

# Yachts Hull Insurance

Policy

We, Lumley, a business division of IAG New Zealand Limited (hereinafter referred to as "the Company"), in consideration of the payment to us by or on behalf of the Assured of the agreed Premium to insure against liability or expense in the manner herein provided. The Proposal and Declaration made by the Assured are the basis of and form part of this insurance.

## Schedule

|   |
|---|
| <b>Name of Assured:</b>   |
| and their subsidiary companies and companies for which they have management control and joint ventures, as now or hereafter constituted, formed or acquired.  |
| <b>Interested Parties:</b>  |
| <b>Policy Number:</b>   |
| <b>Period of Insurance:</b> (a) From: _____ to _____ at 4.00pm NZST<br>(b) Any subsequent period for which the Assured shall have paid and the Company shall have agreed to accept a renewal premium.     |
| <b>Vessel Insured:</b>  |
| <b>Valued at: \$</b>  |
| Unless otherwise stated, the sum insured is expressed in New Zealand currency.  |
| <b>Interest:</b>  |
| Hull and Materials, Engines, Machinery, Gear, Equipment, Ships Boats and everything connected therewith intended for Vessels' own use whether property of the Assured and/or Hired and/or Leased by them. |
| <b>Sum Insured:</b>   |
| 100% of Values  |
| <b>Liabilities to Third Party:</b>  |
| Per Clause 11, Institute Yacht Clauses: \$  |
| <b>Premium:</b>   |
| As agreed   |
| <b>Navigational and Trade Limits:</b>   |
| New Zealand and 200 Kilometres from New Zealand main land mass in the areas for which the vessel is in survey to operate.   |

|  |                   |
|--|-------------------|
| <b>Signed by Lumley, a business division of IAG New Zealand Limited.</b> |                   |
| Signed: _____  | Date:     /     / |

## Conditions of Insurance:

### Subject to:

Institute Yacht Clauses – Hulls 1/11/85

- Clause 3.2 and 4 deleted
- Clause 12.1 Deductible \$
- Excluding liability to Masters and/or Crew and/or Cargo.
- Excluding liability arising out of Divers or Diving Operations
- Fishing equipment and accessories limited to loss or damage arising from fire, burglary (due to forcible entry) and total loss of vessel.
- Excluding liabilities arising out of the use of explosives.

Institute War and Strikes Clauses Yachts 1/11/85

Institute Yacht Clauses Racing Risk Extension 1/11/85

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical And Electromagnetic Weapons Exclusion Clause (10/11/2003) CI 370

U.S.A. & Canada Endorsement (Uscan B 29/1/2004) For The Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical And Electromagnetic Weapons Exclusion Clause (10/11/2003)

Institute Cyber Attack Exclusion Clause 10/11/03

Sanction Limitation & Exclusion Clause

Seepage and Pollution Exclusion Clause 01/01/89

Goods and Services Tax Clause

Road Trailer Clause

Road Transit Clause

### Additional Coverage (as attached)

Per:

|                                      |                 |              |
|--------------------------------------|-----------------|--------------|
| Employers Liability Policy Wording   | Limit \$250,000 | Excess \$500 |
| Statutory Liability Insurance Policy | Limit \$250,000 | Excess \$500 |

## Warranties

### Delivery Voyage Warranty

Warranted, unless expressly agreed in writing, cover does not attach in respect of any voyage to overseas destinations and that at all times the vessel will be used within the operating areas specified in the Proposal and Declaration being areas within the capability of the Insured Vessel and crew.

### L.P. Gas Warranty

Warranted L.P. Gas Installations (if any) be fitted, approved and serviced by licensed or authorised L.P. Gas Installers.

### Mooring Warranty

Notwithstanding anything contained herein to the contrary it is specifically understood and agreed that this insurance does not extend to cover the subject-matter insured while the insured vessel is left unattended at anchor or at moorings (other than the vessels permanent moorings which have been approved by the Company) for a period exceeding 12 consecutive hours.

### Named Master Warranty

Warranted that, unless expressly agreed in writing by the Company, the Insured Vessel will at all times be operated under the command of the Master/s named in the Proposal or by such other Master/s advised to and approved by the Company in writing and in respect of whom an additional Masters Questionnaire has been submitted to the Company.

### Navigation/Trading Warranty

Warranted that the vessel will only operate in the area(s) for which it is surveyed to operate and declared to Underwriters at the inception of the policy period.

### Permanent Mooring Warranty

Warranted that the approved permanent moorings meet the minimum specifications recommended by the Harbour Authority/Port Company or 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 vessel hereby insured. Moorings to be maintained in good order and all swing moorings to be lifted for inspection at least every three years.

### Proposal, Masters Questionnaire Warranty

Warranted the Proposal, Masters Questionnaire/s form the basis of this Policy and are incorporated herein.

### Regulation Compliance Warranty

Warranted that the Assured will comply at all times with all acts, regulations, rules, orders, notices to mariners and any other requirements issued and/or notified and/or administered by the Maritime Safety Authority of New Zealand, or its successor or successors from time to time governing or relating to the construction, seaworthiness, surveying, outfitting, manning, use, operation or navigation of the vessel hereby insured.

It is further warranted that the Assured will take all reasonable steps to ensure that the abovementioned acts, regulations, rules, orders, notices, and other requirements are complied with at all times by his/their employees and agents.

**Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (10/11/2003) CL 370**

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

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
  - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
  - 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
  - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause 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
- any chemical, biological, bio-chemical, or electromagnetic weapon.

**U.S.A. & Canada Endorsement (USCAN B 29/1/2004) for the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (10/11/2003)**

This Policy is subject to the Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause 10/11/2003 (RACCBE). This inclusion of RACCBE in this policy is material to underwriters' willingness to provide coverage at the quoted terms, conditions and rates.

It is the intent of the parties to give maximum effect to RACCBE as permitted by law.

In the event that any portion of RACCBE may be found to be unenforceable in whole or in part under the law of any state, territory, district, commonwealth or possession of the U.S.A., or any province or territory of Canada, the remainder shall remain in full force and effect under the laws of that state territory, district, commonwealth or possession, province or territory. Further, any such finding shall not alter the enforceability of RACCBE under the laws of any other state, territory, district, commonwealth or possession of the U.S.A., or any province or territory of Canada, to the fullest extent permitted by applicable law.

**Institute Cyber Attack Exclusion Clause 10/11/03**

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system, computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

**Sanction Limitation and Exclusion Clause (LMA 3100)**

No Insurer shall be deemed to provide cover and no insurer shall 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 that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**Seepage And Pollution Exclusion Clause (01/01/89)**

1. This Policy excludes claims in respect of liability incurred by any original assured for seepage, pollution or contamination.
  - a) on or over land or inland waters unless caused by a sudden event or insured on a sudden and accidental basis;
  - b) caused by disposal or dumping of waste.
2. Nevertheless, claims in respect of the following shall not be excluded by this clause:
  - a) control of well policies where such seepage, pollution or contamination follows a well out of control above the surface of the ground or waterbottom;
  - b) liability
    - i) under the Offshore Pollution Liability Agreement,
    - ii) under the Outer Continental Shelf Lands Act, Federal Water Quality Improvement Act, Arctic Waters Pollution Protection Act,
    - iii) for seepage, pollution or contamination from or caused by vessels, craft or their cargoes,
    - iv) under aviation policies subject to clauses no less restrictive than AVN 46B;
  - c) general average.

## Other Clauses

### Goods and Services Tax

Provided that GST is recoverable by the Company, the sum or sums insured by this Policy are exclusive of GST to the intent that in the event of a claim the Company will pay a maximum of the sum insured plus additional GST of a maximum of the current rate of GST applied to that sum insured.

Where the Assured is registered for Goods and Services Tax on any indemnity payments made under this Policy, the Company will include the amount of that tax in the payment as if it were part of the loss for which the indemnity is paid.

In ascertaining whether a vessel is a constructive total loss, the cost of recovery and or repair of the vessel will be GST exclusive.

### Road Trailer Clause

This Policy covers accidental physical loss of or damage to the road trailer whilst in transit or stationary within New Zealand.

This Policy does not cover any liability in conjunction with the use of a trailer whilst it is attached to a motor vehicle, or inadvertently detached or broken away.

This Policy does not cover damage to tyres caused by the application of brakes or by punctures, cuts or bursts.

This clause is subject to a claim deductible of \$500 each and every claim including total and/or constructive total loss.

Notwithstanding the above, this clause is subject at all times to the warranties, conditions and exclusions of the Policy.

### Road Transit Clause

This Policy covers loss of or damage to the subject-matter insured caused by the perils as specified in the relevant Institute Clauses forming part of this Policy, whilst in transit within New Zealand by road, rail, car ferry, or air, including loading onto and unloading from the conveyance.

This Policy does not cover any liability in conjunction with the use of a trailer whilst it is attached to a motor vehicle, if inadvertently detached or broken away.

This clause is subject to the deductible/s as specified in this Policy.

Notwithstanding the above, this clause is subject at all times to the warranties, conditions and exclusions of the Policy.

## General Conditions

### Alteration of risk

The Insured must provide the Company with immediate written notice of:

- (a) every change which materially varies any of the facts or circumstances existing at the commencement of this Policy that comes to the Insured's knowledge, which will also be deemed to include the knowledge of any person whose knowledge would in law be the Assured's knowledge, and;
- (b) if the Assured does not provide such notification before the happening of an occurrence giving rise to a claim under this Policy then the Company may refuse to pay a claim, either in whole or in part.

### No variation or waiver

The terms of this Policy bind all parties until otherwise changed. Such change will not be effective until confirmed in writing by the Company.

### Subrogation

In the event of payment under this Policy to or on behalf of the Insured, the Company shall be subrogated to all the Assured's rights of recovery against all persons and organisations and the Assured shall execute and deliver instruments and papers and do all that is necessary to assist the Company in the exercise of such rights.

### Other insurance

If at the time of any occurrence there is, or but for the existence of this policy would be, any other policy of indemnity or insurance in favour of or effected by or on behalf of the Insured applicable to such occurrence, the insurance under this policy shall be excess insurance over and above the amount of liability covered under such other policy of indemnity or insurance and the limits of liability under this policy shall be reduced by an amount equal to the limits of liability afforded under such other policy.

### Jurisdiction Clause:

This Policy of Insurance and any dispute hereunder shall be subject to the jurisdiction of the appropriate Court of New Zealand.

### Cancellation Clause:

This Policy may be cancelled by the Assured at any time by notice in writing delivered to the Company in which case the Company shall retain or be entitled to recover as the case may be, the customary short term premium or minimum premium for the time during which the Policy has been in force. The Company may at any time by giving written notice to the Assured cancel this Policy. Notice of cancellation may be delivered personally or posted by Registered Letter to the Assured at his or its address last known to the Company and the cancellation of the Policy shall be effective as from 4 pm on the seventh day after posting or personal delivery by the Company. After cancellation by the Company as aforesaid the Company will on application by the Assured refund the amount of unearned premium on a pro rata basis subject to any adjustment of premium as may be required by the terms or conditions of this Policy.

### Clause Paramount:

Notwithstanding anything contained herein to the contrary, the Marine Insurance Act 1908 and amendments shall take precedence.

## Hull Claims Procedures:

What to do in the case of loss or accident

- Advise your insurance broker or the nearest office of Lumley immediately. Assistance will be given and where necessary arrangements will be made for an assessor to assist you with the claim process.
- The Assured must act as though uninsured and
  1. take all steps to minimise the loss or damage or any liability, and to safeguard the property insured.
  2. in the case of theft, vandalism or loss, the Police must be informed.
  3. send to us any communication received from any other person.
- The Assured must not, without written consent from the Company
  1. incur any expense in making good any loss or damage (other than to minimise the damage).
  2. negotiate, pay, settle, admit or repudiate any claim to a third party.
- The Assured to inform Maritime New Zealand of
  1. any accident
  2. any incident
  3. any mishapor any potential happenings of the above.