

# Safe Anchor pleasurecraft policy

Lumley, a business division of IAG New Zealand Limited, Lumley Centre, 88 Shortland Street, PO Box 2426, Auckland 1140, New Zealand  
Tel 09 308 1100 Fax 09 308 1114 [www.lumley.co.nz](http://www.lumley.co.nz)

## Introduction

Welcome to Lumley's Safe Anchor Pleasurecraft Policy. This wording sets out the terms, conditions and exclusions subject to which cover is provided. Please read this *Policy* carefully to ensure that the insurance cover is appropriate for *You*. Words *Capitalised* and in *Italics* have had their meaning defined. These meanings can be found in the Interpretation and Definitions Section or within the wording of this *Policy*. Headings in this *Policy* are a guide only and are not to be used for interpretation.

## Insurance contract

In consideration of the premium paid by *You* to *Us*, *We* agree to indemnify *You* as outlined in this *Policy*.  
*Your* insurance contract consists of three parts, this document, the *Policy Schedule* and the information provided by *You* in support of *Your* application, including that provided on the proposal.

## Disclosure of material information

In addition to any other disclosure obligations under this *Policy*, prior to inception, variation and renewal of this *Policy*, *You* have a duty to advise *Us* of all material information, whether asked for or not. Material information is information that might influence a prudent insurer's decision to insure *You* and if so, on what terms and/or premium.

Failure to disclose all material information may entitle *Us* to avoid *Your Policy*. This means it will be as though the *Policy* never existed and any claims made will not be payable. If *You* are unsure whether to disclose certain information, please tell *Us*.

## Operative Clause – What We Cover

*We* will indemnify *You* for *Loss* occurring during the *Period of Insurance*, provided that in no circumstances will *We* be liable to indemnify *You* under this *Policy* for any amount which:

- (a) is in excess of the *Sum Insured*; or
- (b) is the applicable *Excess*.

## Benefits

Subject always to the terms, conditions and exclusions of this *Policy*:

### Section One: Cover for the Insured Craft

#### 1 You are insured for:

- 1.1 *Loss* to the *Insured Craft* during the *Period of Insurance* including all reasonable and necessary salvage charges, removal charges or charges incurred in averting or minimising *Loss* arising whilst:
  - 1.1.1 Ashore or afloat;
  - 1.1.2 In transit by land or by any recognised sea or airfreight service; while in New Zealand and *New Zealand Waters*.
- 1.2 General average and salvage charges adjusted or determined according to the contract of carriage and/or the governing law and practice, incurred to avoid or in connection with the avoidance of loss from a risk otherwise covered under this *Policy*.

#### 2 We will pay for any *Loss* or series of *Losses* arising from one *Accident* up to the *Sum Insured*, as follows:

- 2.1 If there is:
  - 2.1.1 a total *Loss* of *Your Insured Craft* *We* will pay the *Sum Insured*.
  - 2.1.2 a partial *Loss* we will pay *Replacement Value*, except that:
    - (a) *We* will pay *Replacement Value* less depreciation for *Ancillary Equipment* which is over five years old at the date of *Loss*.

- (b) We will pay *Replacement Value* less depreciation for outboard motors which is over three years old at the date of *Loss*.
  - (c) If the *Insured Craft* is not racing at the time of *Loss*, the amount We will pay for sails and protective covers is their *Replacement Value* less depreciation.
  - (d) If the *Insured Craft* is *Social / Corporate Yacht Racing* at the time of *Loss*, the amount we will pay for sails, masts, spars and attached fittings, standing or running rigging and blocks is their *Replacement Value* less depreciation and less one third of the *Replacement Value* or the *Excess* (whichever is the greater).
- 2.2 We will reimburse *You* for expenses which *You* reasonably and necessarily incur in averting or minimising a *Loss* otherwise covered under this *Policy*.
- 2.3 At *Our* option *We* may:
- 2.3.1 as an alternative to payment, replace or repair the *Insured Craft* or any part of it.
  - 2.3.2 settle a claim by making payment directly to any *Interested Party*, whose receipt will discharge *Us* completely from any further obligations in respect of such claim.

## Section Two: Contents

- 3 *You* are insured for *Loss* to *Contents* during the *Period of Insurance*.
- 4 We will pay for any *Loss* or series of *Losses* arising from one *Accident* up to \$1,000 per item and a maximum of \$20,000 in one *Period of Insurance* unless stated otherwise in the *Policy Schedule* for *Contents*, as follows.
- 4.1 *Replacement Value* for any item up to 10 years of age.
  - 4.2 *Replacement Value* less depreciation for any item over 10 years of age.
- 5 At *Our* option *We* may repair or replace the item as an alternative to payment.

## Section Three: Legal Liability

- 6 This *Policy* covers *You* or any other person using the *Insured Craft* with *Your* consent for:
- 6.1 legal liability for *Loss* to the property of others;
  - 6.2 legal liability for *Bodily Injury* to any person;
  - 6.3 legal liability to pay *Reparation* to a victim who has suffered *Loss* of property or *Bodily Injury* as a result of *You* or any other person insured under this *Policy* committing an offence in connection with the use of the *Insured Craft*.

Provided that:

- 6.3.1 *You* or any other person entitled to cover under this benefit must tell *Us* immediately if *You* or they are charged with any offence in connection with the use of the *Insured Craft* which resulted in *Loss* of property or *Bodily Injury* to another person; and
- 6.3.2 *We* must give *Our* written approval before any offer of *Reparation* is made.

There is no cover for any amounts that are covered under the Accident Compensation Act 2001 (Act), or would be covered but for:

- (a) a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act,
- (b) the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act,
- (c) a decision by the Accident Compensation Corporation to decline a claim or limit its liability in whole or in part and for any reason whatsoever.

Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.

- 6.4 any costs and expenses incurred with *Our* consent;
  - 6.5 any costs and expenses recoverable by any claimant;
  - 6.6 the reasonable cost of removing the wreck of the *Insured Craft* from any place within *New Zealand Waters* from which *You* become legally obliged to remove the wreck and the reasonable cost of disposing of the wreck resulting from any *Accident* during the *Period of Insurance* caused by the use of the *Insured Craft*, but
    - 6.6.1 For any *Loss* or series of *Losses* arising from one *Accident* *We* will pay no more than the limit of indemnity shown in the *Policy Schedule*.
    - 6.6.2 For any *Loss* or series of *Losses* arising from one *Accident* for which punitive or exemplary damages, or damages for mental injury are claimed *We* will pay no more than \$250,000 in total in respect of such claims.
    - 6.6.3 If *You* have liability protection with *Us* under any other policy, *We* will pay no more in total under all policies than the limit of indemnity shown in the *Policy Schedule* for this *Policy*.
- 7 Subject to the terms, conditions and limits of liability of this *Policy*, this *Policy* covers *You* against legal liability, including liability to pay *Reparation*, that *You* incur while in charge of any other craft used for pleasure purposes and arising from the same, except that *You* are not insured for *Your* liability for *Loss* to the craft that *You* are using.

## Section Four: Further benefits

- 8 If *You* attend legal proceedings where *Your* attendance is necessary and which *We* agree to institute or defend in connection with this *Policy*, *We* will pay *Your* actual loss of earnings up to \$100 each day for a maximum of 15 days.
- 9 Provided a claim is admitted *We* will pay the reasonable cost to replenish, refill, or replace fire extinguishers or safety flares used during the events giving rise to the claim.

- 10 Provided a claim is admitted *We* will pay the reasonable cost to return *You* and any passengers to the place of commencement of *Your* journey or voyage up to a limit of \$1,000 per person and \$5,000 in the aggregate in any one *Period of Insurance*.
- 11 This *Policy* covers the *Insured Craft* whilst it is being used for search and rescue work by the New Zealand Police, New Zealand Coastguard or other duly constituted authority but does not cover the liability of the New Zealand Police, New Zealand Coastguard or other duly constituted authority.
- 12 *We* will cover *You* for the *Loss* or theft of the keys to the *Insured Craft* including the costs associated with recoding the new keys up to a maximum of \$500. No excess will apply to a claim under this clause 12.
- 13 Where the *Insured Craft* becomes stranded and/or grounded and/or is involved in a collision, this *Policy* covers costs incurred for the sole purpose of sighting the hull bottom regardless of whether any resultant damage is discovered. *Our* liability under this extension is limited to \$5,000 in the aggregate during any one *Period of Insurance*. The *Excess* shall apply to this benefit if the *Excess* has not already been applied to a claim under Section 1.

## Exclusions – What We Do Not Cover

### Exclusions to Section One

#### 1 Defective Parts

Section One of this *Policy* does not cover the cost of repairing or renewing any defective part as a result of a fault or error in design or construction but *We* will pay for damage caused to the *Insured Craft* by the defective part.

#### 2 Defective Work

Section One of this *Policy* does not cover the cost of making good any defect in maintenance or repair or alteration work.

#### 3 Excess

Section One of this *Policy* does not cover the *Excess* for each claim.

#### 4 Fire or Explosion

Section One of this *Policy* does not cover damage caused by fire or explosion unless there are on board fire extinguisher(s) in good working order.

#### 5 Food, Drink, Nets, Moorings, Fishing Gear

Section One of this *Policy* does not cover loss of or damage to food, drink, nets, moorings or fishing gear unless caused directly by an *Accident* to the *Insured Craft*.

#### 6 Loss of Use

Section One of this *Policy* does not cover loss of use of the *Insured Craft*.

#### 7 Maintenance

Section One of this *Policy* does not cover loss or damage caused by lack of maintenance or lack of reasonable care of the *Insured Craft*.

#### 8 Mechanical / Electrical Breakdown

Mechanical and/or electrical breakdown or failure of motor(s) or any other machinery and/or electrical equipment. However, *We* will pay a claim for any *Loss* which breakdown or failure causes to any other part of the *Insured Craft* or if the breakdown or failure is a direct result of any of the following:

- 8.1 Fire, collision or impact of or to the *Insured Craft*.
- 8.2 Malicious act.

#### 9 Moored Trailercraft

Section One of this *Policy* does not cover *Loss* to permanently moored *Trailercraft* caused by or resulting from submersion unless the *Insured Craft* has an operational automatic bilge pumping device fitted and adequate protective storm covers are in place whilst the *Insured Craft* is unattended at its mooring.

#### 10 Personal Effects

Section One of this *Policy* does not cover loss of or damage to *Personal Effects* unless noted on the *Policy Schedule* as part of *Ancillary Equipment*.

#### 11 Personal Watercraft

Section One of this *Policy* does not cover *Loss* to *Personal Watercraft* arising from water ingestion by the motor or electrical equipment. However, *We* will pay for *Loss* which water ingestion causes if the water ingestion is a direct result of any of the following:

- 11.1 Fire, collision or impact of or to the *Personal Watercraft*.
- 11.2 Malicious act.

#### 12 Racing

Section One of this *Policy* does not cover sails, masts, spars and attached fittings, standing or running rigging and blocks of the *Insured Craft* while racing, other than *Social / Corporate Racing*, unless *We* have agreed to insure the *Insured Craft* while racing, *You* have paid any additional premium required by *Us* and the additional benefit is noted in the *Policy Schedule*.

#### 13 Sails and Protective Covers

Section One of this *Policy* does not cover sails and protective covers split by wind or blown away whilst set unless in consequence of damage to the spars to which sails are set, or occasioned by the *Insured Craft* being stranded or in collision or contact with any external substance (ice included) other than water.

#### **14 Seizure or Overheating**

Section One of this *Policy* does not cover seizure or overheating of motor(s) or any other machinery. However, *We* will pay a claim for any *Loss* which seizure or overheating causes to any other part of the *Insured Craft* or if the seizure or overheating is a direct result of any of the following:

14.1 Fire, collision or impact of or to the *Insured Craft*.

14.2 Malicious act.

#### **15 Theft**

Section One of this *Policy* does not cover theft of masts, spars, sails, rigging and parts thereto, outboard motors, dinghies, gear or equipment except theft consequent upon

15.1 forcible entry into a place of storage, or

15.2 illegal entry to or conversion of the *Insured Craft*, or

15.3 forcible and violent removal from the *Insured Craft*.

#### **16 Tow Related Equipment**

Section One of this *Policy* does not cover tow related equipment such as skis, sea biscuits and wakeboards, unless noted on the *Policy Schedule* as part of *Ancillary Equipment*.

#### **17 Vermin, wear and tear, deterioration, corrosion etc**

Section One of this *Policy* does not cover loss or damage caused by vermin, insects, marine growth, timber rot, wear and tear, depreciation and deterioration, osmosis, delamination, mould, corrosion, electrolysis, inherent vice, breakdown and/or deterioration of hull sheathing.

#### **Exclusions to Section Two**

##### **18 Excess**

Section Two of this *Policy* does not cover the *Excess* for each claim.

##### **19 Materials, workmanship, design**

Section Two of this *Policy* does not cover the cost of repairing or renewing any fault, defect or error in materials, workmanship or design.

##### **20 Other Damage**

Section Two of this *Policy* does not cover loss or damage caused by the action of light, any process of cleaning, repairing or restoring, insects, or vermin.

##### **21 Wear and Tear, mildew, rot, rust etc**

Section Two of this *Policy* does not cover *Loss* caused by wear and tear, mildew, rot, corrosion, rust, or gradual deterioration.

Exclusions 18-21 above apply only to the part or item directly affected. This *Policy* will cover any resultant *loss* provided it is not also excluded.

#### **Exclusions to Section Three**

##### **22 Care, Custody, Control**

Section Three of this *Policy* does not cover *Your* liability for loss of or damage to property in *Your* care custody or control or belonging to any person ordinarily residing with *You*.

##### **23 Employees**

Section Three of this *Policy* does not cover *Your* liability to any employee arising out of or during employment.

##### **24 Fare-Paying Passengers**

Section Three of this *Policy* does not cover *Your* liability to fare-paying passengers.

##### **25 Towing**

Section Three of this *Policy* does not cover *Your* liability arising out of the towing in the air of persons or objects.

##### **26 Trailers**

Section Three of this *Policy* does not cover *Your* liability arising out of the use of a Trailer while attached to a motor vehicle, or as a result of a Trailer being inadvertently detached or broken away.

##### **27 Offences**

Section Three of this *Policy* does not cover any legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament including any Regulations, Rules or By-Laws made under any Act of Parliament.

#### **Exclusions Applying to All Sections of This Policy**

##### **28 Asbestos**

It is hereby understood and agreed that this insurance shall not apply to and does not cover any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos.

##### **29 Confiscation**

There is no cover under any part of this *Policy* for any *Loss* or liability caused directly or indirectly in any way by confiscation, nationalisation or requisition by the order of the Government or any local authority, except in the circumstances provided for in Further Benefit clause 11, but *We* will pay for damage as a result of such an order if it is to prevent a *Loss* which would otherwise have been covered under this *Policy*.

### 30 Drugs and Alcohol

- 30.1 There is no cover if the *Insured Craft* is being used by or is in the control of any person who is under the influence of alcohol, drugs or other intoxicating substances.
- 30.2 There is no cover if, at the time of any event giving rise to a claim, the *Insured Craft* is attached to a motor vehicle that is being driven by or is in the charge of any person who:
- 30.2.1 is driving with an excess breath alcohol or blood alcohol concentration in terms of New Zealand Land Transport Law, whether or not a conviction is entered against that person, or
  - 30.2.2 fails or refuses to permit a breath test or specimen of blood to be taken after having been lawfully required to do so, or
  - 30.2.3 is under the influence of drugs or other intoxicating substances, or
  - 30.2.4 fails or refuses to stop, or remain at the scene, following an *Accident* (as required by law).
- 30.3 This clause does not apply if the person in charge of the *Insured Craft* has stolen or converted the *Insured Craft* within the terms of New Zealand criminal law.

### 31 Injury

There is no cover under any part of this *Policy* for any *Loss* or liability caused directly or indirectly in any way by any event or *Accident* where cover is provided under the Accident Compensation Act 2001 ('the Act'), any of the Former Acts defined in section 6 of the Act or any Act in amendment of or substitution for the Act.

### 32 Legal Proceedings

There is no cover under any part of this *Policy* for the cost of defending any legal proceedings or for any amount awarded by any court or arbitrator unless all proceedings take place in New Zealand.

### 33 Moorings, Left Unattended

There is no cover under any part of this *Policy* for any claim caused by or arising from the *Insured Craft* being left moored or anchored and unattended off a beach or shore, other than on any permanent mooring identified in the *Policy Schedule*, for a period in excess of 24 consecutive hours.

### 34 Non-Standard Use

There is no cover under any part of this *Policy* for any *Loss* or liability caused directly or indirectly in any way by, or arising whilst the *Insured Craft* is:

- 33.1 let out on hire, or charter, or used for other than private pleasure purposes and emergency services.
- 33.2 navigating outside *New Zealand Waters*, unless stated otherwise in the *Policy Schedule*.
- 33.3 undergoing any voyage to/from ports and/or places outside New Zealand or *New Zealand Waters*, unless stated otherwise in the *Policy Schedule*.
- 33.4 towing or being towed except as is customary or when giving or in need of assistance.
- 33.5 being prepared for or engaged in power racing or power speed trials or tests.

### 35 Nuclear

There is no cover under this *Policy* in respect of loss, liability, cost or expense of any nature directly or indirectly caused by, arising out of or in any way connected with *Nuclear Activity*, *Nuclear Property* or *Nuclear Material*.

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

### 36 Sanctions

We will not be deemed to provide cover nor will We be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under any United Nations resolution or trade or economic sanctions, laws or regulations of New Zealand, the European Union, United Kingdom or United States of America or any other sanction, prohibition or restriction with which We are obligated to comply with.

### 37 Seepage and Pollution

There is no cover under this *Policy* for liability incurred by You arising out of or in any way connected to seepage, pollution or contamination.

### 38 Unseaworthiness

There is no cover under any part of this *Policy* for any *Loss* or liability caused directly or indirectly in any way by unseaworthiness or lack of repair of the *Insured Craft*.

### 39 War and Terrorism

There is no cover under any part of this *Policy* for any *Loss*, liability, cost or expense directly or indirectly by, arising out of or in any way connected to *War* or *Terrorism* or steps taken to prevent, suppress, control, retaliate against, respond to, or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived *Terrorism*, regardless of any other contributing cause or event.

## Conditions – What You must/must not do

You must comply with all the conditions, warranties and obligations of this *Policy*. If You do not We may decline Your claim.

### 1 Access to Insured Craft

You must give Us free access at all times to examine the *Insured Craft*.

## 2 Alterations

- 2.1 You can have this *Policy* altered at any time as long as *We* agree in writing to such alteration before it takes effect.
- 2.2 *We* can alter the terms of this *Policy* by writing to *Your* last known postal address advised to *Us*. The change will take effect 14 days after the date of *Our* letter.

## 3 Cancellation of this *Policy*

- 3.1 You may cancel this *Policy* by writing to *Us*. Cancellation will be effective from 4pm on the date *We* receive *Your* written advice. *We* will refund 80% of the unused part of the premium that has been paid to *Us*.
- 3.2 *We* may cancel this *Policy* by giving *You* 14 days' written notice, sent to *Your* last known postal address. If the premium has been paid *We* will refund all the unused part of the premium.

## 4 Care of Insured Property

You must maintain the *Insured Craft* in good repair and take all reasonable steps to safeguard the *Insured Craft* against *Loss*.

## 5 Change in Circumstances

If during the *Period of Insurance* there are any changes in *Your* circumstances or to the *Insured Craft* which are material to this *Policy*, *You* must immediately notify *Us* in writing.

## 6 Goods and Services Tax

All amounts specified in this *Policy* or as agreed in writing include GST, unless expressed to the contrary.

## 7 Non-Moored Craft

You warrant that while the *Insured Craft* is at the address where it is usually kept it will be sufficiently secured to prevent theft except consequent upon forcible and violent means.

In the event of a breach of this warranty any claim that may otherwise be payable will be subject to an excess of \$2,000 or the *Excess*, whichever is the greater.

## 8 Other Insurance

If any *Loss* or liability covered by this *Policy* is also covered by any other policy

- 8.1 *We* will only pay over and above the cover provided by the other policy.
- 8.2 *We* will not pay for any excess which applies to the other policy.
- 8.3 You must tell *Us* as soon as *You* are aware of any other such insurance.

Provided always You warrant that *You* do not have additional insurance covering that part of the cost of replacement or repair that is not recoverable under this *Policy*.

## 9 Other People's Obligations

Any person entitled to cover under this *Policy* must meet all of the conditions and obligations which apply to *You* under this *Policy*. If they do not, this *Policy* may not cover them, or *You*.

## 10 Permanently Moored Craft

If the *Insured Craft* is kept on a permanent mooring as identified in the *Policy Schedule*, *You* warrant that the mooring:

- 10.1 complies with any applicable regulations, specifications, standards, bylaws and/or certificates.
- 10.2 is in good order.
- 10.3 is lifted and inspected at intervals no greater than three years.

## 11 Reckless, Wilful or Deliberate Acts

You must not cause or facilitate *Loss* or incur any liability through any reckless, deliberate or wilful act. You must not knowingly allow or permit anyone else to cause *Loss* or liability in this way.

## 12 Renewal

If on the date this *Policy* is due to be renewed the *Insured Craft* is at sea, in distress, at a port or place of refuge, or at a port or place of call, provided *You* give immediate notice to *Us* and pay any additional premium *We* may require, *We* will continue to insure the *Insured Craft* until the earliest of:

- 12.1 a reasonable date to be nominated by *Us*, or
- 12.2 the date the *Insured Craft* arrives at destination, or
- 12.3 the date the *Insured Craft* arrives at a place of safety.

## 13 Total Loss Payment

If *We* pay a claim for a total loss, this *Policy* will come to an end and no refund of premium will be payable to *You*. In the event that *You* have not paid the premium or any part of it, the premium or the balance of it (as the case may be) shall immediately become payable and may be deducted by *Us* from any sums otherwise due to *You* from *Us*.

## Claims: Your rights and obligations

- 1 You must tell *Us* immediately *You* are aware of any event that might result in a claim.
- 2 You must immediately tell the Police if property is lost or if *You* suspect theft, burglary, arson or malicious damage.

- 3 You must do as much as You can to minimise Loss or any liability.
- 4 You must give Us free access to examine and assess any Loss or liability.
- 5 You must take reasonable steps to obtain details of any other person, property or craft involved, and any witnesses.
- 6 You must immediately send Us any communication received from any other person.
- 7 You must fully co-operate with Us and complete any documentation We require.
- 8 You must not:
  - 8.1 Dispose of any property for which You intend to make a claim under this Policy.
  - 8.2 Incur any expense in making good any Loss, or any professional expense, without Our agreement, except as necessary to minimise Loss or liability or safeguard the property.
  - 8.3 Admit responsibility for any Loss or liability or try to negotiate, defend or settle any claim Yourself.
  - 8.4 Make any claim which is fraudulent or dishonest in any respect. If You do so, all benefits under this Policy are forfeited.
  - 8.5 Make any incorrect statements in relation to any claim.
- 9 You or anyone else entitled to cover under this Policy must not negotiate, offer to pay or pay any Reparation, including but not limited to, offers made as part of any case management conference or sentencing hearing.
- 10 We have the sole right and option to act in Your name and on Your behalf to negotiate, defend, or settle any claim and to take over for Our own benefit any legal right of recovery You may have. If We do this, it will be at Our own expense.
- 11 You or anyone else entitled to cover under this Policy must tell Us immediately if You or they are charged with any offence in connection with the use of the Insured Craft or any other craft used for pleasure purposes which resulted in Loss of property or Bodily Injury to another person.

## Definitions

In this Policy, unless otherwise required where any of the following words, or their derivatives, appear Capitalised and Italicised they will mean:

### Accident

An unforeseen or unintended happening or event. Wherever the word 'Accidental' is used, it refers to 'Accident' as defined.

### Bodily Injury

The Accidental death of, or Accidental bodily injury to any person, including sickness, disease, disability, shock, fright, mental anguish or mental injury.

### Contents

Household appliances, furniture and furnishings (e.g. microwave, TV, dining suite, linen) while on board the Insured Craft, or temporarily removed for servicing, repair or alteration.

### Excess

The first amount of a claim, as shown in the Policy Schedule, which You must bear. You are not insured for this amount.

### Insured Craft

Such of the following as are agreed in writing to be insured under this Policy:

- (a) **Hull, Furniture and Fittings.** This means the craft itself including sails, mast, spars and rigging, inboard motors, outboard motors, dinghies and such gear and equipment as are normally sold with the craft;
- (b) **Ancillary Equipment.** This means hand held navigational aids and communications equipment, fishing gear, Personal Effects which have been specifically noted on the Policy Schedule and all other craft related equipment which would not normally be sold with the craft;
- (c) **Trailer.** This means a boat trailer or a trailer to which is secured a special frame to carry a craft.

### Interested Party

Any person(s) or entity notified to Us as being the mortgagee or holder of a security or other interest in the Insured Craft and who is noted on the Policy Schedule.

### Loss

Accidental loss or damage.

### New Zealand Waters

Any navigable waters in New Zealand up to a seaward limit of 200 nautical miles from the coast of the North Island, South Island or Stewart Island.

### Motor

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

### Nuclear Activity

Includes:

- (a) ionising radiations from or contamination by radioactivity from any Nuclear Material or from the combustion of Nuclear Material (for the purpose of this exclusion, combustion includes any self-sustaining process of nuclear fission or fusion);
- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any Nuclear Property or Nuclear Material.

## **Nuclear Material**

Includes:

- (a) nuclear fuel and nuclear waste;
- (b) radioactive material and radioactive waste;
- (c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; and
- (d) any chemical, biological, bio-chemical, or electromagnetic weapon.

This does not extend to radioactive isotopes, other than nuclear fuel or nuclear waste, when such isotopes are in or on the *Insured Craft* and are being prepared, transported, stored, or used in the normal course of operations by *You* for the commercial, agricultural, medical, scientific or other similar peaceful purposes for which they were intended.

## **Nuclear Property**

Includes:

- (a) all nuclear installations including nuclear power stations, nuclear reactors and reactor buildings;
- (b) all sites, including building and structures, used or having been used for the generation of nuclear energy or production, use or storage of *Nuclear Material*; and
- (c) all other tangible property, including but not limited to vehicles, plant and equipment, stored or used on, or carried to or from any of, the situations described in (a) or (b) above.

## **Period of Insurance**

The period shown in the *Policy Schedule* and any subsequent period for which *We* have agreed to renew this *Policy* and for which *You* have paid the premium.

## **Personal Effects**

Personal items belonging to *You*, or *Your* immediate family or a passenger on the *Insured Craft*, limited to clothing, shoes, waterproof gear, portable music equipment, prescription glasses and sunglasses.

## **Personal Watercraft**

A craft designed to be operated by a person standing, sitting astride or kneeling, which uses waterjet propulsion and which has an engine in a watertight compartment.

## **Policy**

This pre-printed policy document, which together with the *Policy Schedule* and the information provided by *You* in support of *Your* application, forms the basis of *Your* insurance contract with *Us*.

## **Policy Schedule**

The most recently policy schedule issued by *Us* to *You* forming part of *Your Policy*.

## **Reparation**

An amount ordered by a New Zealand Court to be paid to the victim of an offence under section 32 of the Sentencing Act 2002, but subject to any limit of liability under the Maritime Transport Act 1994.

## **Replacement Value**

The reasonable cost of repairing or replacing the lost or damaged parts of the *Insured Craft*, up to the *Sum Insured*.

## **Social / Corporate Yacht Racing**

Yacht racing where the use of spinnaker, gennaker and/or extras is not permitted and the race is no longer than 50 nautical miles.

## **Sum Insured**

The sum shown in the *Policy Schedule* as the value of *Your Insured Craft*.

## **Terrorism**

An act or acts, or preparation in respect of action, or threat of action, including but not limited to the use or threat of force or violence, 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, which from its nature or context is committed for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including but not limited to the intention to influence any government, de jure or de facto of any nation or any political division thereof, and/or to put the public, or any section of the public, in fear.

## **Trailercraft**

A craft designed to be carried on a trailer and stored on land.

## **You, Your and Insured**

The person (or persons) described in the *Policy Schedule* as 'The Insured'. Wherever the word '*Your*' is used this refers to *You*. If there is more than one person described in the *Policy Schedule* as 'The Insured', this policy insures *You* jointly.

## **War**

War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, martial law or state of siege or any events or causes which determine the proclamation or maintenance of martial law or state of siege.

## **We, Us and Our**

Lumley, a business division of IAG New Zealand Limited.