

Latent defect

latent defect means a hidden flaw or defect in the construction of the *boats* which is not readily discoverable by a reasonable person having the necessary skills or qualifications to detect such flaw.

Legal liability

legal liability means *your* liability at law arising out of the use of *your boat* to pay compensation for death, injury or property *damage* of other people, excluding property owned by *you* or in *your* physical or legal control.

Legislative requirement

legislative requirement means any applicable statute, regulation, by-law, ordinance, policy or subordinate legislation in force from time to time in the *geographic limits* whether made by Parliament, or local government bodies and includes any mandatory standards, guides, information bulletins or industry codes.

Limit of Liability

limit of liability means the amount specified in *your schedule* which is the maximum amount *we* will pay for all claims that arise from any one *event* during the *period of insurance* for *legal liability* cover. This limit includes all legal fees and expenses.

Loss

loss means any *damage*, destruction, death, injury, illness, liability, costs or expenses from the use of *your boat* during the *period of insurance*.

Malicious damage

malicious damage means intentional *damage* to *your boat* by someone other than *you* and without *your* consent and knowledge.

Managed recreational boating group

managed recreational boating group means a professionally managed boat membership program that provide shares and or memberships for recreational use of boats.

Market value

market value means the retail value of a boat with a similar type, age and condition to *your boat* immediately before the loss or damage occurred, with adjustment for special features, if any, exclusive of GST. We may use recognised industry publications to calculate the value of *your boat*.

Master or Skipper

master or skipper means any person employed by *you* or on *your* behalf under an employment agreement and as the *crew* member to be in charge of the shipboard management and navigation of *your boat*.

Motor

motor means stern drive units, inboard and outboard engines as specified in *your schedule* and which includes propellers, shafts, gearboxes, skegs, jet units, wiring harnesses, instruments, portable fuel tanks, batteries, control cables, desailinators, thrusters, and generators.

Osmosis

osmosis means blistering of a gel coat and entrapment of moisture.

Period of Insurance

period of insurance means the period of time that *you* are covered by the *policy*. It commences at the time *we* agree to insure *you* and finishes at 4.00pm on the date of expiry of the *policy*. This period is shown on *your schedule*.

Personal effects

personal effects mean clothing, shoes, waterproof apparel, and manchester belonging to *you* or *your crew* and which are being used or stored on *your boat* at the time of *event*.

Policy

policy means *your* insurance contract with *us*. It includes this document, *your* insurance application and *your schedule*, including any *endorsements* issued by *us*.

Premium

premium means the *premium* specified on the relevant *schedule* or any *endorsement schedule*.

Products

products mean any goods or products manufactured, grown, extracted, produced, processed, treated, altered, handled, sold, supplied, distributed, imported, exported, repaired, serviced, installed, assembled, erected or constructed by *you* (including packaging and containers) in connection with the *business* in or from the territorial limits, and after it has ceased to be *your* property, or in *your* custody or legal control.

Property damage

property damage means:

1. *physical damage* to, or loss of or destruction of tangible property, including the subsequent loss of use of that property;
2. loss of use and/or loss of value of tangible property that has not been physically damaged, physically lost or physically destroyed provided such loss of use and/or loss of value is caused by physical damage to, physical loss of or physical destruction of other tangible property;
3. denial of access to property, premises, services or facilities, interference with or stoppage of vehicular or pedestrian traffic;
4. trespass, nuisance or interference with right of way or right to light air or water, easement or quasi-easement.

Regulatory authority

regulatory authority means government departments, agencies or corporations charged with the development, regulation or supervision of laws.

Salvage

salvage means either the action of saving *your boat* in a time of peril or what is left of *your boat* after it has suffered *damage*.

Salvage charges

salvage charges mean reasonable charges and expenses which are incurred in *salvage* or in preventing or minimising *damage* to *your boat*.

Schedule

schedule means the Schedule attaching to and forming part of the *policy*, which includes any *schedule* substituted for the original *schedule*.

Seaworthy

seaworthy means a *boat* that meets *legislative requirements* to be a vessel on the sea, and is otherwise well maintained, in good repair, adequately manned by competent *crew*, properly equipped and provisioned, and in all respects in a condition to withstand the ordinary perils of the sea.

Sum Insured

sum insured means the Sums Insured specified on *your schedule* for any items. This is the maximum amount *we* will pay in relation to the relevant item.

Total loss

total loss means where your boat is so damaged that the cost of repair, including salvage charges, exceeds the *market value*, *agreed value* or *sum insured* value of *your boat*, taking into account any *legislative requirement* to allow for this determination.

Trailer

trailer means a vehicle designed to be towed by a *motor* vehicle and used in transporting the *boat* specified on the *schedule*. It must be roadworthy, and in a condition that complies with *legislative requirements*.

Watercraft

watercraft means any vessel, craft or thing made, or intended to float on or in, or travel on or through or under water.

Water ski equipment

water ski equipment means waterskis, wakeboards, kneeboards, vests, ropes and other professionally designed and manufactured equipment owned by *you* and used for the purposes of water skiing.

We, Us, Our

we, us, our means Proteus Marine Insurance NZBN: 9429031454261, FSP: 388326 acting as agent of ZAIL trading as Zurich New Zealand.

You, Your

you or *your* means the person or persons named as the insured on the *schedule*. If more than one person is named as the insured, *we* will treat a statement, act, omission or claim of any one of those people as a statement, act, omission or claim by all those people.

The Cover

Subject to the *limit of liability* and the terms and conditions of this *policy*, *you are covered for*:

Insured Perils

1. Damage

You are covered for *damage* resulting from an *event*.

Exclusions applicable to Damage

You are not covered for *damage*:

- 1.1 in respect of an outboard *motor* when secured to the *boat* or *boat's tender* in a manner other than that specifically recommended by the manufacturer of the *motor*, the *boat* or the *boat's tender*.
- 1.2 specifically excluded under the Exclusions section or where *your* claim is in whole or part covered by one or other Insured Perils specified in this *policy*.
- 1.3 specifically covered under other sections and other parts of this *policy*.

2. Theft

You are covered for the theft of *your boat* and/or its *contents*.

Exclusions applicable to Theft

You are not covered for theft:

- 2.1 when another person is using *your boat* with *your* consent, unless *we* have agreed in writing to provide cover for bare boat chartering of *your boat* or for its use by a member of a *managed recreational boating group*.
- 2.2 of *contents* unless there is evidence of violent and forcible entry into *your boat* or the *loss* involves violent and forcible removal of the items from the place of storage on *your boat*.

3. Malicious damage

You are covered for *malicious damage* resulting from an *event*.

Exclusions applicable to Malicious Damage

You are not covered for *malicious damage* caused by *you* or a person acting with *your* express or implied consent.

4. Transit damage

You are covered for *damage* resulting from an *event* which occurs whilst *your boat* is being transported by road, rail or ship.

5. Latent defect

We will cover *you* for *damage* to *your boat* arising from a *latent defect* provided such defect is found only within the *hull, motor, masts, spars and rigging of your boat*.

Exclusions applicable to Latent Defect

You are not covered:

5.1 if the *latent defect* resulted from a lack of due diligence on *your* part;

5.2 for the actual cost of repairing or replacing the *latent defect* or the *latently defective* part.

Additional Cover

In addition to the *limit of liability* this *policy* will also cover *you* for:

6.1 Personal Effects

We will pay up to \$5,000 per *event* and in the aggregate for *loss* or *damage* to *personal effects*.

Our payment under this Additional Cover will not be in addition to the *sum insured* for *your boat*. Proof of ownership will be required to substantiate any claim payable under this Additional Cover. Unless otherwise agreed in the *policy*, the *excess* for this coverage is \$200.

Theft of *personal effects* is excluded unless there is physical evidence of violent and forcible entry into *your boat* or the *loss* involves violent and forcible removal of the *personal effects* from the place of storage on *your boat*.

6.2 Fishing Gear, Diving Equipment and Water Ski Equipment

We will pay up to \$5,000 per *event* and in the aggregate for *loss* or *damage* to *your fishing gear, diving equipment* or *water ski equipment* provided that they are being stored on *your boat* at the time of *loss* or *damage*.

Proof of ownership is required to substantiate a claim under this Additional Cover. *Our* payment under this Additional Cover will not be in addition to the *sum insured* for *your boat*. Unless otherwise agreed in the *policy*, the *excess* for this coverage is \$200.

Theft of *fishing gear, diving equipment, water ski equipment* is excluded unless there is evidence of violent and forcible entry into *your boat* or the *loss* involves violent and forcible removal of the items from the place of storage on *your boat*.

6.3 Emergency transit

We will pay up to \$2,000 per *event* and in the aggregate towards the cost of towing *your boat* in an emergency to *your* home port or the nearest place where repairs can be made.

Our payment under this Additional Cover will be in addition to the *sum insured* for *your boat*.

Unless otherwise agreed in the *policy*, no *excess* will apply to this Additional Cover.

6.4 Arrest or detention

We will pay for *damage* together with reasonable legal fees and expenses incurred in obtaining the release of the *boat* following impounding, arrest, detention, confiscation or any similar act by any *legislative requirement* as a result of any act committed without *your* knowledge by a hirer, *master or skipper*, or *crew* member.

Cover will not be provided under this Additional Cover if the *damage* to the *boat* would also be covered under Insured Perils 1 to 5 above. Payment under this Additional Cover will not be in addition to the *sum insured* for *your boat*.

Unless otherwise agreed in the *policy*, the basic *excess* shown on the *schedule* will apply.

6.5 Regulatory Authority

We will pay for *damage* caused directly by any *regulatory authority* acting in the interests of public welfare to prevent or mitigate a pollution hazard, or the threat of a pollution hazard, which has arisen directly from *damage* which is covered by this *policy*.

There is no cover under this Additional Cover if the act of the *regulatory authority* has resulted from a lack of due diligence by *you* to prevent or mitigate such hazard or threat.

No cover will be provided under this Additional Cover if the *damage* to the *boat* would also be covered under one or other of the Insured Perils 1 to 5 above.

Payment under this Additional Cover will not be in addition to the *sum insured* for *your boat*.

Unless otherwise agreed in the *policy*, the basic *excess* shown on the *schedule* will apply.

6.6 Expenses to avoid or minimise loss

We will pay the reasonable cost to minimise *damage* resulting from an *event*.

Cover for this Additional Cover will be limited to cost incurred in:

- 6.1 removing *your boat* to safety (including emergency towing);
- 6.2 drying all of the electrical equipment on the *motor*;
- 6.3 cleaning and oiling of the *motor* by a qualified mechanic.

Cover will not be provided under this Additional Cover if the *damage* would also be covered under Insured Perils 1 to 5 above.

You do not need *our* authority to take such action if it is an emergency and *you* are unable to obtain *our* authority. However, *you* must advise *us* as soon as possible after the action has been taken.

These emergency costs are paid in addition to the *sum insured* shown on the *schedule* for *your boat*.

6.7 Recovery or removal of wreck

Where *your boat* is *damaged*, we will pay the reasonable cost for the removal or recovery of the remains of *your boat* and will recover it or where required, remove the wreck.

These costs will be paid in addition to the *sum insured* for *your boat*.

6.8 Negligence/wrongful act of Master, Skipper, Crew, Hirers

We will pay *damage* arising out of the negligence or wrongful act of the *master or skipper, crew* and hirers.

No cover is available if the *damage* was a result of a lack of due diligence by *you* or the *boat* owners or managers.

Cover will not be provided under this Additional Benefit if the *damage* to the *boat* would also be covered under one or other of the Insured Perils 1 to 5 above, or under the Legal Liability section of the *policy*.

Unless otherwise agreed in the *policy*, the basic *excess* specified in the *schedule* will apply.

Payment under this Additional Cover will not be in addition to the *sum insured* for *your boat*.

6.9 Shore Cover

Provided the *damage* is covered under this *policy*, the *policy* is extended to provide coverage whilst the *boat* or part of the *boat* is ashore being repaired, overhauled or being refitted and during transit from and to the *boat* for that purpose.

Payment under this Additional Cover will not be in addition to the *sum insured* for *your boat*.

Unless otherwise agreed in the *policy*, the basic *excess* specified in the *schedule* will apply.

Legal Liability

This Legal Liability coverage is subject to all *policy* terms, conditions and exclusions.

We will reimburse *you* for any sum that *you* become legally liable to pay in respect of any of the following:

1. Physical *loss* or damage to any other vessel, or property on such other vessels, or any other fixed or movable object whatsoever, which arises from *your* ownership or use of the vessel.
2. *Loss* of life or bodily injury or illness (excluding *crew* and employees) which results from the ownership or use of the vessel.
3. *Your* rescue, the passengers or members of the crew including reasonable accommodation and travel costs to the point of original embarkation.
4. *Loss* of or damage to passengers' personal property.
5. Any attempted or actual raising, removal or destruction of any fixed or moveable object or property or other thing, including the wreck of the vessel, or any neglect or failure to raise, remove or destroy the same.
6. *Loss* or damage to third party property resulting from the transportation of the vessel on land provided not otherwise insured.
7. *Loss*, damage or contamination caused by the sudden accidental discharge or escape of oil or any other polluting substance from the vessel or the wreck of the vessel.
8. The costs of measures reasonably taken to prevent, avoid or minimise an imminent danger of pollution caused by an *event* for which a claim is otherwise payable under the Insured Perils Section of the *policy*.
9. *Loss* or damage to property caused by measures taken to prevent, avoid or minimise pollution caused by an *event* for which a claim is otherwise payable under the Insured Perils Section of the *policy*.
10. Punitive or exemplary damages.

Limit of Liability

Our liability under this section shall be subject to a maximum *limit of liability* as specified in the *schedule*.

Our obligation to pay, settle and defend ends when *we* have paid that amount on *your* behalf. This is the most *we* will pay regardless of the number of persons or *boats* involved in anyone accident or series of accidents arising out of the same *event*.

1. In respect of passengers' personal property, our liability is limited to NZD 2,500 anyone item and NZD 20,000 any one *event*.
2. In respect of *your* rescue, the passengers or members of the *crew*, these costs are limited to NZD 10,000 unless incurred as a result of a risk covered under Insured Perils Section.
3. In respect of liability for pollution costs and/or expenses as specified under the cover provided by 7, 8 and 9 (above), our maximum liability shall not exceed NZD 250,000 any one *event* and in total any one *period of insurance*.
4. In respect of liability for punitive or exemplary damages as specified under the cover provided by clause 10 (above), our maximum liability shall not exceed NZD 250,000 any one *event* and in total any one *period of insurance*.

In any event *our* total and absolute maximum liability under cover provided by all of the above shall not exceed the maximum liability specified under amount specified in the Vessel Schedule.

We will deduct the *excess* amount specified in the Vessel Schedule from any payment we make under this section for all *losses* due to a single accident.

Additional Benefit

We will cover *you* for *your legal liability* in connection with:

1. Property damage caused by or arising from a sudden unexpected and unintended discharge directly or indirectly arising from the release or escape of fuel or lubricants from *your boat* occurring at a clearly identifiable time and place during the *period of insurance*, provided that the fuel or lubricants are being used in connection with the operation of *your boat* at the time of *loss* or damage;
2. Clean-up costs following an Insured Peril set out under Insured Peril 1 to 5 above, provided *you* are liable for the clean-up;
3. To the extent permitted by law, any fines and penalties imposed on *you* for a breach of any *legislative requirement* for environmental protection, following the discharge up to a maximum of \$50,000 in the *period of insurance*.

No coverage will be provided under this Additional Benefit for *legal liability* arising from:

4. *Your* own gross negligence or wilful misconduct;
5. the gross negligence or wilful misconduct of any person in possession of *your boat* with *your* permission or knowledge other than where the usage of *your boat* is shown as bare boat charter/hire or recreational boating club on *your schedule*;
6. fuel or lubricants not being used in connection with the operation of *your boat* at the time of *loss*.

We will pay no more than \$500,000 (inclusive of legal costs and any fines or penalties) in the aggregate for any discharge or series of accidents or discharges arising out of one *event*.

Exclusions

Notwithstanding anything contained anywhere in this *policy* to the contrary, *you* are not insured for any *loss*, damage or liabilities for:

1. physical damage or loss caused by or resulting from normal wear and tear, gradual deterioration, marine life (except for marine mammals and large fish), mechanical breakdown, electrolysis, *osmosis*, corrosion, rust, dampness, normal wetting or weathering.
2. claims for marring, denting, scratching or chipping. This Exclusion shall not apply to damage caused by *your boat* being stranded, or in collision or in violent contact with another vessel, pier or jetty.
3. loss, damage or liability deliberately caused by *your* wrongful acts or wilful misconduct.
4. loss or damage arising from *your boat* being left moored or anchored and unattended off an exposed beach or shore.
5. loss or damage due to ice, freezing or extremes of atmospheric temperature.
6. repairing or replacing any defective part condemned solely in consequence of a *latent defect* or an error in design or construction.
7. claims for unexplained disappearance of *personal effects*, *fishing gear* or *equipment* from *your boat*.
8. any liability assumed (by contract or otherwise) by *you* unless *you* receive *our* prior written consent to do so.
9. loss, damage or liability which occurs while *your boat* is racing or is engaged in speed testing.
10. any loss during war or peace caused by or resulting from:
 - 10.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - 10.2 the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component;
 - 10.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
 - 10.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.

The Exclusion does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

10.5 any chemical biological bio-chemical or electromagnetic weapon.

11. claims caused by or arising directly or indirectly out of:
 - 11.1 transporting, distributing or storing asbestos;
 - 11.2 any process of decontamination, treatment or control of asbestos;
 - 11.3 the presence of asbestos in any property insured;
 - 11.4 asbestos pollution or contamination.
12. any loss, damage or liability arising while *your boat* is being operated by persons under the influence of alcohol or any drugs, or who does not hold a valid Maritime Document/Licence or is not suitably qualified as lawfully required by the *regulatory authority*.

However, this Exclusion does not apply to the removal of wreck of *your boat*, or any neglect to raise, remove, or destroy *your boat*, provided:

 - 12.1 the person operating *your boat* did so without the knowledge or consent from *you* or some *you* manage;
 - 12.2 *you* have not compromised or waived any right of recovery against the person operating *your boat*;
 - 12.3 *you* co-operate fully in any subrogated recovery action; and
 - 12.4 the *policy* deductible for the relevant Section is doubled.
13. loss, damage or liability if *you* or any other person operating *your boat* fails to exercise due diligence to comply with any *legislative requirement*.
14. loss, damage or liability where *your boat* is in not in a *seaworthy* condition, other than where such condition resulted from an Insured Peril and repairs could not be effected.
15. loss or damage following theft of trailered craft unless the *trailer* is fitted with a suitable anti-theft device preventing removal of the *trailer* when left unattended.
16. in respect of the *trailer*, damage to tyres by application of brakes or by puncture, cuts or bursts.
17. any liability while *your boat* and/or its *trailer* is being towed by or attached to a motor vehicle or has broken away or become accidentally detached from a motor vehicle.
18. fines or penalties.
19. liability for personal injury where such injury falls within the scope of cover provided by the Accident Compensation Act 2001.
20. any act of *terrorism*.
21. war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom or any hostile act by or against a belligerent power, capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat, derelict mines, torpedoes, bombs or other derelict weapons of war.

General Conditions

Notification of material change

You must notify *us* as soon as possible of any material change in the risk covered by this *policy* and pay any additional premium *we* may require.

Reconstruction or conversion

You must notify *us*, prior to commencing work on your boat that will result in any material change to the dimension, tonnage or type of *boat*. *We* may either decline insurance for such work or require *you* to pay an additional premium.

Reasonable diligence

You must reasonably:

1. exercise care that only competent employees and subcontractors are engaged and take reasonable measures to maintain all *premises*, fittings and plant in a safe and sound condition;
2. take all precautions :
 - 2.1 to prevent *personal injury* and *property damage*;
 - 2.2 to ensure that *you*, *your* subcontractors and all independent contractors comply with *legislative requirements* imposed by any port or public authority for the safety of persons or property;
 - 2.3 when performing *hot work* or extended *hot work*, obtain a gas free certificate and/or any other certificate or authorisation that may be a *legislative requirement*.

Rights of subrogation

In the event of a payment made under this *policy* to *you* or on *your* behalf, *we* shall be subrogated to all *your* rights of recovery against any person or organisation. At *our* request and *our* expense, *you* shall do all things reasonably required by *us* for the purpose of enforcing any rights and remedies or of obtaining indemnity from other parties to which *we* are entitled pursuant to this *policy*.

Cross liability

Where *you* are comprised of more than one party, each of the parties will be considered as a separate legal entity with the words '*you*' and '*your*' applying to each party in the same manner as if a separate *policy* had been issued to each party, provided that nothing in this condition will result in an increase in *our* limit of liability in respect of any *occurrence* or *period of insurance*.

Joint insureds

Where *you* are comprised of more than one legal entity, information supplied to *us* will be deemed to have been furnished by or on behalf of all entities. Any information supplied to *us* or any omission or non-disclosure in relation to any renewal or endorsement of this *policy* will also be deemed to have been furnished, omitted or withheld on behalf of all entities.

Other insurance

If *you* make a claim for an *occurrence* which is, or may be, covered in whole or in part by any other insurance, then when making the claim *you* must give *us* full details of the other insurance.

This *policy* does not cover any claim to the extent that *you* are entitled to indemnity in respect of that claim under any other insurance policy specified in the *schedule*.

What you should do in the event of a claim

When an *event* happens which may give rise to a claim under this *policy*, *you* must take reasonable care to prevent or minimise any loss, damage, liability or costs covered by this *policy* and ensure that all rights against other parties are properly preserved and exercised.

You must:

1. advise *us*, where reasonably practicable, within 30 days of full particulars of every *occurrence*, circumstance, claim, writ, summons, proceedings, impending prosecution, inquest or the like known to *you*;
2. use *your* best endeavours to preserve any damaged or defective property which may prove necessary or useful by way of evidence (together with any relevant documentation or records) in connection with any claim and, so far as may be reasonably practicable, no alteration or repair shall be made to any *watercraft*, premises, machinery, fittings, equipment or plant until *we* have had an opportunity to inspect and have provided *our* consent;
3. retain and preserve from destruction any business documents and records that might foreseeably be connected with potential future claims, for a period of at least 7 years;
4. not make any admission, offer, promise of payment in connection with any occurrence or claim under this *policy* without *our* written consent;
5. give to *us* all information and assistance as *we* may reasonably require in the prosecution, defence or settlement of any claim.

We will:

6. be entitled at *our* discretion to take over and conduct in *your* name the defence or settlement of any claim;
7. have full discretion in the conduct of any negotiations or proceedings in connection with any claim.

Claims settlement

In the event of a claim, *we* have the option of settling *your* loss by either payment, repair, reinstatement or replacement.

Fraudulent claim

If *you* or anyone acting upon *your* behalf is in any way fraudulent in obtaining any benefit under this *policy*, *we* may deny liability in respect of that claim or event.

Payments in respect to Goods and Service Tax

All *sums insured* in this *policy* (except for the *excess*) exclude GST where that GST is recoverable by *us* under the Goods and Services Tax Act 1985. *We* add GST, where applicable, to claim payments. However, this does not apply to the *excess* which is GST inclusive.

Cancellation

You may cancel this *policy* at any time by giving notice in writing to *us*.

We may cancel this *policy* at any time by giving notice in writing to *you*, such cancellation to take effect after 30 days from the time of notification received by *you*.

Within 30 days of the effective date of cancellation *you* must advise *us* of the actual *gross charges* figures for the period the *policy* has been in force to enable *us* to calculate the premium due for the period. The difference between this premium and the deposit will either be paid by or allowed to *you* but subject to a retention by *us* of a minimum premium of 75 per cent of the proportionate part of the estimated annual premium for the period the *policy* has been in force.

Proper law and jurisdiction

The construction, interpretation and meaning of the provisions of this *policy* shall be determined in accordance with New Zealand law.

In the event of any dispute arising under this *policy*, including but not limited to, its construction and/or validity and/or performance and/or interpretation, *you* will submit to the exclusive jurisdiction of any competent Court in New Zealand.

Sanctions regulation

Notwithstanding any other terms or conditions under this *policy*, *we* shall not be deemed to provide coverage and will not make any payments nor provide any service or benefit to *you* or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of *yours* would violate any applicable trade or economic sanctions, law or regulation.

Valuation and foreign currency

All premiums, limits, retentions, indemnity and other amounts referred to in this *policy* are expressed and payable, where due, in New Zealand currency. Unless where otherwise provided, if judgment is rendered, settlement is denominated or an element of loss under this *policy* is stated in a currency other than New Zealand dollars, payment under this *policy* shall be made in New Zealand dollars at the cash rate of exchange for the purchase of New Zealand dollars as reported in the National Business Review on the date the final judgment is reached, the amount of the settlement is agreed upon or the element of loss is due, as the case may be.

Waiver of privilege

If we instruct any lawyer to investigate or defend any claim against any insured person, you authorise the lawyer to provide us with any documents, information or advice in respect of the claim, including in relation to indemnity, and you waive any privilege to the extent necessary to give full effect to our entitlement in this respect.

Proteus Marine Insurance

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