

Your Boat policy wording



STATE

Welcome to State

Thank you for choosing State to insure your boat. You've made a great choice – we've been helping New Zealanders with their insurance needs for more than 100 years and are proud to be doing the same for you.

If you have any questions about your policy or think it doesn't provide the cover you need, please call us straight away – we'll be happy to help.



Contacting us

In New Zealand, simply call 0800 80 24 24. If you ever have a question, need help, or want to make an insurance claim, you're welcome to phone us any time, 24 hours a day.

Australia call us free on 1 800 887 863.

United States call us free on 1 800 593 9482.

United Kingdom call us free on 0800 096 5308.

Somewhere else overseas call us direct on 64 9 969 1150.

If you'd prefer to email us, it's easy. Just follow the link in the 'Contact Us' section at www.state.co.nz.

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Your policy

▶ Reading your policy

Words in bold

You'll notice that some words in **your** policy are in **bold**. This is because they have a special meaning. There is a list of these words and what they mean on page 11.

Examples and headings

To make it easy for **you** to understand **your** policy, **we've** included some examples and comments in italics. Note these don't affect or limit the meaning of the section they refer to.

Please also note that the headings in this policy wording are designed to help **you** find **your** way around it. **You** mustn't use them when interpreting the policy wording.

▶ What your policy consists of

Your State Boat Policy consists of this policy wording, the **schedule** and the information **you** provided in the **application**.

▶ You can change your mind

If **you're** not happy with this policy **you** are welcome to change **your** mind, but **you** must tell **us** within 15-days of the date it started. **We'll** then cancel it and refund in full any premium **you've** paid. This doesn't apply if **you** have made a claim on **your** policy.

▶ Our commitment to you

We'll do **our** best to:

- ▶ provide **you** with helpful, professional service
- ▶ act on **your** requests promptly
- ▶ provide **you** with policies that suit **your** needs
- ▶ give **you** information that will help **you** to reduce the risk of **loss**
- ▶ make **you** aware of policy conditions and obligations.

▶ Our agreement with you

Together, **you** and **we** have an agreement. **You** agree to pay **us** a premium for **your** cover and, in exchange, **we** promise to cover **you** as stated in this policy wording.

▶ So what must you tell us?

You must tell **us** about anything that could affect **your** insurance with **us**. For example, **you** must tell **us**:

- ▶ *if the main user of your boat changes*
- ▶ *if you use your boat for anything other than for private pleasure purposes*
- ▶ *if you have been convicted of a criminal offence in the last 7-years*
- ▶ *if you have been declined or refused insurance in the last 5-years*
- ▶ *if there has been any material change in circumstances since the policy started*
- ▶ *if you insure your boat again with anyone else*

These *examples* are only a guide.

Remember, **we** provide **your** insurance based on the information **you** gave **us** when **you** applied for it. If anything changes, or if **you** expect something to change, **you** must let **us** know or **your** policy may be unenforceable.

Please ask **us** if **you're** not sure if **you** should tell **us** about something.

▶ We must tell you about...

We must keep **you** updated on **your** insurance. For example, **we** must tell **you**:

- ▶ *if we change the terms of your policy*
- ▶ *if we add new terms to your policy*
- ▶ *about any other changes to your policy*
- ▶ *before your policy renews, how much your new premium will be*

▶ Our other responsibilities to you

- ▶ *We'll answer your questions honestly and accurately*
- ▶ *We'll provide you with information and advice to help you understand your insurance and its terms and exclusions*
- ▶ *If you need it, we'll give you a copy of the information you gave us when you applied for your insurance*
- ▶ *When you first insure with us, and when you renew your policy, we'll tell you about the financial rating on our ability to pay for any claims our customers make*

If **you** have any questions please call **us** on **0800 80 24 24**.

Keeping us informed

When **you** apply for insurance with **us**, **you** have an important 'duty of disclosure'. This means that **you** must:

- ▶ give **us** all the information that a prudent insurer needs to decide whether to accept or decline **your application** for insurance. If **we** accept **your application**, it includes information that a prudent insurer needs to decide the cost of **your** insurance and the terms and conditions that will apply (including the **excess**), and
- ▶ provide **us** with true, accurate and complete information, even if **you** think it isn't important.

If **you** don't tell **us**, **your** insurance policy may not be valid and **you** may not be covered if **you** want to make a claim.

You must also tell **us** about changes that occur during the policy **period of cover** – see 'Changes in circumstances' on page 9.

If **you're** not sure whether **you** should give **us** some information, tell **us** anyway. Simply call **us** on **0800 80 24 24** – **we'll** talk the matter over with you and let **you** know if it affects **your** policy.

We treat all information **you** give **us** in accordance with the Privacy Act 1993.

A prudent insurer uses good judgement, carefully considers consequences and acts accordingly.

Making a claim

When **you** need to make a claim, **we'll** be here to help **you** 24-hours a day, 7-days a week – just call **us** on **0800 80 24 24**.

▶ What we'll do

When **you** contact **us** to make a claim under this policy, **we'll**:

- ▶ treat **you** fairly and process **your** claim within the terms of the policy, and
- ▶ explain how the claim process works, and
- ▶ advise **you** as best **we** can how to prevent further damage, and
- ▶ if possible, register **your** claim straight away after asking **you** questions and recording **your** responses, and
- ▶ if possible, accept **your** claim during the first phone call, and
- ▶ explain what **we** need to go ahead with **your** claim, and
- ▶ if required, arrange for a loss adjuster to inspect the damage and explain the procedure they will follow, and
- ▶ keep **you** updated on **your** claim's progress, and
- ▶ give **you** all the information **you** need on how **we'll** settle **your** claim, and
- ▶ if **we** decline **your** claim, clearly explain why.

▶ What you must do

If anything happens that could result in a claim under this policy, **you** must:

- ▶ do what **you** can to take care of the **boat** and prevent any further **loss** or liability, and
- ▶ tell **us** as soon as possible, and
- ▶ notify the police as soon as possible if **you** think the **loss** was caused by a criminal act, and
- ▶ allow **us** to examine the **boat** before any permanent repairs are started, and
- ▶ not destroy or dispose of anything that is, or could be, part of a claim, and
- ▶ as soon as possible, send **us** anything **you** receive from anyone about a claim or possible claim against **you**, and
- ▶ give **us** any information or help **we** ask for, and
- ▶ consent to **your** personal information in connection with **your** claim being disclosed to **us** and transferred to Insurance Claims Register Limited, and
- ▶ tell **us** immediately if **you** or anyone else entitled to cover under this policy is charged with any offence in connection with the use of the **boat** which resulted in **loss** of property or **bodily injury** to another person.

▶ What's the Insurance Claims Register?

It is an electronic register that holds a central record of claims lodged with participating insurance companies. These companies can access the claims history of a customer, for the specific purpose of checking for fraud. This helps to keep the cost of insurance affordable to **you**.

▶ Don't forget about your excess

When **you** make a claim, **we'll** deduct the **excess** from the amount of **your loss**. The **excess** applies to each **event** – unless specifically stated otherwise in another part of this policy.

Additional excess for theft of an unsecured boat trailer

An additional \$2,000 **excess** applies if **your** claim is for theft of the **boat trailer**, but only if the **boat trailer** was not:

1. in a locked and secure building, or
2. fitted with a suitable anti-theft device, or
3. physically attended by **you**,

when the **loss** happened.

This additional **excess** does not apply where the theft is accompanied by violence or threat of violence to **you**.

Additional excess for theft of personal watercraft

An additional \$2,000 **excess** applies if **your** claim is for theft of a **personal watercraft**, but only if the **personal watercraft** was not:

1. in a locked and secure building, or
2. secured by a suitable anti-theft device to a trailer, motor vehicle, secure pole or similar structure, or
3. physically attended by **you**,

when the **loss** happened.

This additional **excess** does not apply where the theft is accompanied by violence or threat of violence to **you**.

▶ Getting our permission first

You must ask for **our** permission before **you**:

- ▶ incur any expenses in connection with a claim under this policy, or
- ▶ negotiate, pay, settle, or admit any allegation that **you** are legally liable, or
- ▶ negotiate, offer to pay or pay any **reparation**, including but not limited to, offers made as any part of any case management conference or sentencing hearing, or
- ▶ do anything that may prejudice **our** rights of recovery.

'Rights of recovery' means that we can claim the money that we paid out on your claim back from the responsible person (if someone else that is not covered under this policy was responsible for the loss). You must not do anything that prevents us from doing that, or that disadvantages us when doing that.

It is best that you allow us to manage your claim on your behalf. We'll let you know how you can help us when we talk to you about your claim.

▶ Honesty is the key

You and we have an agreement. As part of that agreement, you agree to be honest in all your dealings with us, just as we'll be honest with you. If your claim is dishonest or fraudulent in any way, we have the discretion to:

- ▶ decline your whole claim or part of it, and/or
- ▶ declare that this policy or all the policies you have with us are unenforceable from the date of the dishonest or fraudulent act.

▶ Things that will help us help you

- ▶ Keep your insurance documents in a safe and easily accessible place.
- ▶ Have your policy number handy when you contact us.
- ▶ Have any relevant information ready when you contact us, such as special features, brand names and details of the damage.
- ▶ Let us know if your contact details change.
- ▶ Ask us if there's something you're not sure about.
- ▶ Remember to tell us if you make any upgrades or modifications to your boat.

▶ If you have a problem with your claim

We'll always do our very best to get things right and provide you with the service you expect from us. However, sometimes things do go wrong – so when they do, we want to resolve the problem as quickly as possible.

Here's how you can help, in three easy steps:

1. Talk the problem over with the person you've been dealing with. If they can't resolve the problem, or if you're unhappy with their response, contact their Claims Team Leader. It's best to put your complaint in writing, but if you prefer you can phone the Claims Team Leader instead. They'll confirm that they've received your complaint, investigate the matter and update you on the outcome.
2. If you're not satisfied with the results of step 1, you can write to the Head of State Insurance at State Insurance, Private Bag 92130, Auckland.

We'll acknowledge your complaint within three working days of receiving it and make sure it's fully investigated. Within 10-days of receiving your complaint, we'll write to you with the outcome of the investigation – or, if it's not complete, we'll give you an update on progress.
3. If we can't resolve your complaint to the Head of State Insurance within 2-months of receiving it, we'll let you know and advise you of your rights under the independent Insurance & Savings Ombudsman scheme, which considers complaints free of charge.

The Insurance & Savings Ombudsman can only consider complaints that have been investigated by the insurance company involved and that have resulted in a deadlock.

You can contact the Insurance & Savings Ombudsman by phoning 0800 888 202 or (04) 499 7612, by fax at (04) 499 7614 or by writing to PO Box 10 845, Wellington.

You'll find additional information and contact details on the web at www.iombudsman.org.nz.

What you get if we accept your claim

This section explains when we'll repair the boat and its contents and when we'll pay you cash for your loss, if we accept your claim. Please make sure you read this section carefully. If you have any questions, just phone us on 0800 80 24 24.

▶ Repair or pay cash?

Repairable

If the boat is economic to repair in our opinion, we have the option to:

1. arrange for the boat to be repaired to substantially the same condition as it was in before the loss happened, or
2. pay you the cost of repairs as estimated by our assessor.

Not repairable

If the boat is uneconomic to repair in our opinion, we'll pay you the market value or the sum insured, whichever is the lesser. We may keep the boat and retain the salvage.

Sails, outboard motors and protective covers

The most we'll pay for any:

1. sails, or
2. outboard motors, or
3. protective covers,

for any event, is the market value of that item.

Recreational gear

The most we'll pay for any:

1. fishing equipment, or
2. diving equipment, or
3. water skiing equipment,

for any event, is the sum insured for that item.

▶ Specified items

The most we'll pay for any event for a specified item is its specified sum insured.

▶ Maximum payment

The most we'll pay in total for any event is the market value of the boat, or the sum insured, whichever is the lesser.

▶ Goods and services tax

All amounts in this policy include GST.

What your policy automatically covers

This section explains what **your** policy automatically covers and what it doesn't cover at all. There is also an optional cover that **you** may have selected. Please read page 7 for information on this. Please read this section carefully – and if **you** have any questions, call **us** on **0800 80 24 24**.

▶ Use of the boat

This policy only applies when the **boat** is being used for private or pleasure purposes in **New Zealand**.

See also 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

▶ Accidental loss

You're covered for sudden and **accidental loss** to the **boat** if the **loss** happens during the **period of cover** in **New Zealand**.

What you'll get

See 'What you get if we accept your claim' on page 4 for details on what **we'll** pay.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

▶ Additional expenses

You're covered for expenses incurred by **you, your partner** or **family** member to attend any:

1. court proceedings, or
2. any other statutory enquiry,

in connection with **loss to your boat** covered by this policy.

What you'll get

We'll pay up to \$100 per day, to a maximum of \$1,500 in total, during the **period of cover** – and **you** won't have to pay an **excess**.

This payment will be additional to any maximum payments shown in this policy.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

▶ Manslaughter defence

You're covered for costs necessarily and reasonably incurred for:

1. legal defence, to defend a charge of manslaughter, and
2. legal representation at any inquiry or coroner's inquest in connection with a death,

resulting from:

- a. **you** or **your partner** using the **boat**, or
- b. any member of **your family** using the **boat** with **your** permission, or
- c. **you** or **your partner** using any boat that **you** or **your partner** do not own and are not purchasing, provided that **you** or **your partner** has the owner's permission to use the boat,

during the **period of cover**.

Personal Liability 'What isn't covered' – Clause 5 (offences) does not apply to this benefit.

What you'll get

The most **we'll** pay is \$5,000 during the **period of cover** – and **you** won't have to pay an **excess**.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

▶ Personal liability

What does 'personal liability' mean?

'Personal liability' is the legal liability that a person has for loss or damage suffered by someone else.

For example:

If you lose control of your boat and hit someone else's boat in the process, you'll be held legally liable (or personally liable) for the damage to the other boat.

Your legal liability

You're covered for **your** legal liability and defence costs arising from:

1. **accidental loss** to anyone else's property (including loss of use), or
2. **accidental bodily injury** to any person,

occurring during the **period of cover**, caused by or through or in connection with **your** use of the **boat**, in **New Zealand**.

Other people's liability

We'll cover the legal liability and defence costs, and liability to pay **reparation**, of any other person caused by or through or in connection with their use of the **boat**, or their engagement in water skiing or any other similar water sport that involves being towed by the **boat**, in the same way as **we** cover **you** as long as:

1. **you** gave **your** permission for such use, and
2. the other person's liability is not covered by any other insurance, and
3. the other person using the **boat** meets all the same terms of this policy that **you** must meet.

Reparation

You're covered for **your** legal liability to pay **reparation** to a victim who has suffered **accidental loss** of property or **accidental bodily injury** as a result of **your** committing an offence during the **period of cover** in connection with **your** use of the **boat** in **New Zealand**.

Provided that:

1. **you** must tell **us** immediately if **you** or any other person entitled to cover under this benefit is charged with any offence in connection with the use of the **boat** which resulted in **loss** of property or **bodily injury** to another person; and
2. **we** must give **our** written approval before any offer of **reparation** is made.

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

1. a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act,
2. the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act,
3. 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.

What you'll get

The most we'll pay for any **event** (including exemplary damages) is \$2,000,000.

The most we'll pay for exemplary damages is \$250,000 for any **event**.

Settlement of any claim

If we pay the full amount under this part of your policy (or any lesser amount that we can settle your liability for), plus defence costs, this will meet all our obligations under this part of your policy.

What isn't covered?

- You're** not covered for liability or defence costs for **loss** to any property:
 - owned by **you** or anyone **we** cover and who claims under this policy, or
 - in **your** care or in the care of anyone **we** insure under this policy other than for:
 - a boat being towed without charge by **your boat**, or
 - clothing, **personal effects** and luggage being carried by and belonging to any passenger on the **boat**, or
 - being carried by or loaded into or unloaded from the **boat** or any dinghy or similar boat attached to **your boat** other than specified under (b)(ii) above.
- You're** not covered for liability or defence costs:
 - arising while in transit by road while attached to a car or vehicle, or
 - created by a contract or agreement, unless **you** would have been liable even without such contract or agreement, or
 - for **bodily injury** to **you**, **your partner** or **family**, or
 - for **bodily injury** to any other person or persons **we** cover under this policy.
- You're** not covered for liability or defence costs in any way connected with, any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up), unless the seepage, pollution or contamination happens during the **period of cover** and is caused by a sudden **accidental event** that happens during the **period of cover**.
- You're** not covered for penalties or fines.
- You're** not covered for 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.

'Damages' in this context refers to money claimed from you as compensation for harm done, or loss or injury.

'Exemplary damages' is money claimed as punishment. The court awards this to punish someone for their outrageous conduct and to deter others.

See also 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

▶ Personal effects

You're covered for sudden **accidental loss** to **your personal effects** while they're on the **boat**.

What you'll get

We'll pay **you** the **present value** or the **sum insured**, whichever is the lesser.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

▶ Preventing loss to your boat

You're covered for:

- costs **you** incurred when trying to prevent or minimise an imminent **loss** that is covered by this policy, and
- costs of having to replenish, refill or replace safety flares or fire extinguishers that were used in trying to prevent or minimise a **loss** that is covered by this policy.

What you'll get

We'll pay the reasonable costs **you** incurred, but the most we'll pay for any **event** is 25% of the **sum insured** – and **you** won't have to pay an **excess**.

This payment will be additional to the 'Maximum payment' shown under 'What you get if we accept your claim'.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

▶ Raising or removing the boat

You're covered for costs incurred by **you** for raising or removing the **boat**, but only if **you** are instructed to do so by a statutory authority while they are exercising their power of jurisdiction that was granted by legislation.

What you'll get

We'll pay the actual costs necessarily and reasonably incurred by **you** but the most we will pay for any **event** is an amount equal to the **sum insured**.

This payment will be additional to the 'Maximum payment' shown under 'What you get if we accept your claim'.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

▶ Salvage costs

You're covered for costs **you** incurred to remove the **boat** from anywhere in **New Zealand**, to the nearest repairer, following a **loss** covered by this policy.

What you'll get

We'll pay the reasonable costs **you** incurred – and **you** won't have to pay an **excess**, but the most we'll pay for any **event** is an amount equal to the **sum insured**.

This payment will be additional to the 'Maximum payment' shown under 'What you get if we accept your claim'.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

▶ Towing costs

You're covered for costs you incurred to remove the boat from anywhere in New Zealand, to the nearest repairer, following the mechanical or electrical breakdown of the boat while it was afloat, during the period of cover.

What you'll get

We'll pay the reasonable costs you incurred, up to a maximum of \$500 – and you won't have to pay an excess. We won't pay more than \$1,000 in any annual period, unless a higher amount is shown in the schedule.

This payment will be additional to the 'Maximum payment' shown under 'What you get if we accept your claim'.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

Transport costs

You're covered for transport costs for you, your partner, your family and domestic pets in the boat, from the place where the loss occurred to your home or to your nearest immediate destination, but only if the boat can no longer be used following a loss covered by this policy.

What you'll get

We'll pay reasonable costs incurred up to \$250 per person (or domestic pet), to a maximum of \$1,000 in total.

This payment will be additional to the 'Maximum payment' shown under 'What you get if we accept your claim'.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

▶ Wreckage removal

You're covered for costs you incurred to remove the boat from anywhere in New Zealand, to a landfill or similar disposal site, following a loss covered by this policy, as long as the boat is uneconomic to repair.

What you'll get

We'll pay the reasonable costs you incurred, up to a maximum of 10% of the sum insured – and you won't have to pay an excess.

This payment will be additional to the 'Maximum payment' shown under 'What you get if we accept your claim'.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

Additional cover if you've paid extra

This section explains what additional cover you may add onto your policy if you've paid extra. You are only covered if you have paid the extra premium and the cover is printed on the schedule. Please read this section carefully – and if you have any questions, call us on 0800 80 24 24.

▶ Racing risks

You're covered for sudden accidental loss to the boat's sails, masts, spars, or rigging that happens while the boat is racing during the period of cover and in New Zealand, as long as the boat is not engine-powered.

What you'll get

The most we'll pay in total, for masts, spars, rigging and sails, during the period of cover, is the sum insured of those items.

The racing risk excess shown in the schedule applies, except if the loss is caused by:

1. fire, swamping, stranding, sinking, collision, or
2. contact with an external object (ice included) other than water, that is not otherwise excluded by this policy, then the standard excess applies.

What isn't covered?

See 'Exclusions that apply to the whole policy' on page 8 and 'Policy conditions' on page 10.

Exclusions that apply to the whole policy

This section explains things **your** policy doesn't cover that are additional to those already mentioned in the previous sections. Please read it carefully – and if **you** have any questions, call **us** on **0800 80 24 24**.

▶ Alcohol, drugs and other intoxicating substances

You're not covered for **loss** or liability if the person in charge or operating the **boat** is under the influence of alcohol or drugs or any other intoxicating substance to such an extent as to be incapable of having proper control of the **boat**.

You're not covered if, at the time of any **event** giving rise to a claim, **your boat** is attached to a motor vehicle that is being driven by or is in the charge or any person who:

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
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
3. is under the influence of drugs or other intoxicating substances, or
4. fails or refuses to stop, or remain at the scene, following an accident (as required by law).

This doesn't apply if that person stole or converted the **boat**, as long as **you** lay a complaint with the police.

▶ Breakdown or failure of parts and components

You're not covered for the breakdown, failure or breakage of any of the following parts or components of the **boat**:

1. engine and transmission system,
2. any electrical or electronic system or equipment,
3. any cooling or lubricating system,
4. any other mechanically or hydraulically operated system or equipment, unless it is as a direct result of:
 - a. fire, swamping, stranding, sinking, collision, or
 - b. contact with an external object (ice included) other than water, or
 - c. malicious acts,

not otherwise excluded by this policy.

You're not covered for **loss** to the motors or electrical equipment of **personal watercraft** caused by water ingestion.

▶ Confiscation

You're not covered for **loss** connected in any way with the confiscation, nationalisation, requisition, acquisition or destruction of, or damage to property by order of government, public or local authority, unless it was for the purpose of preventing or reducing pollution arising from **loss** to the **boat**.

▶ Excess

When **you** make a claim, **we'll** deduct the **excess** from the amount of **your loss**. The **excess** applies to each **event** – unless specifically stated otherwise in another part of this policy.

▶ Electrical current

You're not covered for **loss** caused by electrical current to electrical or electronic equipment, fuses, protective devices or lighting or heating elements.

However, this only applies to the part of the **boat** first affected. It does not apply to any resultant **accidental loss** to other parts of the **boat**.

▶ Faults and defects

You're not covered for **loss** caused by faulty design, construction, manufacture or latent defect. However, this only applies to the part of the **boat** first affected. It does not apply to any resultant **accidental loss** to other parts of the **boat**.

▶ Intentional or reckless acts

You're not covered for any **loss** or liability arising from any intentional or reckless act or omission.

▶ Loss of electronic data – computer virus

You're not covered for **loss** of **electronic data** and any liability arising from it, directly or indirectly caused by, or in connection with a **computer virus**. This includes loss of use, reduced functionality or any other associated loss or expense in connection with the **electronic data**.

▶ Nuclear and war risks

You're not covered for **loss** or liability and any defence costs connected in any way with:

1. operations using the nuclear fission or fusion process, or handling of radioactive material. This includes, but is not limited to:
 - a. the use of nuclear reactors such as atomic piles, particle accelerators or generators and similar devices, or
 - b. the use, handling or transportation of radioactive material, or
 - c. the use, handling or transportation of any weapon or explosive device employing nuclear fission or fusion, or
2. war, invasion, an act of a foreign enemy, hostilities or war-like operations (whether war is declared or not), civil war, mutiny, rebellion or revolution, or
3. civil commotion assuming the proportions of or amounting to an uprising, insurrection or military or usurped power, or
4. any chemical, biological, bio-chemical, or electromagnetic weapon.

▶ Recreational gear in use

You're not covered for **loss** to fishing, diving, water skiing gear or other **personal effects** while they are being used.

▶ Sails, masts, spars and rigging

You're not insured for **loss** to sails, masts, spars or rigging that happens while the **boat** is racing, unless the **loss** is caused by:

1. fire, swamping, stranding, sinking, collision, or
2. contact with an external object (ice included) other than water, or
3. malicious acts,

not otherwise excluded by this policy.

However, this does not apply if the **schedule** shows that you have purchased the 'Racing risks' cover on page 7.

▶ Terrorism

You're not covered for any **loss**, damage, death, injury, illness, liability, cost or expense directly or indirectly caused by, resulting from or in connection with:

1. an **act of terrorism**, regardless of any other cause or **event** contributing to the **loss**, damage, **injury**, illness, liability, cost or expense, or
2. any action taken to control, prevent, suppress or do anything else in relation to an **act of terrorism**.

▶ Theft of unsecured property

You're not covered for theft of property, while the **boat** is unattended, if the property was not:

1. locked securely within the **boat**, or
2. securely attached to the **boat**, or
3. removed from the **boat** and stored in a locked and secure vehicle or building.

However, this exclusion does not apply where the theft is accompanied by violence or threat of violence to **you**.

▶ Unsafe or unseaworthy

You're not covered if the **boat** is being used in an unsafe or unseaworthy condition, and:

1. the condition of the **boat** contributed to **loss** or liability, and
2. **you** should have been aware of that condition and that the condition could result in damage to the **boat**.

▶ Use of the boat

You're not covered for **loss** or liability when the **boat** is:

1. on hire or charter, or
2. being used for anything other than for private pleasure purposes, unless it is being used for search and rescue work by or on behalf of the police, coastguard or other statutory authority, or
3. engaged in any race or speed test, (unless it is a yacht or the speed is less than 30 kilometres per hour), or
4. being tested for any race or speed test, or
5. being operated at a speed of more than 100 kilometres per hour, or
6. being used in water not normally navigable by conventional propeller driven craft, if it is a jet-boat or **personal watercraft**.

▶ Wear, tear and gradual damage

You're not covered for **loss** caused by wear and tear, rot, corrosion, rust, mildew, delamination, electrolysis, osmosis, fouling, gradual deterioration, marine and non-marine infestations, dampness, normal wetting or weathering.

However, this only applies to the part of the **boat** first affected. It does not apply to any resultant **accidental loss** to other parts of the **boat**.

Policy conditions

Your State Boat Policy has some important conditions. This section explains what they are and what happens if **you** don't follow them. Please read it carefully and if **you** have any questions phone **us** on **0800 80 24 24**.

If you don't comply with the policy...

You and anyone else covered under this policy, and anyone acting on **your** behalf, must comply with this policy.

If any of the terms of this policy are breached, **we** have the sole discretion to decline any claim **you** make – either the whole claim or part of it.

▶ Your obligations

True statements and answers

The **application** is the basis of this policy. All statements and answers that **you** give or any other person gives on **your** behalf, must be honest and accurate when **you**:

1. apply for this insurance, and/or
2. let **us** know about any change in **your** circumstances, and/or
3. make a claim under this policy,

otherwise **we** can declare that this policy or all the policies **you** have with **us** are unenforceable from the date of the dishonest or fraudulent act.

Changes in circumstances

You must let **us** know straight away if, after the start of this policy, there is a material increase or change in the **boat** risk **we** cover.

Information is 'material' where we would have made different decisions about either accepting your insurance or setting the terms of the insurance, if we had known that information. Tell us if this information changes while we insure your boat – as soon as you know that the change will happen.

For example, if you are modifying your boat in any way, you must tell us before the change happens.

If you're not sure if information is 'material', tell us anyway.

The 'risk we cover' refers to the actual property or liabilities we insure (known as physical risks), and you or other people covered by this policy (known as moral risks).

Reasonable care

You and anyone using the **boat** with **your** permission, must always take reasonable care to:

1. avoid circumstances that could result in a claim, and
2. protect the **boat** and maintain it in a safe and seaworthy condition.

You won't be covered if **you** are reckless or grossly irresponsible.

Care of the boat

You musn't leave the **boat**:

1. unattended at anchor, or
2. on a temporary mooring, for more than 24 consecutive hours.

If your boat is usually moored

If the **boat** is usually moored, the mooring must:

1. conform with all licensing and statutory regulations, and
2. be suitable for the size, displacement and the type of **boat**, and
3. be regularly maintained and in good order and condition, and
4. be visually inspected out of the water:
 - a. in accordance with the regulations set down by the controlling authority, or
 - b. at least every two years where no controlling authority applies.

We can take action in your name

We can take action in **your** name to:

1. negotiate, defend or settle any claim against **you** or anyone else covered by this policy
2. make a recovery from anyone else for anything covered by this policy, and **you** must cooperate with **us**.

We'll pay any costs associated with these actions.

▶ Administering this policy

Cancellation

By you...

You can cancel this policy at any time. If **you** do, **we'll** refund any premium due to **you** based on the **period of cover** you haven't used.

You must pay **us** any outstanding payments due to **us**.

By us...

We can cancel this policy by writing to or emailing **you** at the last known address **we** have for **you**. The policy will be cancelled from 4pm on the 14th day after the date of the notice. **We'll** refund any premium due to **you** based on the **period of cover** you haven't used.

If the boat is uneconomic to repair

If the **boat** is **uneconomic to repair** and **we've** paid **your** claim:

1. this policy is automatically cancelled, and
2. **we** won't give any refund of premium, and
3. the **boat** will become **our** property.

This means that you will need to make new insurance arrangements on any replacement boat.

Changing the terms

We can change this policy's terms (including the **excess**) by writing to or emailing **you** at the last known address **we** have for **you**. The policy will be changed from 4pm on the 14th day after the date of the notice.

Joint insurance

If this policy covers more than one person, all persons are jointly covered.

This means that if one person breaches the policy it affects everyone's ability to claim.

Other insurance

You must tell us if the **boat** is (or becomes) covered by another insurance policy. If you can claim under that insurance, we'll only pay the amount of any **loss** that's above the limit payable by the other insurance.

Other parties with a financial interest

If we know of anyone who has a financial interest in the **boat**, we can pay them part or all of any claim proceeds. This payment will meet all our obligations for the **loss** under this policy.

We're also authorised by you to disclose personal information about you to anyone who holds a financial interest in the **boat**. However, anyone recorded as having a financial interest under this policy isn't covered by it and has no right to make a claim.

For example, if you borrowed money from a bank or finance company to buy the boat, then the bank or finance company has a financial interest in the boat until you have repaid the full loan amount.

Definitions

Here are the special meanings of the words shown in **bold** in this policy. The definitions apply to the plural and any versions of the words.

For example, the definition of 'accident' also applies to 'accidentally', 'accidental' and 'accidents'.

accident

unexpected and unintended by you and anyone using the **boat**.

act of terrorism

an act by any person or group(s) that includes (but isn't limited to) the use of force or violence and/or the threat of force or violence, whether they are acting alone or on behalf of or in connection with any organisation(s) or government(s). By its nature or context, this act is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to make the public, or any section of the public, afraid.

annual period

the **period of cover**. However, if:

- ▶ your premium is paid by instalments other than annual payments, or
- ▶ the **period of cover** is more than 12 months,

the annual period is any one 12-month period calculated from the date this policy first started, and consecutively after that.

application

the information you provided to us when you applied for and bought this insurance .

boat

the vessel described in the **schedule**, including its: auxiliary dinghy, trailer and any other equipment or accessories that are either attached to or permanently kept on board the vessel. This also includes your fishing, diving and water skiing equipment that is normally kept on board the vessel, provided that it is not insured under any other insurance and only when specified in the **schedule**.

bodily injury

the **accidental** death of, or **accidental** bodily injury to, any person, including sickness, disease, disability, shock, fright, mental anguish and mental injury.

computer virus

a set of corrupting, harmful or otherwise unauthorised instructions or code, including a set of maliciously introduced unauthorised instructions or codes, whether programmatic or not, that propagate themselves through a computer system or network. This includes (but isn't limited to) Trojan horses, worms and time or logic bombs.

electronic data

facts, concepts and information converted to a form usable for interpreting or processing communications by electronic and electromechanical data processing or electronically controlled equipment. It includes programs, software and other coded instructions for processing and manipulating data or directing and manipulating such equipment.

event

any one event or series of events arising from one source or original cause.

excess

this is the amount of the **loss** that **you** must pay. The amount of the excess is shown in either the **schedule** or in this policy wording.

family

a member of **your** family who lives with **you** permanently.

loss

physical loss or physical damage.

market value

the reasonable cost to buy, immediately before the **loss** and on the retail market, a **boat** of the same:

- ▶ year,
- ▶ make, model and specification,
- ▶ mileage/hours,
- ▶ general condition,

as the **boat** damaged, including the value of any covered fitted equipment.

modification

any change to **your boat** that is different to the manufacturer's original specification or recommendations.

New Zealand

coastal and inland waterways in New Zealand and the area of sea not more than 200 nautical miles from the coastline of the North and South Islands of New Zealand. It includes:

- ▶ while on land in New Zealand, (but not while in transit), and
- ▶ while in transit in New Zealand, including transit by sea, as long as the transit is by a purpose built trailer, transporter, cradle or beach trolley that is designed for transit of such **boats**, and
- ▶ during slipping, hauling out or re-launching,

It does not include the time from when Customs clearance is gained or required to be gained, on departure from New Zealand, until Customs clearance is gained upon return to New Zealand.

partner

your husband or wife or person who **you** are living with in the nature of a marriage.

period of cover

the 'Period of cover' shown in the **schedule**.

personal effects

any articles of wearing apparel, watches, cameras, binoculars and possessions that would normally be used on a boat.

It does not include any money, travellers' cheques, papers and documents, jewellery or fashion accessories.

personal watercraft

your boat, where it is a jet-propelled water-craft that has a fully enclosed hull and does not take on water if capsized. It is designed to be operated by a person standing, sitting astride, or kneeling on it but not seated within it. Personal watercraft carry up to 3 passengers in 'pillion passenger' style.

present value

the reasonable cost to repair or replace an item in New Zealand that is of comparable age, quality and capability, and is in the same general condition.

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.

schedule

the latest version of **your** 'Policy Schedule' that **we** issued to **you** for this policy.

specified item

any item listed in the **schedule** with a corresponding specified **sum insured**.

sum insured

the 'Sum insured' shown in the **schedule**.

uneconomic to repair

a total loss because the **boat** is:

- ▶ uneconomic or unsafe to repair in **our** opinion, or
- ▶ stolen and not recovered.

we

State, a business division of IAG New Zealand Limited.

you

the person(s) shown as 'The Insured' in the **schedule**.

Frequently asked questions

You probably have a few questions to ask us once you have read your policy. We've added a few frequently asked questions that may help you.

Note this section is designed to assist you with possible questions and does not form part of the policy document.

If you can't find your question here, or you want more information, just ring us on **0800 80 24 24**, we'll be happy to help.

What are loss adjusters, and what do they do?

They help us get the information we need about your claim.

For example:

We may ask a loss adjuster to visit you when you report certain types of claims. The adjuster will provide us with a report on the extent of the loss, if repairs are possible and estimate the overall cost of the claim.

Why does State want to know things that I think are private?

We need certain information to decide whether we'll accept your application for insurance. We also use the information to set your premium and excess.

We treat all the information you give us as confidential. You can read more about this in 'Keeping us informed' on page 2.

What happens if I don't give you all the information you ask for?

If we accept your application and the information you've given us is inaccurate or incomplete, your policy may not be valid. You can read more about this in 'Keeping us informed' on page 2.

Will my premium increase if I make a claim?

Your premium won't always increase when you make a claim. However, every claim is different, so we will give you more information on this when you ring us.

Now I have insurance, I'm covered for every event - right?

While you're covered for many major unexpected events, we don't cover everything. You can find out what your policy doesn't cover in 'Exclusions that apply to the whole policy' on page 8 and 'What your policy automatically covers' on page 5. You must also comply with the 'Policy conditions' on page 10.

Do I have to pay an excess for every claim?

You'll pay an excess for most claims.

We'll do our best to recover your excess from any other person responsible for your loss, but sometimes we are unsuccessful, or the circumstances don't allow us to recover any money.

State Boat Insurance Policy

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