

# Trailercraft Policy Wording

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Thank **you** for selecting PIC Insurance Brokers to provide **you** with insurance cover for **your vessel**.

Please read this document which forms part of **your** legal contract under which both parties are required to meet certain obligations and conditions.

The insurance contract consists of the following three parts:

1. the information **you** have provided in the **application**, and
2. the **schedule**, and
3. this policy wording.

## YOUR DUTY OF DISCLOSURE

When **you** apply for insurance **you** have a legal duty of disclosure. Subject to the rights set out in the Criminal Records (Clean Slate) Act 2004, **you** must tell us all information **you** know (or could reasonably be expected to know) which would influence the judgement of a prudent insurance company whether or not to accept **your application**, and if it is accepted, on what terms and at what cost. This duty also applies when **you** renew, vary, extend or reinstate **your** policy. Failure to disclose all material information may result in avoiding **your** insurance policy. This means **your** policy would be deemed to have never existed and any claims would not be payable.

Please ask us if **you** are not sure whether **you** need to tell us about something.

## FREE LOOK

If **you** do not wish to continue with the cover provided by this policy, **you** can cancel for a full refund, provided **you** tell us in writing within 14 days of the date cover commenced. **We** will cancel **your** policy as if it had never existed and refund in full any premium **you** have paid less any reasonable administrative costs

related to the purchase and termination of the policy.

This does not apply if a claim has been made.

## DEFINED WORDS

Words in bold have a special meaning. The following section 'Definitions' lists these words and their meanings.

## 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**'.

### Accident

Sudden, unexpected and unintended.

### Act of terrorism

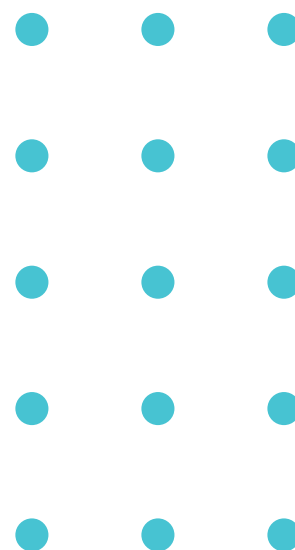
An act of force or violence and/or threat thereof, of any person or group(s), whether acting alone or on behalf of or in connection with any organisation(s) or government(s) that from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

### Annual period

The **period of insurance** but not more than 12 months.

### Application

the information provided when requesting a quotation from **us**. Or any information provided by **you** to **us** when this was purchased.



## Bodily injury

Accidental death of, or accidental physical injury to, any person.

## Electronic data

Consists of digital or analogue information, coding or instructions held in a form useable by an electronic system.

## Event

A specific happening arising from one source or original cause.

## Excess

The amount of **your loss** that **you** must pay.

## Insured person

Any person shown in the **schedule** or family member who permanently resides with them.

## Injury

A bodily **injury** caused solely and directly by violent, **accidental**, external and visible means.

## Loss

Physical **loss** or physical damage.

## Modification

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

## New Zealand

1. The coastal or inland waterways of **New Zealand**, and;
2. Any area of sea that is not more than 200 nautical miles off the North and South Islands of **New Zealand**, and;
3. During transit in **New Zealand**, including transit by sea, provided the transit is by a purpose-built trailer, transporter, cradle or beach trolley that is designed for transit of **your vessel**, and;
4. On land in **New Zealand** however

not in transit except during slipping, hauling out or re-launching.

## Partner

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

## Period of insurance

The cover dates shown in the **schedule**.

## Personal watercraft

A recreational jet-propelled watercraft that the rider sits or stands on, rather than inside of, as in a boat.

## Present value

The current reasonable cost to replace an item in **New Zealand** that is of equivalent 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 the **schedule we** issued to **you** for this policy.

## Sum insured

the **Sum Insured** shown in the schedule for that Section or item.

## Uneconomic to repair

a total **loss** because **your vessel** is: Uneconomic or unsafe to repair, or stolen and not recovered.

## Vessel

The boat or **personal watercraft** 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**.

## We

Berkshire Hathaway Specialty Insurance Company (incorporated in Nebraska, USA).

## You

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

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## INSURANCE AGREEMENT

**You** are insured for sudden **accidental loss** to **your vessel** during the **period of insurance** occurring in **New Zealand** in consideration of **you** paying the premium and in reliance upon the **application** and subject to the Policy Terms, Policy Exclusions and Policy Conditions as set out in this document.

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COVER FOR  
YOUR VESSEL

WHAT YOU ARE COVERED FOR:

POLICY BENEFITS

Policy benefits also apply at no additional cost as per the following:

These benefits are subject to the terms of the policy, except where they are varied in the benefit.

ACCIDENTAL DEATH

We will pay \$30,000 to **you** or **your partner's** legal representative if **you** or **your partner** dies as a direct result of an **injury** suffered during the **period of insurance** that occurs in connection with the use of **your vessel**.

We will not pay for death resulting from suicide. We will also not pay this benefit if the **period of insurance** is greater than 12 months.

The most we will pay, in total, during the **annual period** is \$30,000.

ADDITIONS

We will insure any additional property **you** purchase, during the **period of insurance**, in connection with or for use on **your vessel** up to \$20,000, subject to **you** providing us with receipts and invoices.

**You** must tell us of any additions prior to **your** next renewal date.

CONSIGNMENT

We will continue this policy, if **you** have consigned the care, custody and control of **your vessel** to a marine dealer for the purpose of sale, **you** must retain **your** rights of recourse against the marine

dealer or any third party.

EMERGENCY TOWING

The reasonable costs up to \$5,000 incurred by **you** to remove **your vessel** from anywhere in **New Zealand**, to the nearest place of repair, following an insured **loss**, during the **period of insurance**.

This is in addition to the **sum insured**.

NO FAULT, NO EXCESS

If **your vessel** suffers an insured **loss** caused by a third party, no **excess** will apply subject to:

- A. enough information is provided to establish that the third party was completely at fault;
- B. contact information, third party **vessel** name, owners name and any other information required to positively identify the third party is provided;
- C. **you** provide reasonable help to recover **your** claim from the third party.

MEDICAL EXPENSES

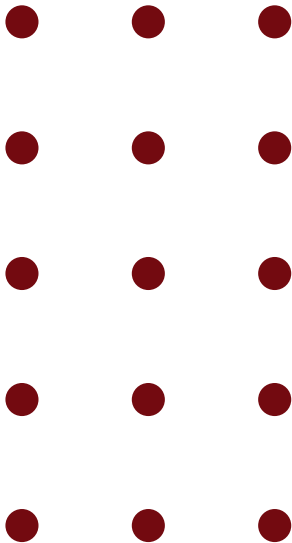
The reasonable costs incurred by **you**, **your partner** or **insured person**, for medical treatment as a result of an **injury** following an insured **loss** up to \$5,000 in total.

This is in addition to the **sum insured**.

PERSONAL EFFECTS

**Your** personal effects are covered for **present value** up to \$10,000 for any insured **loss** while on **your vessel**.

Personal effects include any articles of wearing apparel, eyewear, watches, cameras, binoculars and possessions that





would normally be used on a boat.

Personal effects do not include any laptops, money, travellers' cheques, papers and documents, jewellery or fashion accessories.

PREVENTION OF LOSS

The reasonable costs incurred by **you** in trying to prevent or minimise an imminent **loss your vessel** is covered up to 25% of the **sum insured** is insured by this policy, and this is in addition to the **sum insured**.

RECREATIONAL GEAR

**Your** recreational gear being fishing, diving and water skiingwater-skiing equipment, is covered for **present value** up to \$5,000 total unless a higher amount is agreed to. Recreational gear is not insured whilst in use.

REPLACEMENT VESSEL

A replacement **vessel** of a similar type is covered automatically for 30 days under this Policy from the date of purchase, subject to:

- A. replacement **vessel's** purchase price being the **sum insured**, and
- B. **we** retain the right to accept or reject **your application** for cover and determine the terms upon which that cover is offered.

RESCUE COSTS

Reasonable costs for the rescue of **you**, **your** passengers or members of **your** crew following an insured **loss**, from anywhere in **New Zealand** is covered up to \$25,000.

This is in addition to the **sum insured**.

SALVAGE COSTS

Reasonable costs incurred to remove **your** vessel from anywhere in New

Zealand, to the nearest place of repair following an insured loss are covered.

This is in addition to the sum insured.

WRECKAGE REMOVAL

Reasonable costs to remove **your** vessel, following an insured **loss** are covered up to 10% of the **sum insured** should **your vessel** be deemed **uneconomic to repair**.

This is in addition to the **sum insured**.

WHAT YOU ARE NOT COVERED FOR:

CAUSES NOT COVERED

The following causes are not covered by this policy wording:

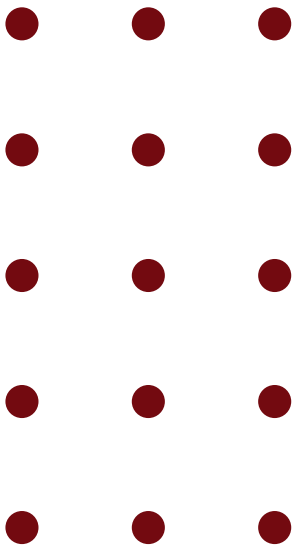
- A. Faulty, design, manufacture, construction or assembly;
- B. Latent defect;
- C. Wear and tear, gradual deterioration, marine and non-marine infestations or weathering.
- D. electrical current.

This exclusion only applies to the part of **your vessel** first affected. It does do not apply to any resultant **accidental loss** to other parts of **your vessel**.

LOSSES NOT INSURED

Rot, corrosion, rust, mildew, delamination, electrolysis or fouling are not covered by this policy.

This exclusion only applies to the part of **your vessel** first affected. It does do not apply to any resultant **accidental loss** to other parts of **your vessel**.



THEFT OF UNSECURED PROPERTY

You are not covered for **loss** caused by theft of **your property**, while **your vessel** is unattended, unless the property is locked securely within **your vessel** or removed from **your vessel** and stored in a locked and secure vehicle or building.

THEFT OF AN UNSECURED VESSEL AND/OR TRAILER

**losses** arising from theft of **your vessel** or trailer are not covered where the **vessel** trailer is not contained within a locked and secure building or not fitted with a suitable anti-theft device.

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

BREAKDOWN OR FAILURE NOT INSURED

Mechanical and/or electrical breakdown or failure is not covered unless the breakdown or failure is a direct result of fire, collision, impact to **your vessel**, or a malicious act.

This exclusion only applies to the part of **your vessel** first affected. It does not apply to any resultant **accidental loss** to other parts of **your vessel**.

You are not insured for **loss** to the motors or electrical equipment of **personal watercraft** caused by water ingestion.

**IMPORTANT: Please also read the section below, titled ‘Policy exclusions that apply to all parts of this policy’.**

WHAT WE WILL PAY:

REPAIRABLE DAMAGE

If **your vessel** is economic to repair **we** will:

- A. repair **your vessel** to substantially the same condition as it was before the **loss** occurred, or
- B. pay **you** the estimated cost of repairs.

TOTAL LOSS

If **your vessel** is **uneconomic to repair**, **we** will:

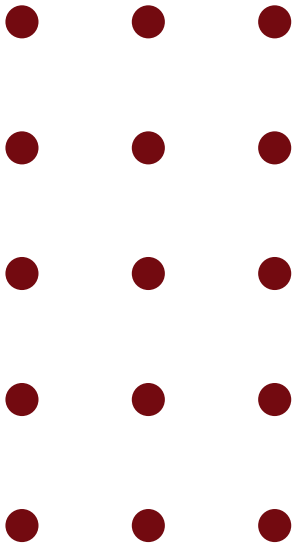
- A. pay **you** the **sum insured**, or
- B. replace **your vessel** with a new **vessel** of the same make, model and specification, subject to the **loss** occurring within 3 years of **you** purchasing **your vessel** new, it is commonly available in **New Zealand**.

OUTBOARD MOTORS AND PROTECTIVE COVERS

The most **we** will pay for **loss** to outboard motors or protective covers, over 5 years of age is **present value**.

MAXIMUM PAYABLE SPECIFIED ITEMS

The most **we** will pay under Part A of this policy is the **sum insured** specified in the **schedule**, plus any amount payable under any Policy Benefit under Part A which is stated to be in addition to the **sum insured**. However, in no circumstances, will **we** pay more than the amount specified in the **schedule** for any Sspecified Items are covered up to the **sum insured** specified in the **schedule**.



YOUR LEGAL LIABILITY:

WHAT YOU ARE COVERED FOR:

YOUR LEGAL LIABILITY

Your legal liability and necessary and reasonable defence costs are covered for, damage to anyone else's property, or bodily **injury** to any person, occurring during the **period of insurance**, arising from an **accident** in connection with the use of **your vessel**, in **New Zealand**.

This cover also extends to any person using **your vessel** with **your** permission and the person using **your vessel** meets all the same terms of this policy that **you** must meet.

REPARATION

**Reparation** to a victim who has suffered an **accidental loss** of property or bodily **injury** as a result of **you** committing an offence during the **period of insurance** arising from an **accident** in connection with the use of **your vessel**, in **New Zealand** is covered subject to:

- A. **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 vessel**, which resulted in **loss** of property or bodily **injury** to another person; and
- B. **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. The following included:

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

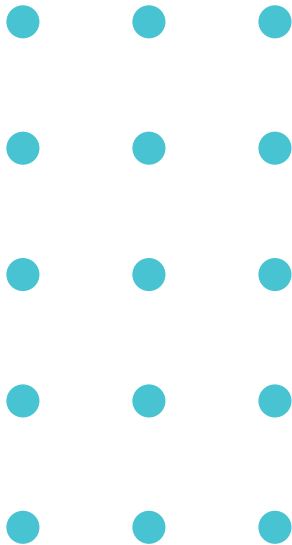
Nothing in this benefit should be taken as providing cover for any defence costs, court costs, levies or costs awarded for any offence.

Any reference to liability in Section Two – **Your Legal Liability** – ‘What **You** are Not Covered For’, and in Policy Exclusions That Apply To All Sections of This Policy, includes liability to pay **reparation**.

POLICY BENEFITS

Policy benefits also apply at no additional cost as per the following:

These benefits are subject to the terms of the policy, except where they are varied in the benefit.





## MANSLAUGHTER DEFENCE COSTS

The legal defence costs up to \$10,000 necessarily and reasonably incurred to defend a charge of manslaughter arising from an **accident** in connection with the use of **your vessel** by **you** or any **insured person**, in **New Zealand** during the **period of insurance**.

Section Two 'What **you** are not covered for' – Clause E does not apply to this Policy Benefit.

## RAISING AND/OR REMOVING THE VESSEL

The costs necessarily and reasonably incurred by **you** in raising and/or removing **your vessel** during the **period of insurance** in **New Zealand**, where **you** are instructed to do so by a legally authorised statutory authority are covered.

## WHAT YOU ARE NOT COVERED FOR:

### LIABILITY & COSTS NOT COVERED

- A.** Legal liability or defence costs are not covered for **loss** to any property owned by **you** or anyone who claims under this policy.
- B.** Legal liability or defence costs are not covered while **your vessel** is in transit and attached to a motor vehicle.
- C.** Legal liability or defence costs for bodily **injury** to **you**, **your partner**, **insured person** or any other person or persons **we** insure under this policy are not covered.
- D.** Fines or penalties are not covered.
- E.** 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 are not covered.

- F.** Legal liability or defence costs in any way connected with any seepage, pollution or contamination (including the cost of removing, nullifying or cleaning up) are not covered, unless the seepage, pollution or contamination happens during the **period of insurance** and is caused by insured **loss**.

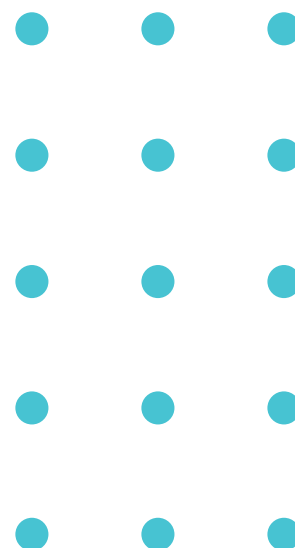
## WHAT WE WILL PAY:

### AMOUNT MAXIMUM PAYABLE

The most **we** will pay under Part B of this policy for any insured **loss** is \$5,000,000, however in no circumstances will **we** pay more than \$250,000 for any punitive and exemplary damages.

### PUNITIVE OR EXEMPLARY DAMAGES

\$250,000 for any insured **loss** is the most **we** will pay for punitive or exemplary damages.



## POLICY EXCLUSIONS THAT APPLY TO ALL PARTS OF THIS POLICY

### CONFISCATION

**Loss** or legal liability connected in any way with confiscation, acquisition, **loss** or damage by order of government, public or local authority is not covered.

### EXCESS

The **excess** will be deducted from the amount of **your** claim for each insured **loss**. Where two **excesses** apply the higher of the two will be deducted.

### INTENTIONAL OR RECKLESS ACTS

Any **loss** or legal liability arising from any intentional or reckless act or omission is not covered under this policy.

### LOSS OF ELECTRONIC DATA

**Loss** for damage to electronic data including **loss** of use, reduction in functionality or any other associated **loss** or expense and any liability arising from this is not covered.

### LOSSES NOT INSURED

**Loss** or legal liability is not covered:

- A. if **your vessel** is on hire or charter or is being used, other than for private pleasure purposes. Use for search and rescue work, by or on behalf of the Police, Coastguard or other authority is not included in this exclusion;
- B. if **your vessel** being in an unsafe or unseaworthy condition, where **you**

were aware, or with any reasonable diligence ought to have been aware, of **your vessel** being in that condition, caused the **loss**;

- C. if **your vessel** is engaged in any race or speed test;
- D. if **you** or any other person with **your** permission are operating or are in charge of **your vessel** are under the influence of alcohol or other intoxicating substance;
- E. if at the time of any insured **loss** giving rise to a claim, **your vessel** is attached to a motor vehicle, that is being driven by, or is in the charge of any person, with **your** permission who is driving with an excess breath alcohol or blood alcohol concentration in terms of **New Zealand** Land Transport Law.
- F. if an operating bilge blower or gas detector is not installed or in use and the **vessel** has an inboard petrol engine powered **vessel**, excluding **personal watercraft**;

### NUCLEAR & WAR RISKS

**You** are not insured for **loss** or legal liability connected in any way with:

- A. any operations employing the process of nuclear fission or fusion, or handling of radioactive material. This includes, but is not limited to:
- B. the use of nuclear reactors such as atomic piles, particle accelerators or generators or similar devices, or
- C. the use, handling or transportation of any radioactive material, or
- D. the use, handling or transportation of any weapon or explosive device employing nuclear fission or fusion, or
- E. war, invasion, act of foreign enemy, hostilities or war like operations (whether war is declared or not), civil war, mutiny, rebellion, revolution, or
- F. civil commotion assuming the proportions of or amounting to an

uprising, insurrection, military or usurped power, or

- G. any chemical, biological, bio-chemical, or electromagnetic weapon.

### SANCTIONS

**We** shall not be deemed to provide cover or be liable to pay any claim or provide any benefit under this policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **us** 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, United States of America, Australia or **New Zealand**.

### TERRORISM

**You** are not insured for **loss**, damage, death, **injury**, illness, liability, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with:

- A. an **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the **loss**, damage, death, **injury**, illness, liability, cost or expense.
- B. any action taken in controlling, preventing, suppressing or in any way relating to an **act of terrorism**.

HOW TO CLAIM

WHAT YOU MUST DO

- A. If an event happens that may lead to a claim under this policy, **you** must:
- B. do what **you** can to take care of **your vessel** and to prevent any further **loss** or liability;
- C. tell **us** as soon as possible;
- D. notify the Police as soon as possible if **you** think any **loss** was caused by an illegal act;
- E. allow **us** to examine **your vessel** before any repairs are completed;
- F. send to **us** as soon as possible anything **you** receive from anyone about a claim or possible claim against **you**;
- G. give **us** any information or help that **we** ask for;
- H. consent to **your** personal information in connection with the claim being disclosed to **us** and transferred to Insurance Claims Register Limited;
- I. tell **us** immediately if **you** are charged with any offence in connection with the use of **your vessel** which resulted in **loss** of property or bodily **injury** to another person.

WHAT YOU MUST OBTAIN OUR AGREEMENT TO DO

**You** must obtain our written agreement before **you**:

- A. incur any expenses in connection with any claim under this policy;
- B. negotiate, pay, settle, admit or deny any claim;
- C. negotiate, offer to pay or pay any **reparation**;
- D. do anything that may prejudice our rights of recovery.

ACTIONS WE MAY TAKE

At our expense **we** may take action in **your** name:

- A. to negotiate, defend or settle any claim insured by this policy;
- B. to make a recovery from any other person for anything insured by this policy, and **you** must cooperate with us.

SALVAGE

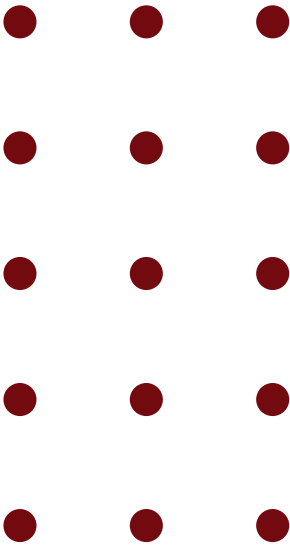
**You** must not abandon **your vessel** to us. However after **your vessel** is declared **uneconomic to repair**, **we** may keep **your vessel** and retain the salvage.

FRAUD

If **your** claim is dishonest or fraudulent in any way, **we** may:

- A. decline **your** claim either in whole or in part, and/or
- B. declare either this policy or all insurance **you** have with us to be unenforceable from the date of the dishonest or fraudulent act.

This is at our sole discretion.



## POLICY CONDITIONS

### BREACH OF ANY CONDITION

If **you**, or any other person **we** insure under this policy, breaches any of the conditions of this policy. **Your** claim may be declined either in whole or in part and/or this policy or all insurance **you** have with us may be declared to be unenforceable.

This is at our sole discretion.

### TRUE STATEMENTS AND ANSWERS

The basis of this policy is the **application**. True statements and answers must be given (whether by **you** or any other person) when **you**:

- A. apply for this insurance, and/or
- B. notify us regarding any change in circumstances, and/or
- C. make any claim under this policy.

### REASONABLE CARE

**You** and anyone using **your vessel** with **your** permission must take reasonable care:

- A. to protect **your vessel** and maintain it in a safe and seaworthy condition, and
- B. to prevent **loss** or liability.

### OTHER INSURANCE

**You** must tell **us** if **your vessel** is or becomes insured under any other insurance. If **you** can claim under any other insurance, **we** will only pay the amount of any claim over and above the limit payable by the other insurance.

This does not apply to the **Accidental Death Additional Benefit** (as described in Section one of this policy).

### CHANGES IN CIRCUMSTANCES

**You** must tell **us** if there are any:

- A. **modifications** to **your vessel**, or
- B. changes that might alter the nature of the risk or increase the chance of a claim under this policy.

### CANCELLATION BY YOU

**You** may cancel this policy at any time. If **you** do, **we** will refund any premium that is due to **you** based on the unused portion of the **period of insurance** less any reasonable administration costs.

### BY US

**We** may cancel this policy by giving **you** notice in writing or by electronic means at **your** last known address. The policy will be cancelled from 4pm on the fourteenth day after the date of the notice. **We** will refund **you** any premium that is due to **you** based on the unused portion of the **period of insurance**.

### CHANGE OF TERMS

**We** may change the terms of this policy (including the **excess**) by giving **you** notice in writing or by electronic means at **your** last known address. The policy will be changed from 4pm on the fourteenth day after the date of the notice.

### UNECONOMIC TO REPAIR

If **we** have paid claim for **your vessel** that is **uneconomic to repair**:

- A. this policy is automatically cancelled, and
- B. **we** will not give any refund of premium, and
- C. **your vessel** will may become our property.

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

### GOODS AND SERVICES TAX

All amounts shown in this policy include GST.

### JOINT INSURANCE

If this policy insures more than one person, then all persons are jointly insured.

This means that a breach of the policy by any one person affects everyone's ability to claim under this policy.

### OTHER PARTIES WITH A FINANCIAL INTEREST

If **we** know of any financial interest over **your vessel**, **we** may pay part or all of any claim proceeds to the holder of that interest.

This payment will meet all obligations **we** have under this policy for the **loss**.

**We** are authorised by **you** to disclose personal information about **you** to any holder of a financial interest.

Any party, who is recorded as having a financial interest under this policy, is not insured by this policy and does not have rights to claim under this policy.

### CARE OF YOUR VESSEL

While **your vessel** is:

- A. unattended at anchor, or
- B. on a temporary mooring to **you**,

**you** must go onboard to check the anchor and tackle and general safety of **your vessel**, at least once every 24 hours.