

Commercial Hull Policy Wording

POLICY WORDING CHANGE SUMMARY



For Wording no. CHH1215

Form no: NZ2033/6 12/15

The following provides a summary only of the key changes to the NZI Commercial Hull Policy Wording. These changes are effective on renewals and new business from December 2015.

CHANGE SUMMARY TABLE

SECTION TWO YOUR LEGAL LIABILITY

YOUR LEGAL LIABILITY (Updated)

New clause 2. added which extends the legal liability cover to include any liability to pay **reparation** awarded by a New Zealand Court to a victim who has suffered **accidental loss** to property or **accidental bodily injury** as a result of **your** committing an offence in connection with **your** use of the **craft**.

Reparations cover is an additional form of liability to another party which a court may order, therefore, the cover for liability has been extended to include liability to pay reparation to a victim.

The cover for reparation is payable within the existing liability limit.

There are some provisions specified within this cover, including:

- the requirement to notify us immediately if any person entitled to this cover is charged with an offence with the use of your craft which resulted in loss of property or bodily injury to another person.*
- we must give our written approval before any offer of Reparation is made.*

OTHER PERSONS LEGAL LIABILITY (Updated)

Updated to clarify this cover extends to include legal liability for **reparation** – in the same manner as **we** cover **you**.

This section extends cover to include the legal liability of any other person using the craft – therefore, as with Your Legal Liability, this cover is extended to include legal liability to pay reparation.

SECTION TWO ADDITIONAL BENEFITS

MANSLAUGHTER DEFENCE COSTS (Updated)

An exception to the new Offences exclusion added.

As this benefit is covering specific criminal defence costs relating to a charge of manslaughter, an exception to the Offences exclusion is required to ensure the cover specified does apply.

TEMPORARY CRAFT (Updated)

Updated to clarify this cover extends to include legal liability for **reparation** – in the same manner as **we** cover **you** in connection with the use of **your craft**.

This section extends cover to include your legal liability and while using a temporary craft any other person using the craft – therefore, as with Your Legal Liability, this cover is extended to include legal liability to pay reparation.

SECTION TWO WHAT YOU ARE NOT INSURED FOR:

LIABILITY & COSTS NOT COVERED

Offences (New)

New exclusion added specifying that the policy does not cover any legal defence costs or court costs arising from the prosecution of any offence under any Act of Parliament.

The policy does not cover defence costs or court costs relating to a prosecution of any offence under any Act or Regulations, other than those specifically stated in the policy (i.e. as covered under Section 2 Additional Benefits – Manslaughter Defence Costs.

POLICY EXCLUSIONS THAT APPLY TO ALL PARTS OF THIS POLICY

INTENTIONAL OR RECKLESS ACTS *(New)*

New exclusion added specifying that the policy does not cover any **loss** or liability as arising from any intentional or reckless act or omission.

The policy has never insured intentional or reckless acts (must be sudden, accidental, and unintended), this exclusion is included for clarification to ensure that these actions are formally excluded.

LOSSES NOT INSURED *(Updated)*

A new clause 5. has been added which excludes **loss** or liability if, at the time of an **event** giving rise to a claim, the **craft** was attached to a motor vehicle that was being driven by or in charge of any person who:

- is driving under the influence of alcohol in excess of the legal limit, or
- fails or refuses to permit a breath test or blood specimen to be taken when lawfully requested, or
- is under the influence of drugs or other intoxicating substances, or
- fails or refuses to stop or remain at the scene following an accident (as required by law).

There is already an exclusion for operating the craft under the influence of alcohol or other intoxicating substances and this exclusion clarifies that when the craft is being towed by any person under the influence of alcohol or other intoxicating substances there is also no cover, as this is illegal activity.

HOW TO CLAIM

WHAT YOU MUST DO *(Updated)*

New clause 8. added specifying that **you** or anyone else entitled to cover under the policy must notify **us** if **you** or they are charged with any offence in connection with the use of **your** craft (or another craft) which resulted in **loss** of property or **bodily injury** to another person.

We must be notified as soon as possible to ensure that any action which may be required can be considered in a timely manner.

WHAT YOU MUST OBTAIN OUR AGREEMENT TO DO *(Updated)*

New clause 3. added to clarify that **you** or anyone else entitled to cover under the policy must not make any offer of **reparation**, (including as part of any case management conference or sentencing hearing).

This must be first discussed and agreed with us.

DEFINITIONS

reparation *(New)*

New definition to specify what we mean by 'Reparation' – that is, an amount ordered to be paid to a victim of an offence under section 32 of the Sentencing Act 2002.