

Boat Policy Provider Protection



This is your policy wording. Keep it in a safe place.

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Welcome

Thanks for choosing Tower Insurance. You've made a smart choice by insuring your boat with us. We've been helping New Zealanders protect the things they value for over 140 years and look forward to doing the same for you.

The Tower Insurance Provider Boat Protection Policy consists of this wording, **your** proposal, declaration and **certificate of insurance** completed on the basis of information which **you** have provided to **us**.

Please read this wording and the **certificate of insurance**. If there is an error of any sort, if **your** needs are not met or if **you** are in doubt then please call **us** on 0800 808 808.

The extra cover provided under the special benefits and Optional special benefits for each section is also subject to general conditions, exclusions, obligations and limits of this policy.

In this policy some words are in bold, e.g. **you**. This may indicate that the words have a special meaning. To find out the meaning, please refer to the section — Meanings of words on page 12.

Our guarantee

If **you** are not completely happy with **your** policy, please tell **us** within 30 days of its commencement date. **We** may agree to change the policy to suit **you**. If not, and **you** wish to cancel the policy, **you** can as long as **you** have not made any claims. **We** will then refund any premium **you** have paid and **we** will both regard this policy as never commencing.

Underwritten by Tower Insurance Limited.

What you must tell us

We would like to point out some of the important obligations **you** have.

The correctness of all statements made in relation to this policy or any claim under this policy is essential before **we** have any liability under this policy or pay **your** claim. It is important **we** receive all relevant information. This means that **we** need **you** to tell **us** everything **you** know, or could be reasonably expected to know, that may influence **our** decision to insure **you** or the terms on which **we** insure **you**.

If any circumstances change or may change during the time **we** provide **your** insurance it is important **you** tell **us**. This applies at inception and renewal of **your** policy and also during the term of **your** policy.

Examples of a change in circumstances or any other information may include:

- any **modifications** or changes to **your boat** that are different from the manufacturer's standard specifications
- if anyone becomes a new regular driver of **your boat**

- if **you** or any person who may drive **your boat** is charged with, convicted of, or commits any criminal offence or traffic offence, other than parking infringements.

These examples are a guide only. If **you** are in any doubt **you** should disclose information, whether or not **we** have asked questions that relate to it.

We may change the terms on which **we** insure **you**, or the premium, to reflect the change in circumstances that **you** have disclosed to **us**.

If **you** do not comply with **your** obligations under this section 'What you must tell us', **we** have the option to decline any claim (and recover any claims payment already made). **We** may also cancel or avoid this policy. If **we** cancel **we** will give **you** 14 days' notice sent or emailed to **your** last known address on **our** records. If **we** do this, **we** will refund **your unused premium**.

If **we** avoid **your** policy, it will be treated as if it had never been taken out, and **you** may be required to refund any claims payments **we** have previously paid to **you** under **your** policy (if any). If **we** do this **we** will send notice or an email to **your** last known address on **our** records and **we** will refund **your** entire premium paid.

Some of your other important obligations

You and any person in charge of **your boat** with **your** permission must:

- allow **us** to complete all necessary documents and authorities in respect of any claims under this policy as **your** authorised agent
- allow **us** to inspect the damaged **boat** and deal with salvage in a reasonable manner. No property may be abandoned to **us**
- allow **us** to take over for **our** own benefit and settle any legal right of recovery **you** may have and **you** must cooperate fully in any recovery action
- comply with all **our** requests relating to **your** claim including providing all cooperation, information and assistance
- ensure **your boat** is secured when left unattended
- inform the Police if it appears that there has been arson, theft, burglary or malicious damage
- not discuss a claim made on **you** by another person with them. Instead, refer them to **us**
- not make a claim that is false or fraudulent in any way or make any false or incorrect statement in connection with any claim
- not start repairs to **your boat** without **our** prior approval
- provide **us** immediately with full particulars of any claim made against **you** by another person and all legal documents served on **you** and allow **us** to instruct a solicitor of **our** choice to conduct **your** defence. **You** must follow the recommendations

of that solicitor as to the conduct or continuation of **your** defence. That solicitor shall be entitled to confer with **us** when necessary as to the details of the case and the conduct or continuation of **your** defence

- take all steps which **we** consider reasonable to prevent further loss or damage
- take reasonable care to protect **your boat**
- tell **us** if any lost or stolen property which was part of the claim is found or recovered and hand it over to **us** or at **our** option refund any money paid by **us** if **we** request it
- tell **us** if any person is ordered to make reparation to **you** for any loss or cost which was part of the claim and reimburse **us** for that payment as soon as **you** receive any reparation.

Otherwise **we** may decline **your** claim and/or recover any payment already made.

All premiums must be paid in full by the due date for payment of such premiums. If any premium payable by **you** remains unpaid 28 days following the due date for payment of that premium, **we** may cancel this policy (effective from the first day of the period to which the unpaid premium relates).

What your boat is covered for

Sudden and accidental physical loss or sudden and accidental physical damage whilst **your boat** is within **coastal waters** or on land in New Zealand that occurs during the **period of insurance**, unless excluded by this policy.

What special benefits you are covered for

Natural disaster damage

This section is extended to include loss or damage to **your boat** caused by **natural disaster damage** that occurs during the **period of insurance**.

No claims bonus

If **you** have not had any claims with **us** or with **your** previous insurer for the last year **you** will receive a no claims bonus. If during the next two years **you** also don't have any claims **you** will qualify for an extra no claims bonus.

Should **you** make a claim, the no claims bonus or extra no claims bonus will be reduced at the renewal following the claim. However, **we** will increase **your** no claims bonus again at the next renewal if no further claims are made.

Optional special benefit

Racing risks

If **you** have selected this benefit **we** will pay for loss or damage to **your** sails, masts, spars or running rigging while **your boat** is racing during the **period of insurance**.

An additional **excess** of \$150 will apply.

Boat owner's liability protection

We will cover **you** for up to \$5,000,000 (including **your** defence costs) for **your** liability for claims made against **you** for physical property damage as a result of accidents involving **your boat** that occur within **coastal waters**, or on land in New Zealand.

We will only pay for claims made against **you** during the **period of insurance**, relating to accidents which happen during the **period of insurance**.

We will also cover any other person using **your boat** with **your** permission provided that person:

- was not insured under another policy
- has not been refused boat insurance in the last five years
- has not had a policy cancelled or claim declined by any insurance company in the last five years.

If **you** have liability cover with **us** under any other policy, then **our** maximum combined liability during any one **period of insurance** is \$5,000,000.

What special benefits you are insured for under boat owner's liability protection

The amounts payable under the special benefits under Boat owner's liability protection are included within the Boat owner's Liability protection cover of \$5,000,000 and are not in addition to it.

Bodily injury

Boat owner's liability protection is extended to cover **your** liability up to \$100,000 arising from **bodily injury** that occurs within **coastal waters** or on land in New Zealand during the **period of insurance**.

If **you** have this cover with **us** under any other policy then **our** maximum combined liability under all policies is \$100,000.

Exemplary and punitive damages

Boat owner's liability protection is extended to cover claims made against **you** for exemplary or punitive damages for up to \$250,000 (including **your** defence costs).

What you are not covered for

General exclusions

The excess.

Loss or damage to or claims for:

- the engine, transmission, mechanical, electrical or electronic systems due to their own failure, or any loss or damage which their failure may cause to the rest of these systems
- moorings
- outboard motors caused by theft unless from the place of normal storage which must be a secure situation or attached to **your boat** by a recognised security device
- sails, masts, spars or rigging while **your boat** is racing, other than the cover provided in the Optional special benefit — Racing risks
- sails set in use or protective covers if split by the wind or blown away unless damage occurs at the same time to the mast, spars or rigging
- tyres unless malicious or the damage occurs at the same time as other damage to **your boat** trailer for which a claim is payable.

Loss, damage, or liability arising from or claims for:

- aggravated, punitive or exemplary damages, fines and/or other penalties or reparation orders, other than the cover provided in Boat owner's liability protection special benefit — Exemplary and punitive damages
- airborne activities while being towed by **your boat**

- any alterations, repairs or work being carried out on **your boat**
- any event outside of New Zealand
- any time or date device or any item of which it forms a part (including the **boat** itself) arising from its failure to recognise any date, character or value as the correct date, character or value (e.g. Year 2000). However, **we** will pay for any loss or damage which it causes to any other item
- any unreasonable, criminal, reckless or wilful act or omission, or any disregard for, or failure to comply with any provision in or notice or order under any Act of Parliament or Regulation by **you**. This does not apply to any person who is in charge of **your boat** after stealing it
- confiscation or requisition by order of any public authority
- discharge of any substance
- geothermal activity
- loss of use of **your boat**, depreciation, wear and tear, action of sunlight, existing defects, vermin, borers, marine growths, gradual deterioration, chemical reaction, electrolysis, corrosion, welding failure or latent defect
- nuclear weapons material or ionising radiation or contamination by radioactivity from any nuclear waste or from the combustion of nuclear fuel including any self-sustaining process of nuclear fission or fusion
- personal injury as defined in and/or for which cover is provided under the Accident Compensation Act 2001 or any amendments or any Act(s) passed in substitution of the Act
- the pollution or contamination of **your boat** by the manufacture, storage or use in the **boat** of 'precursor substances' or a 'controlled drug,' as defined in the Misuse of Drugs Act 1975 or any amendments or any Acts passed in substitution of the Act
- **your boat** while it:
 - is being tested in preparation for or engaged in any power boat race, speed test or trial
 - is let out on hire or charter or used for other than private and pleasure purposes
 - is outside the **coastal waters** or within the **coastal waters** in the course of an international voyage or if left unattended on mooring (other than customary mooring) or at anchor for a period exceeding 24 hours
 - or the conveying or towing motor vehicle is in an unsafe condition
 - or the conveying or towing motor vehicle is being driven by or in the charge of any person who:
 - does not hold a licence which is in full force and effect to drive the vehicle at the time and place of the accident
 - following an event giving rise to any claim under this policy fails or refuses to permit a specimen of blood or breath test to be taken after having been required to do so
 - has a proportion of alcohol in his or her blood or breath which exceeds the legal limit prescribed
 - is convicted of any alcohol or drug related offence arising out of the circumstances giving rise to any claim under this policy
 - is not complying with the conditions of his or her licence

- is under the influence of alcohol or drugs and where alcohol or drugs contribute in any way to the accident. This means **your** claim may be declined even if the driver is under the legal limit
- leaves the scene of the accident when it is an offence to do so.

This exclusion does not apply to claims for loss or damage to **your boat** when the person driving it or the conveying or towing motor vehicle has stolen it.

Liability for:

- **bodily injury to you** or any person who at the time of the accident was in charge of **your boat**
- loss of or damage to property belonging to or under the care, custody or control of **you** or **your** driver or being conveyed in or loaded or unloaded from **your boat**. However this exclusion does not apply to any disabled boat being towed by **your boat** for no financial gain or reward
- loss or damage if **you** or **your** driver have agreed with any party to accept responsibility for any loss or damage for which the law would not otherwise hold **you** or the driver responsible.

Loss, damage or liability arising directly or indirectly from, or occasioned by or through or in consequence directly or indirectly of or claim for:

- 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, rebellion, revolution, insurrection, military or usurped power, martial law, confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any

government of public local authority, or any act of any person or persons acting on behalf of or in connection with any organisation the objective of which includes the overthrowing or influencing of any de jure or de facto government by terrorism or by any violent means.

How to make a claim

It is important that **you** tell us when **you** become aware of any circumstances which may give rise to a claim.

You can call us on 0800 808 808 or go to tower.co.nz/claims to fill out an online claim form.

If **you** call us and **we** require **you** to complete a claim form, **we** must receive the completed claim form within 30 days.

How we will look after your claim

When **you** contact us to make a claim **we** will:

- process **your** claim within the terms of the policy
- explain how the claims process works
- explain what **we** need to go ahead with **your** claim
- if required, arrange for an assessor to inspect the damage and explain the procedure that will be followed
- keep **you** updated on **your** claim's progress
- give **you** all the information **you** need on how **we** will settle **your** claim

- if **we** decline **your** claim, **we** will clearly explain why.

How we will settle your claim

If **we** have accepted a claim for loss or damage to **your boat**, **we** will arrange for the repair, replacement or pay for the loss.

We may choose to repair the damage or to pay the amount of the loss up to:

- an amount equal to the reasonable cost of repairs as assessed by **us**, or
- the **market value** of **your boat**, or
- the sum insured shown in the **certificate of insurance**

whichever is less.

If **you** pay **your** premium by instalments and **your boat** is a total loss **you** must pay the rest of the annual premium before **we** settle **your** claim.

We may make payment to an interested party (finance company etc) if **you** have one registered on **your boat**. Their receipt will discharge **us** completely.

We will also pay for all costs and expenses incurred by **you** with **our** approval in defending claims under liability protection plus any costs and expenses awarded against **you**.

In all cases, **we** will not pay more than the **market value** or the sums insured shown in the **certificate of insurance**.

Cancelling this policy

You may cancel this policy at any time by notifying **us** either by telephone, email or post. **We** will refund 80% of **your unused premium** (unless the refund is less than \$25 in which case no refund will apply).

We may cancel or avoid this **policy** in accordance with the express rights of cancellation and/or avoidance set out under the headings 'What you must tell us' and 'Some of your other important obligations'.

If **you** make a claim which is false or fraudulent in any way, or make any false statement to **us**, **we** may avoid **your** policy and any other policies **you** have with **us** or cancel them effective immediately from the date of the fraudulent act. If **we** do this, **we** will refund **your unused premium**.

Your policy is automatically cancelled following settlement of a claim for a total loss of **your boat** and no refund of premium is given. However, **you** may apply to **us** to insure **your** replacement boat.

Making changes to this policy

You can have this policy altered at any time as long as **we** agree in writing to such alteration before it takes effect.

We can alter the terms of this policy by giving **you** at least 14 days' notice sent or emailed to **your** last known address on **our** records in any of the following circumstances:

- to reflect any material changes to relevant law

- to increase the level of existing cover, or add additional cover
- if **we** are no longer able to secure reinsurance protection for perils covered by this policy
- in order to allow for a material change in **your** (or **your** insured property's) risk profile
- in order to allow for a material change in the risk profile of a group of similar policy holders (or similar insured property) that will not be commercially sustainable for **us** under current policy terms.

If **you** do not agree to such alterations to the terms of **your** policy, **you** can cancel the policy (effective from the date of the proposed alteration) by notifying **us** either by telephone, email or post prior to the effective date of the proposed alterations. If **you** cancel on this basis, **we** will refund **your** unused premium.

Other insurance

This policy does not cover any loss, damage or liability if **you** are covered for that same loss, damage or liability to any extent under a policy with another insurer. **We** will not contribute towards any claim under any other policy with another insurer.

Automatic reinstatement

In the case of partial physical loss or partial physical damage to **your** boat, **we** will pay the premium to reinstate your insurance after **we** meet any claim.

Jurisdiction

The laws of New Zealand apply to this policy. The Courts of New Zealand have exclusive jurisdiction in relation to legal proceedings about this policy.

Any compensation awarded or costs or expenses of litigation outside New Zealand are not covered.

Currency and taxes

All sums insured and policy limits are expressed in New Zealand currency and include Goods and Services Tax (GST) and all other taxes. All claims will be paid in New Zealand currency.

If you have a concern

We always strive to give the best possible service. So, if you're not happy with something — anything — please let **us** know. We'll aim to get it sorted for **you** quickly and fairly.

Often a quick conversation with **us** can help straighten things out. But, every now and then there'll be an issue that can't be easily resolved. If that's the case, we'll talk **you** through **our** internal disputes resolution procedure. And if **we** still can't agree, we'll let **you** know how **you** can access **our** external disputes resolution provider.

If **you** would like more information check out tower.co.nz/contact-us

Meanings of words

Definition	Meaning
Accessory, accessory's or accessories	A boat part installed in or on your boat which is not supplied or fitted by the manufacturer of your boat as standard equipment for your make and model of boat
Boat	The items shown in the certificate of insurance
Bodily injury	Bodily injury (including death), illness, disability, disease, shock, fright, mental anguish or mental injury
Certificate of insurance	The certificate of insurance first issued to you or the current renewal certificate whichever applies and any endorsement certificates that have been added during the period of insurance
Coastal waters	The waters within 50 miles from the coast of mainland New Zealand, including inland lakes and waterways
Excess	The amount of any claim which you must bear. The amounts are shown in the certificate of insurance and this wording
Market value	The value of your boat immediately prior to any claim as assessed by a registered marine valuer approved by us
Modifications or modified	Changes or alterations to your boat from the manufacturer's standard specifications, including but not limited to the engine
Natural disaster damage	Sudden and accidental physical loss or sudden and accidental physical damage as a direct result of earthquake, natural landslip , volcanic eruption, hydrothermal activity or tsunami and includes physical loss or physical damage occurring (whether accidentally or not) as a direct result of measures taken under proper authority to avoid the spreading of, or to otherwise reduce the consequences of, an earthquake, natural landslip , volcanic eruption, hydrothermal activity or tsunami. It does not include any loss or damage for which compensation is payable under any Act of Parliament other than EQCover
Natural landslip	The movement (whether by way of falling, sliding or flowing, or by combination thereof) of ground-forming materials composed of natural rock, soil, artificial fill, or a combination of such materials, which, before movement formed an integral part of the ground, but does not include the movement of ground due to below-ground subsidence, soil expansion, soil shrinkage, soil compaction or erosion

Definition	Meaning
Period of insurance	The period shown in the certificate of insurance
Unused premium	Premium for the days you have paid for, but will not be insured (calculated as at the effective date of cancellation)
We, us or our	Tower Insurance Limited
You or your	The person(s) named in the certificate of insurance as the insured. Where you jointly own the boat , this policy insures you jointly

Call us on **0800 808 808**
or visit **tower.co.nz**



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