

**NZI MARINE COMMERCIAL HULL
INSTITUTE CLAUSES**



CONTENTS

INSURANCE AGREEMENT	2
WHAT YOU ARE INSURED FOR	2
BASIS OF SETTLEMENT	2
EXCLUSIONS	2
MANAGING YOUR CLAIM	3
GENERAL CONDITIONS	4
DEFINITIONS	6

NZI MARINE COMMERCIAL HULL INSTITUTE CLAUSES



INSURANCE AGREEMENT

OUR AGREEMENT **You** agree to pay **us** the premium. In exchange, **we** agree to insure **you** as set out in this policy document.

WHAT YOU ARE INSURED FOR

1. **THE VESSEL** **You** are insured for loss of or damage to the **vessel**, or expense incurred, happening during the **period of insurance**, as provided in the **Institute Clauses** or other clauses and conditions stated in the **schedule**.
2. **STORES AND GEAR** **You** are insured for loss or damage to consumable stores, fishing gear or fishing nets but only when the items are separately declared in the Application.
Cover is limited to:
 - (a) loss of or damage to the items caused by:
 - (i) fire, or
 - (ii) lightning, or
 - (iii) violent theft by persons from outside the **vessel**, or
 - (b) total loss as a result of the total loss of the **vessel** by an insured peril.

BASIS OF SETTLEMENT

1. **MAXIMUM PAYABLE – THE VESSEL** The most **we** will pay is the sum insured listed in the **schedule** against each item and applied in accordance with the applicable **Institute Clauses** unless otherwise provided in the **schedule**.
2. **TOTAL LOSS OR CONSTRUCTIVE TOTAL LOSS** In the event of a total loss or a constructive total loss of any of the items of the **vessel** specified in the **schedule**, the most **we** will pay will be the sum specified for that item.
3. **POLICY LIMITS** All Sums Insured are in New Zealand dollars.
4. **EXCESS** For each **event**, the excess amount in the **schedule** will be deducted from each occurrence, or series of occurrences consequent on or attributable to one source or original cause, including total loss or constructive total loss.

EXCLUSIONS

- In addition to the exclusions contained in the **Institute Clauses** or the **schedule**, **you** are not insured for the following:
1. **INTOXICATING SUBSTANCE OR DRUG** **You** are not insured for loss, damage, expense or liability arising from any accident which occurs while the **vessel** is being used or controlled by anyone who is under the influence of any intoxicating substance or drug.
 2. **WILFUL MISCONDUCT** **You** are not insured for loss, damage, expense or liability arising from **your** wilful misconduct.
 3. **SANCTION LIMITATION AND EXCLUSION CLAUSE – THIS CLAUSE SHALL BE PARAMONT** 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.

MANAGING YOUR CLAIM

A. YOUR OBLIGATIONS

- 1. ADVISE US** If **you** become aware of any situation that is likely to give rise to a claim, **you** must contact **us** immediately.
- 2. MINIMISE THE LOSS** **You** must take all reasonable steps to minimise the claim and avoid any further **property damage** or **liability** arising.
- 3. PROVIDE FULL INFORMATION** When **you** make a claim **you** consent to **your** personal information in connection with the claim being:
- 3.1 disclosed to **us**, and
- 3.2 transferred to the Insurance Claims Register Limited.
- You** must:
- (a) give **us** free access to examine and assess the claim, and
- (b) send any relevant correspondence or documents to **us**, and
- (c) complete a claim form or statutory declaration to confirm the claim if **we** request it, and
- (d) provide any other information, proof of ownership or assistance that **we** may require at any time, and
- (e) submit to cross-examination under oath by any person **we** nominate if **we** request it.
- 4. BE TRUTHFUL** If **your** claim is dishonest or fraudulent in any way, **we** may:
- 4.1 decline **your** claim either in whole or in part, or
- 4.2 declare this policy or all policies **you** have with **us** to be unenforceable from the date of the dishonest or fraudulent act.
- This is at our sole discretion.
- 6. DO NOT ADMIT LIABILITY** **You** must not:
- 6.1 admit **you** are liable, or
- 6.2 do or say anything that may prejudice **our** ability to defend the claim against **you** or take recovery action in **your** name.
- 7. NOTIFY THE POLICE** **You** must immediately lay a complaint with the Police if **you** suspect a criminal act has occurred.
- 8. DO NOT DISPOSE OF PROPERTY** **You** must not dispose of any property or any part of damaged property involved in **your** claim until **we** have given **you** permission to do this.
- 9. INCURRING COSTS** **You** are not authorised to start any repairs without **our** permission unless the repairs are necessary to prevent further **loss**.

B MANAGING YOUR CLAIM

- 1. SUBROGATION** Once **we** have accepted any part of **your** claim under this policy, **we** may assume **your** legal right of recovery.
- You** must, at **our** expense, fully co-operate in the enforcement of this right by **us**.
- 2. RECOVERIES** If any property that **we** have paid a claim for is later found or recovered, **you** must tell **us** immediately and hand it over to **us** if **we** request it.
- We** have the right to keep any property that **we** have paid a claim for under this policy, including any proceeds if it is sold.
- 3. REPARATION** If any person is ordered to make reparation to **you** for **loss** to any property that **we** have paid a claim under this policy for, then **you** must tell **us**. Any payments received, must first reimburse **our** claims payment up to the amount of any reparation received.

- 4. DISCHARGE OF LIABILITY CLAIMS** **We** may elect at any time to pay **you**:
- 4.1 the maximum amount payable under the policy for the Item: Legal Liability in the **schedule**, or if no amount is stated, the limit of liability provided in the **Institute Clauses**, or
- 4.2 any lesser sum that the claim against **you** can be settled for.
- Once **we** have paid this **our** responsibility to **you** under the policy is met in full.
- 5. RECOVERED OR RETURNED PROPERTY** If any lost or stolen property that **we** have paid a claim for is later found or recovered **you** must:
- (a) tell **us** immediately, and
- (b) hand the property over to **us** if **we** request it.
- 6. FORMAL ABANDONMENT** **We** have the right to keep any property that **we** have paid a claim for under this insurance where there has been formal abandonment that **we** have accepted. If **we** wish **we** can dispose of and keep any proceeds.

GENERAL CONDITIONS

In addition to any provisions contained in the **Institute Clauses** the following conditions apply:

A. HOW WE ADMINISTER THIS POLICY

- 1. CANCELLATION AND MODIFICATION** Notwithstanding any provisions contained within the **Institute Clauses** to the contrary, this policy may be cancelled by **you** or by **us**.
- 1.1 By You
You must ask **us** to cancel or modify this policy at any time. **We** must agree in writing to any modification before it will take effect.
- 1.2 By Us
We may cancel or modify this policy by advising **you** (or **your** Agent) by letter, fax, or email. Cancellation or modification will take effect at 4:00pm, on the 30th day after the date of our advice.
- We** will refund the proportion of unused premium paid, calculated from the date of cancellation. In the event of a total loss or a constructive total loss, the full annual premium is payable and the Policy will be cancelled from the date of loss.
- 2. OTHER INSURANCE** **You** must notify **us** as soon as **you** know of any other insurance policy that covers **you** for any of the risks covered under this policy.
- If **you** or anyone else who is covered under this policy can claim under any other insurance, **we** will only pay over and above the limit payable by the other insurances.
- 3. GST** Where GST is recoverable by **us** under the Goods and Services Tax Act 1985:
- 3.1 all sums insured exclude GST, and
- 3.2 all sub limits exclude GST, and
- 3.3 all excesses include GST, and
- 3.4 GST will be added, where applicable, to claim payments
- 4. INTERESTS OF OTHER PARTIES** If **we** are advised of any party having a financial interest over any property covered by this policy, **we** may pay part or all of any valid claim proceeds to that party to the extent of their interest. This will form part of **our** obligations to **you** under this policy.
- You** must consent to **us** transferring **your** relevant personal information to that party.

B. LAWS AND ACTS THAT GOVERN THIS POLICY

- 1. ACTS OF PARLIAMENT** Where this policy refers to any Act of Parliament, it also includes any sub-ordinate legislation made under it, and any other subsequent Acts or regulations.

- 2. GOVERNING LAW AND JURISDICTION** The law of New Zealand applies to this policy and the New Zealand Courts have exclusive jurisdiction.
- 3. INSURANCE LAW REFORM ACTS** The exclusions and conditions in this policy are subject to **your** rights under the Insurance Law Reform Acts 1977 and 1985.
- C. YOUR OBLIGATIONS
- 1. COMPLY WITH THE POLICY** **You** (and any other person or entity **we** cover) must comply with the conditions of this policy at all times. If **you** fail to comply, **we** may not pay **your** claim.
- 2. PROVIDE ACCURATE INFORMATION** **You** must make sure all statements and representations that are made to **us**, at any time, either by **you** or anyone else, are truthful and complete.
- 3. REASONABLE CARE** **You** must take reasonable care at all times at **your** own expense to:
- (a) avoid any loss for which **you** could be held legally liable,
 - (b) make sure that **your vessel** is kept safe and protected.
- You** must not intentionally or recklessly cause:
- (i) loss to **your vessel**,
 - (ii) loss for which **you** could be held legally liable.
- You** must not allow or permit anyone else to cause loss or liability in this way.
- 4. GOVERNMENT AND/OR TERRITORIAL AUTHORITY CONDITIONS** It is a condition precedent to liability under this insurance that **you** will comply at all times with:
- (a) all Acts of Parliament, Regulations, Rules, Orders, and Notices to Mariners,
 - (b) all other requirements issued or notified or administered by the Maritime Safety Authority or Regional Councils or their deputies, or servants or successors,
- relating to the construction, registration, seaworthiness, surveying, outfitting, manning, use, operation or navigation of the **vessel**.
- You** shall take all measures as are reasonable to ensure the abovementioned Acts of Parliament, Regulations, Rules, Orders, Notices to Mariners and other requirements are complied with at all times by **your** employees, agents and servants.
- 5. SEAWORTHINESS AND MAINTENANCE WARRANTY** Warranted the **vessel** is seaworthy as provided within the Marine Insurance Act, 1908, and at all times **you** shall exercise due diligence and care to maintain the **vessel** in a proper state of repair and seaworthy condition.
- 6. CRUISING/ TRADING LIMITS WARRANTY** Warranted the **vessel** shall remain within the cruising/trading limits specified in the **schedule** at all times.
- Departure from the stated limits, other than:
- (a) for the purpose of saving life, or
 - (b) for the purpose of saving the **vessel**, or
 - (c) from a force majeure, or
 - (d) with **our** prior written agreement,
- Shall automatically void the policy.
- 7. COMMAND OF THE VESSEL CONDITION** It is a condition precedent to liability under this insurance that:
- (a) unless expressly agreed in writing by **us**, or
 - (b) the intervention of a force majeure,
- the **vessel** will at all times be operated under the command of the master/s named in the Application or by such other master/s advised to **us** in writing and which **we** have accepted.
- 8. CHARTER WARRANTY** Warranted the **vessel** will not be let out on bareboat hire, charter or use unless otherwise stated in the **schedule**.

9. MOORING CONDITION

Cover does not apply if the **vessel** is left unattended on a mooring or at anchor for a period exceeding 24 consecutive hours except where the **vessel** is left on **your** permanent mooring/s. It is a condition precedent to liability under this insurance that the permanent mooring/s of the **vessel** have been lifted and inspected in accordance with Regional Council regulations or, if none apply, have been and will be lifted and inspected at least once every two years, and that the mooring/s are appropriate for the size of the **vessel** concerned. Where applicable a current mooring and site permit should be held.

10. TOWAGE CONDITION

Unless otherwise specified in the **schedule** this insurance does not cover the **vessel** while towing, or being towed by, another vessel or craft, except when such towage is customary or for the purpose of saving life or property.

11. FISHING QUOTA CLAUSE

Where the normal employment of the **vessel** is fishing **you** must advise **us** immediately, in writing, if any allocated quota is sold or no longer held. Continuance of cover from the date of the quota ceasing is conditional upon compliance with this requirement.

12. CHANGE IN CIRCUMSTANCES

You must tell **us** immediately if there is a material:

- 12.1 increase in the risk insured, or
- 12.2 alteration of the risk insured.

Once **you** have told **us** of the change, **we** may then cancel or alter the premium and/or terms of this policy.

If **you** fail to notify **us** about a change in the risk insured, **we** may:

- (a) declare this policy unenforceable, or
- (b) decline any subsequent claim either in whole or in part.

These actions will be taken from the date **you** knew, or ought to have known, of the increase or alteration in the risk insured.

Information is 'material' where we would have made different decisions about either:

- (i) accepting your insurance, or
- (ii) setting the terms of your insurance,

if we had known that information. If in any doubt, notify us anyway.

DEFINITIONS

The definitions apply to the plural and any derivatives of the words.

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

Institute Clauses

the applicable Clauses of the Institute of London Underwriters, current at the commencement of this policy, as stated in the **schedule**.

period of insurance

the period of time specified in the **schedule** commencing on the "From" date and expiring on the "To" date unless otherwise provided by the **Institute Clauses**.

schedule

the latest version of the Schedule **we** issued to **you** for this policy.

vessel

the following parts only of the **vessel** named in the **schedule**:

- hull,
- machinery,
- boat(s),
- gear and equipment,

such as would normally be sold with the vessel if it changed hands.

we

NZI Marine, a business division of IAG New Zealand Limited. *We may also use the words 'us', 'our' or 'company' to describe NZI Marine.*

you

the person(s) shown as the Insured in the **schedule**. *We may also use the word 'insured' to describe you.*



Form #: NZ3409/4
Wording #: CHH0308
Issued: JULY 2011

NZI MARINE COMMERCIAL HULL AND BUILDERS' RISKS INSURANCE POLICY

Underwritten by NZI Marine, a business division of IAG New Zealand Limited
IMPORTANT: PLEASE EXAMINE THIS POLICY AND IF IT DOES NOT MEET YOUR REQUIREMENTS,
KINDLY RETURN IT AT ONCE TO YOUR OR TO OUR OFFICE OF ISSUE.
This policy document is subject to copyright.
www.nzi.co.nz

NZI Marine, a business division of IAG New Zealand Limited, has relationships with brokers and other insurance intermediaries who issue our policies. IAG New Zealand Limited pays remuneration to brokers and insurance intermediaries when they issue NZI Marine policies, and when these policies are renewed or varied.