



New Zealand's
favourite boat insurer.

Charter Craft

Policy Wording



AGREEMENT

This is your Mariner policy. Your insurance contract consists of this, the schedule and the proposal or application form. Please read this policy and your Schedule carefully and if any information is incorrect advise your broker or us immediately. In consideration of the insured named in the schedule having paid or promised to pay the agreed premium Mariner Marine Insurance Limited for and on behalf of Vero Insurance

New Zealand Limited agrees to insure against loss, damage, liability or expense happening during the period of insurance and will, subject to the definitions, exclusions, conditions and warranties contained in the policy, indemnify the insured against such loss, damage, liability or expense. The total liability of the company in respect of the vessel shall not exceed the amount specified in the schedule against each item.

This policy shall not be in force unless it has a schedule which has been initialled by our authorised official.

DEFINITIONS

Throughout this policy:

excess means the first amount of any claim which you must pay.

ancillary gear and equipment means gear, equipment and consumables, which are the property of you, your family or employees and not otherwise insured. This also includes, but is not limited to fishing gear, dive gear, or any items related to the operation of the business.

personal effects means wearing apparel and other personal property belonging to you, any family member or your employees whilst on board the insured vessel and not otherwise insured. By personal effects we do not mean money, jewellery, furs, traveller's cheques, or other valuable papers or documents. These are not insured under the policy.

schedule means the latest current policy schedule, expiry notice or insurance renewal issued to you.

tender means a launch or small boat capable of being and usually carried on deck or on davits on your vessel or which is towed behind your vessel.

agreed value means we have agreed on the value of the vessel and other property specified in the schedule. It will be used to help us measure the amount of loss.

vessel means the vessel shown on the schedule, including where applicable, spars, sails, machinery, tender, trailer, equipment and other accessories which would normally be

sold with the vessel. It does not mean fishing gear or personal watercraft.

we, us, and our refer to the company providing this insurance.

you and your refer to the insured shown on the schedule.

SECTION A

Hull insurance

Property insured

We cover your vessel, as described on the schedule (including equipment required to be on board for the operation and maintenance of the vessel), afloat on all inland and coastal waters within 200 nautical miles of the North and South Islands of New Zealand or within the area that the vessel is licenced to operate and while ashore or being transported on a land conveyance, including loading or unloading. If equipment is temporarily not on board the vessel and is ashore for storage or repair it will be covered for up to 20% of the amount specified under Section A in the schedule. The amount of insurance remaining on the vessel will be reduced by the value of that equipment.

Perils insured or cover

We cover your vessel against all risks of sudden accidental physical loss or damage. We also cover physical damage that is caused directly by any latent defect in your vessel. However, we do not cover the cost of repairing or replacing any defective part.

We will also cover:

Additions and deletions

It is agreed that any items purchased for the vessel during any one period of insurance shall be deemed as being covered but limited to \$25,000. It is further agreed that any items sold shall be deemed deleted from the schedule. In the event of a loss falling within the scope of the policy, receipts and invoices must be produced. Adjustments to the sum insured and premium will be completed at renewal.

Fire extinguishment and safety costs

We will reimburse you for the reasonable costs of replenishing, refilling or replacing fire extinguishers and/or safety flares used during an incident giving rise to a claim, which has been admitted under this policy. Our limit of liability shall not exceed \$1,000.

Loss or damage prevention

We will reimburse you for all expenses necessarily and reasonably incurred by you in preventing or attempting to

prevent loss or damage, where a claim would or has been admitted under this policy. Our liability, unless agreed by the company in writing, shall not exceed 25% of the sum insured specified under Section A in the Schedule.

Personal effects

We cover personal effects (provided they are not otherwise insured) which are the property of you, your family and employees, against all risks of accidental loss or damage while they are on board or being carried on or off your vessel however there is no coverage while the vessel is laid up for repairs or storage. There is no cover for money, jewellery, furs, traveller's cheques or other valuable papers or documents. We will pay the actual cash value of personal effects but not exceeding what it would cost to repair or replace the property with a similar item of property. Our liability in any one loss to personal effects will not be more than \$1,000 in total, regardless of the number of people who may have suffered a loss arising out of the same event.

Rescue

We will pay the reasonable costs for the rescue of you, your passengers or members of your crew. Our limit of liability for rescue costs is \$10,000.

Temporary accommodation costs

We will reimburse you reasonable temporary accommodation and travel costs if following an accident to or loss of your vessel giving rise to a claim which has been admitted under this policy you, your passengers or members of your crew are unable to return to the point of original embarkation. Our limit of liability shall not exceed \$2,500.

Optional extensions

These optional clauses will only apply if there is a statement on the Schedule that they apply.

Ancillary gear and equipment

We cover gear and equipment (provided they are not otherwise insured) against all risks of accidental loss or damage whilst onboard or being carried on or off your vessel however there is no cover while the vessel is laid up for repairs or storage. We will pay the actual cash value of gear and equipment but not exceeding what it would cost to repair or replace the property with a similar item of property. Our liability for any one item will not be more than \$2500 and in total shall not exceed the sum insured specified in the schedule for this extension.

Racing risk

We will pay the cost of replacing or repairing sails, mast, spars, or standing and running rigging lost or damaged whilst the vessel is racing. Unless the loss or damage is caused by the vessel being stranded, sunk, burnt, on fire or in collision or contact with any external substance (ice included) other than water any settlement will be subject to the racing risk excess stated on the schedule and we deduct depreciation for sails over 3 years old.

CONDITIONS

Claim settlement

We have the option:

- a) to settle up to the sum insured specified in the schedule, by payment, reinstatement or replacement, or
- b) repair, or take or require to be taken tenders for repair.

We will pay for total loss of your vessel and other property only if the vessel is completely lost or destroyed. We will also pay for a constructive total loss if the cost of recovering and repairing the vessel is greater than the amount of insurance specified for your vessel in the schedule. We will not pay for unrepaired damage in addition to a total loss or constructive total loss. If we pay you for a total loss or constructive total loss you agree that we are entitled to the proceeds of any salvage. If there is a total loss to your vessel we will not deduct for depreciation in determining the value of any property. If there is a partial loss, however, we deduct for depreciation on sails, protective covers of fabric or similar material, and outboard motors more than 3 years old.

EXCLUSIONS

We do not cover:

1. Physical damage or losses caused by or resulting from normal wear and tear, gradual deterioration, delamination, 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 unless caused by the vessel being stranded, or in collision or in violent contact with another vessel, pier or jetty.
3. Repairing or replacing any defective part condemned solely in consequence of a latent defect or an error in design or construction.

4. Loss or damage to electrical apparatus caused by electricity, other than lightning, unless fire results, and then only for the loss or damage caused by the fire.
5. Claims for unexplained disappearance of property, gear or equipment from the vessel.
6. Sails, masts, spars or standing and running rigging while the vessel is racing, unless the loss or damage is caused by the vessel being stranded, sunk, burnt, on fire or in collision or contact with any external substance (ice included) other than water.
7. Loss or damage following theft of unattended trailered craft unless the trailer is fitted with a locked recognised security device.
8. Burglary or theft of unattended personal watercraft unless such craft are protected with a locked recognised security device.
9. Damage to personal watercraft arising as a result of water ingestion to the motors or electrical equipment.

SECTION B

Third party liability insurance

We will indemnify you for your legal liability for any accident arising from your ownership or use of the vessel which results in:

1. Physical loss or damage to any other vessel, or property on such other vessels, or any other fixed or movable object.
2. Loss of life or bodily injury.
3. Any attempt in 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.
4. Punitive or exemplary damages with our maximum liability arising from any one accident not exceeding \$250,000.
5. General damages for mental injury with our maximum liability arising from any one accident not exceeding \$250,000.
6. Loss of or damage to passengers personal property with our maximum liability arising from any one accident not exceeding \$2,500 per item or \$20,000 in total regardless of the number of people involved in the accident.

Limit of liability

Our liability under this section shall be subject to a maximum limit of liability as specified under Section B 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 insured persons or boats involved in any one accident or series of accidents arising out of the same event.

Supplementary payments

In addition to the limit of liability specified in the schedule, we will pay on behalf of an insured person the following:

1. Interest on our proportion of the judgment, which is earned before we make payment.
2. \$250 a day for attendance at court proceedings at our request.
3. Legal or other reasonable expenses incurred at our request or with our prior written approval.
4. Legal representation costs where you or your vessel are involved or implicated in a maritime accident, which is the subject of a Maritime Safety Authority, Transport Accident Investigation Commission or Coroner's inquiry. With prior written approval from ourselves, we will pay reasonable costs for legal representation up to a maximum of \$10,000.

Exclusions

We do not cover:

1. Any liability under any contract or agreement unless such liability would have attached in the absence of such contract or agreement.
2. Death of or bodily injury to, or loss of or damage to property belonging to or used by or in the custody or control of:
 - a) any person under a contract of service or apprenticeship with the insured arising out of and in the course of his employment by the insured; or
 - b) the insured person or any member of the insured person's household.
3. Legal liability incurred in respect of bodily injury, loss of life or property damage arising out of the transportation of the vessel on land.

Excess

Applicable to sections A and B

We will deduct the excess specified in the schedule for any payment we make for all losses due to a single incident.

SECTION C

Statutory liability

Definitions

Throughout this section:

act means as the context requires:

- a) The Resource Management Act 1991;
- b) The Health and Safety in Employment Act 1992;
- c) The Maritime transport Act 1994;

or any amendment to or re-enactment of any of these Acts and any regulations or other subordinate legislation made under these Acts.

defence costs means costs and expenses incurred investigating and defending any civil or criminal action (including but not limited to any threat or intimation of such action or any circumstance which may give rise to any such action) arising out of an occurrence and includes the costs and expenses of being represented at any conference, hearing, inquiry, investigation, proceedings or review relating to any act as defined above.

occurrence means any event neither expected nor intended by you which results in an allegation of the commission of an offence under any section of any Act, or which results in an inquiry, investigation, conference, hearing, proceeding, review or settlement negotiation in respect of any such allegation.

penalty means any fine or other cash penalty (including courts costs) payable by you upon conviction of an offence under the Health & Safety in Employment Amendment Act 2002 in connection with an Occurrence, including prosecution witness costs and expenses and prosecution solicitors' costs.

Penalty shall not include:

- a) the cost or payment of any enforcement order, remedial order or compliance order;
- b) any tax (including any fine or penalty resulting from the failure to pay any tax), rate, duty, or interest on such tax, rate, or duty;
- c) any damage, restitution, compensation or reparation imposed by a tribunal or court of competent jurisdiction, except a reparation order imposed by the Court on you upon confirmation for an offence under the Health and Safety In Employment Act 1992;
- d) the value of any property subject to confiscation or forfeiture;

- e) any fine or infringement fee imposed by the Court on you upon conviction of an offence under the Health and Safety In Employment Act 1992 arising from an Occurrence on or after 5 May 2003;
- f) any other monetary payment, penalty or find for which we may not lawfully indemnify you.

In all other respects this insurance remains unaltered.

cover

We will reimburse you for

- a) any penalty payable by you upon conviction of an offence under any Act specified under "definitions"
- b) defence costs incurred by you with our prior consent in the defence of prosecution or threatened prosecutions for an alleged offence under any Act specified in the schedule.
- c) defence costs incurred by you with our prior written consent in being represented at or in relation to any conference, hearing, inquiry, proceedings or settlement under any Act specified under "definitions"

limit of liability

Our liability under this section inclusive of all defence costs shall not exceed the limits specified in the schedule in respect of any one claim or series of claims arising from one source or original cause.

Provided that the maximum amount payable in the aggregate in any one period of insurance inclusive of all defence costs shall not exceed the limit of indemnity specified in the schedule.

excess

We will deduct the excess specified in the schedule from any payment we make under this section for all claims arising from one source or original cause.

Exclusions

We do not cover:

1. any occurrence which has arisen out of:
 - a) any deliberate or reckless breach by you of any provision or provisions of any specified Act;
 - b) your failure to comply with a lawfully given direction or other enforceable obligation pursuant to any statutory or regulatory provision.
2. the handling or disposal of materials by any person or organisation acting on your behalf unless you have taken all reasonable steps to ensure that the materials will be handled or disposed of in a lawful manner.

3. any claim arising directly or indirectly from an occurrence prior to the attachment of this insurance.
4. any claim brought about or contributed to by any dishonest, fraudulent, criminal or malicious act or omission by you.

SECTION D

Employers liability

Definitions

Throughout this section:

employee means

- a) any person directly employed by you in the business and from whose remuneration you make PAYE tax deductions.
- b) any consultant or person temporarily employed while working for you in connection with the business.
- c) Any sub-contractor contracted by you to work in connection with the business.

personal injury means bodily injury, sickness or disease including death resulting therefrom, disability, shock, fright, mental anguish or mental injury but does not include personal injury:

- a) sustained by an employee prior to the attachment date specified in the schedule;
- b) caused by or arising out of sexual harassment or sexual abuse.

For the purposes of this insurance personal injury shall be sustained when the employee is first exposed to conditions in New Zealand out of which the personal injury arose.

litigation costs means the claimants costs and expenses and your costs and expenses incurred with our prior written consent.

cover

We will reimburse you for all claims (including litigation costs) which you become legally liable to pay as damages as a result of claims first made against you during the period of insurance as a result of any employee sustaining personal injury in New Zealand arising out of or in the course of their employment in operating the vessel specified in the schedule.

limit of liability

Our liability under this section inclusive of all costs and expenses shall not exceed the limits specified in the schedule in respect of any one claim or series of claims arising from one source or original cause.

Provided that the maximum amount payable in the aggregate

in any period of insurance shall not exceed the limit of indemnity specified in the schedule.

excess

We will deduct the excess specified in the schedule from any payment we make under this section for all claims arising from one source or original cause.

Exclusions

We do not cover:

1. Personal injury where such injury falls within the scope of cover provided by the Accident Insurance Act 1998 or any subsequent similar legislation or would be so entitled had a claim been lodged under that Act.
2. Any employee not directly employed to carry out the normal activities of the business unless you give prior notice of such employment to us and we confirm our agreement in writing.
3. Any claim arising in any way out of any failure by you to comply with any improvement, prohibition or suspension notice issued to you or any employee under the Health and Safety in Employment Act 1992 or equivalent notices issued under any subsequent legislation.
4. Any fine or penalty levied against you.
5. Any personal injury sustained prior to the attachment of this policy.

General exclusions

Applicable to all sections.

We do not cover loss, damage or liability:

1. Deliberately caused by the wrongful acts or wilful misconduct of any insured person.
2. Caused by or resulting from:
 - a) radioactive contamination;
 - b) discharge of any nuclear weapon;
 - c) capture, seizure, arrest, detainment, requisition, confiscation or repossession of your vessel;
 - d) war declared or undeclared, martial law, or hostile or warlike action taken by any government or its agents, any sovereign power, any authority using naval, military or air forces or those forces themselves; or
 - e) civil war, insurrection, rebellion, revolution, usurped power or action taken by any government authority in defending against these happenings.
 - f) acts of terrorism.

Applicable to sections A, B & C.

3. While the vessel, if other than a yacht, is being prepared for or engaged in any race, speed test or trial.
4. Arising from loss of use of the vessel or any other consequential loss unless specified in the schedule.
5. Where the vessel is in an unseaworthy condition.
6. Arising while the vessel is being operated by person/s:
 - a) under the influence of alcohol or any drugs;
 - b) Who does not hold the appropriate licence for the vessel's operation.

Applicable to sections D & E.

7. Arising solely from or relating to any express term of contract or agreement.
8. Caused by or arising directly or indirectly out of:
 - a) transporting, distributing or storing asbestos;
 - b) any process of decontamination, treatment or control of asbestos;
 - c) the presence of asbestos in any property insured;
 - d) asbestos pollution or contamination.
9. Caused by the unjustifiable dismissal of any person or other grievance arising out of a contract of employment.

Communicable Disease Exclusion

Notwithstanding any provision to the contrary within your insurance contract or any endorsement, this insurance excludes any loss, damage, interruption, legal liability, claim, cost, expense or other sum of whatsoever nature (including any increased or additional costs or expenses of a claim to which this exclusion does not otherwise apply) directly or indirectly arising out of, contributed to by, or in connection with:

1. Communicable Disease; or
2. Fear or threat (whether actual or perceived) of Communicable Disease; or
3. Actions taken by any person, entity or public authority to respond to, control, prevent or suppress Communicable Disease;

regardless of any other cause or event contributing concurrently or in any other sequence thereto.

In this exclusion, 'Communicable Disease' means:

1. Any disease (whether human, animal, plant or otherwise) which can be transmitted directly or indirectly from any organism to another organism by means of any substance or agent (including without limitation any virus, bacterium, parasite or other organism or any variation thereof, whether living or not); or
2. Any Infectious Disease or Quarantinable Disease as defined in or declared under the Health Act 1956.

A reference to the Health Act 1956 includes any amendment, replacement or successor legislation. A reference to Infectious Disease or Quarantinable Disease shall have the meaning found in any replacement definition or of any equivalent or substantially similar term defined in or declared under any amendment, replacement or successor legislation.

General conditions

Applicable to all sections.

at anchor

The vessel will not be left unattended at anchor for more than 24 hours.

basis of policy

The proposal and declaration submitted by you or on your behalf is the basis of and is deemed to be incorporated in this policy.

breach of condition

If any insured person breaches any condition in this policy all benefit under the policy will be forfeited.

cancellation

You may cancel this policy at any time, and with immediate effect by written notice delivered to us. In the event of such cancellation, we will be entitled to a pro rata proportion of the premium for the time during which the policy has been in force.

We may cancel this policy at any time by sending a letter to this effect to you at your last recorded postal address on our records. The cancellation will take effect at 4.00 p.m. on the 14th day after the letter has been sent. In the event of such cancellation, we will refund to you a pro rata proportion of the premium.

change in circumstances

You will immediately inform the company in writing if any material circumstances change during the period of cover.

claims

In the event of any occurrence which may give rise to a claim under the policy you must:

- a) notify us as soon as possible;
- b) immediately report to the Police any burglary, theft or malicious act;
- c) take all reasonable steps to prevent further damage; and
- d) not without our prior written consent negotiate, pay, settle, admit or decline any claim nor incur any expense in making good any loss or damage other than to minimise the damage.

conduct of claim

- a) We may (if we so desire) take over and conduct in your name the defence or settlement of any claim or prosecute in your name for our benefit any claim or counter claim and shall have full discretion in the conduct of any proceedings and in the settlement of any claim or counter claim.
- b) You shall give all such assistance as we may require.
- c) We reserve the right to select legal representatives. continuation

If you are away from any port at the time this policy ends, we will extend your cover until you arrive at the nearest safe port. You must notify us as soon as possible and pay the additional premium required. This continuation privilege does not apply if the policy is cancelled by you or us.

duty of care

You shall take reasonable precautions to:

- a) prevent any event giving cause to damage, loss or liability;
- b) comply with all obligations and regulations set out in any legislation or imposed by any Authority;
- c) maintain the property insured in proper repair; and
- d) remedy and/or eliminate (at your own expense) any defect or any danger that may give rise to a claim under this policy.

fraud

If any claim is in any respect fraudulent or if any false declaration is made or used in support thereof or if any fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefit under this policy in respect of the claim, all benefit under this policy in respect of that will be forfeited.

goods & services tax

The limits of indemnity unless otherwise specified in the schedule are GST inclusive.

joint insureds

If there is more than one insured named in the schedule the cover under this policy shall be provided jointly.

jurisdiction

The laws of New Zealand shall apply to and the Courts of New Zealand will have exclusive jurisdiction in respect of any litigation arising out of this policy. Any legal liability, compensation awarded or costs or expenses of litigation outside New Zealand are not covered.

mooring

Moorings must meet the minimum specifications recommended by the Harbour Authority or any other appropriate Authority that has control of or responsibility for the area in which the moorings are laid for a vessel of the tonnage, size and dimensions of the insured vessel. Moorings are to be maintained in good order and all swing moorings including weights are to be lifted for inspection at least every three years and worn parts renewed.

observance of terms and conditions

The observance and fulfilment of the terms and conditions of this policy by you in so far as they relate to anything to be done or complied with by you and the correctness of any statements contained in any proposal or made elsewhere to the company by you, are conditions precedent to any liability of the company to provide any indemnity under this policy.

other insurance

If you have other insurance that covers your loss, the insurance under this policy is considered to be in excess. This means that we will only pay you the amount of your loss otherwise covered under this policy that you are unable to recover from other insurance even if that policy has a condition to the same or similar effect.

persons in charge of the vessel

Persons in charge of the vessel with your permission must observe fulfil and be subject to the terms exceptions and conditions of this policy in so far as they can apply.

subrogation

Upon accepting liability for a claim under this policy, the company is entitled to become subrogated to your right of recovery or indemnity from any other person or corporation. You must, at the company's expense do and concur in doing and permit to be done anything reasonably required by the company for the purpose of enforcing that right.