

An important update to your Marine Pleasurecraft Insurance Policy

We wanted to let you know about an important change the Government has made as part of the Sentencing Amendment Act 2014 that will affect your Marine Pleasurecraft Insurance Policy.

What has changed?

Before, if you caused an accident by driving carelessly, a court could only order you to pay for the property damage or emotional harm you caused. Now, you can also be ordered to pay for loss of income or treatment costs not covered by ACC. This won't replace ACC, but means that anyone injured can get a 'top up' if a court approves it.

What does this mean for you?

Because of this change to the Act, we've updated your Marine Pleasurecraft Insurance Policy. It now includes a benefit for reparation costs that you may be ordered to pay. This will come into effect the date your policy renews and we recommend you read the information in the table below so you are familiar with all the changes and what you are covered for. Then keep this document along with your latest policy documentation in a safe place.

If you have any questions or would like to know more about these changes, please contact your broker.

CHANGE SUMMARY TABLE

Section	Current wording	New wording
SECTION TWO – YOUR LEGAL LIABILITY 'What you are insured for:'	<i>New clause</i>	REPARATION <p>You are insured for your legal liability to pay reparation to a victim who has suffered accidental loss of property or bodily injury as a result of your committing an offence during the period of insurance in connection with your use in New Zealand of your craft, or another craft used for pleasure purposes, provided that you had the owner's permission to use their craft.</p> <p>Provided that:</p> <ol style="list-style-type: none"> you or any other person entitled to cover under this benefit must tell us immediately if you or they are charged with an offence in connection with the use of your craft or another craft used for pleasure purposes, which resulted in loss of property or bodily injury to another person; and we must give our written approval before any offer of reparation is made. <p>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:</p> <ol style="list-style-type: none"> a failure by the victim to correctly notify a claim to the Accident Compensation Corporation within the time required under the Act, the victim's decision, for whatever reason, not to claim any amount he or she would be entitled to claim under the Act, 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.

Section	Current wording	New wording
		<p>Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.</p> <p>Any reference to liability in Section Two – Your Legal Liability – ‘What You are Not Insured For’, and in Policy Exclusions That Apply To All Parts of This Policy, includes liability to pay reparation.</p>
SECTION TWO – YOUR LEGAL LIABILITY ‘What you are insured for:’	OTHER PERSON’S LEGAL LIABILITY <p>We will insure the legal liability and necessary and reasonable defence costs of any other person arising in connection with their use of your craft in New Zealand, or engaged in water skiing or any other similar water sport involving being towed by your craft in New Zealand, for:</p> <ol style="list-style-type: none"> 1. accidental loss to anyone else’s property, or 2. bodily injury to any person, occurring during the period of insurance, provided: <ol style="list-style-type: none"> (a) such use of your craft has your permission, and (b) their liability is not insured by any other insurance, and (c) the person using your craft meets all the same terms of this policy that you must meet. 	OTHER PERSON’S LIABILITY <p>We will insure the legal liability and necessary and reasonable defence costs, and legal liability to pay reparation, of any other person arising in connection with their use of your craft in New Zealand, or engaged in water skiing or any other similar water sport involving being towed by your craft in New Zealand, in the same manner as we cover you, for:</p> <ol style="list-style-type: none"> 1. accidental loss to anyone else’s property, or 2. bodily injury to any person, occurring during the period of insurance, provided: <ol style="list-style-type: none"> (a) such use of your craft has your permission, and (b) their liability is not insured by any other insurance, and (c) the person using your craft meets all the same terms of this policy that you must meet.
SECTION TWO – ADDITIONAL BENEFITS	<i>New clause</i>	MANSLAUGHTER DEFENCE COSTS <p>Section Two ‘What you are not insured for’ – Clause 5 (offences) does not apply to this Additional Benefit.</p>
SECTION TWO – YOUR LEGAL LIABILITY ‘What you are not insured for:’	<i>New clause</i>	LIABILITY AND COSTS NOT COVERED <ol style="list-style-type: none"> 5. You are 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. <p><i>(Previous clause 5 is now clause 6).</i></p>
POLICY EXCLUSIONS THAT APPLY TO ALL PARTS OF THIS POLICY	<i>New exclusions</i>	INTENTIONAL OR RECKLESS ACTS <p>You are not insured for any loss or legal liability arising from any intentional or reckless act or omission.</p> <p>LOSSES NOT INSURED You are not insured for loss or legal liability:</p> <ol style="list-style-type: none"> 5. arising if at the time of any event giving rise to a claim, your craft is attached to a motor vehicle that is being driven by or is in the charge of any person who: <ol style="list-style-type: none"> (a) 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 (b) fails or refuses to permit a breath test or specimen of blood to be taken after having been lawfully required to do so, or

Section	Current wording	New wording
		<p>(c) is under the influence of drugs or other intoxicating substances, or</p> <p>(d) fails or refuses to stop, or remain at the scene, following an accident (as required by law),</p> <p>Clauses 4 and 5 do not apply if the person in charge of your craft has stolen or converted your craft within the terms of New Zealand criminal law, or</p> <p><i>(Previous clauses 5, 6 and 7 are now clauses 6, 7 and 8).</i></p>
HOW TO CLAIM	<i>New clauses</i>	<p>WHAT YOU MUST DO</p> <p>If anything happens that may lead to a claim under this policy, you must:</p> <p>8. tell us immediately if you are charged with any offence in connection with the use of your craft or another craft used for pleasure purposes which resulted in loss of property or bodily injury to another person.</p> <p>WHAT YOU MUST OBTAIN OUR AGREEMENT TO DO</p> <p>You must obtain our agreement before you:</p> <p>3. negotiate, offer to pay or pay any reparation, including but not limited to, offers made as part of any case management conference or sentencing hearing, or</p> <p><i>(Previous clause 3 is now clause 4).</i></p>
DEFINITIONS	<i>New definition</i>	<p>reparation</p> <p>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.</p>