

## Update to Vero's Pleasurecraft Policy

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We regularly review our cover to meet our customers' needs in a changing environment. A summary of the main changes is below. For full details of all the changes please talk to your broker or adviser, or refer to the [Pleasurecraft policy document on the Vero website](#) and your personalised schedule. If there is any conflict between the wording in this document and the policy wording, it is the policy wording which applies. Any such conflict is unintentional.

### Summary of main changes

In December 2014 the Sentencing Amendment Act 2014 came into force. Under this Act, if you're convicted of a criminal offence the courts may order you to pay compensation if you've injured someone in an accident. Much as you can incur a driving conviction, you can have a similar conviction on the water. New Zealanders now have a clear need for insurance protection for their liability to pay reparation that arises from accidents. (You can learn more about the Sentencing Amendment Act 2014 and the cover we offer at [vero.co.nz/sentencing-act](http://vero.co.nz/sentencing-act)). To cover your legal liabilities for the combination of accidental third party property damage and accidental bodily injury, we've increased our standard Liability Limit to NZD 10,000,000.

In addition, the law has changed concerning liability for forest and rural fires. Section 43 of the Forest and Rural Fires Act 1977, under which fire losses could be recovered from the person responsible, has been replaced with an offence and penalty regime under the new Fire Emergency New Zealand Act 2017. Cover under s43 of the 1977 Act has been removed as this is no longer applicable. It is not possible to provide insurance for offences and penalties under the 2017 as this is against public policy.

We've amended cover with regard to amphibious craft. We can no longer insure private hovercraft under this wording, but we can insure amphibious craft as defined in the policy – talk to your broker. Certain types of amphibious boats cannot be registered as road vehicles, even although a beach is within the definition of a road in NZ law. So what we've done is offer the widest cover for this type of boat that we can within the law, whilst excluding motor vehicle risk and motor vehicle liability.

As we only insure private use pleasurecraft under this wording, we do not need to address the hiring out of your boat – as people often do with their holiday homes. So whilst we've introduced a new exclusion for methamphetamine (also known as P) contamination, it does not apply if persons without your permission break into your boat to cook or consume P.

Previously we didn't include trailer craft within the Fishing & Diving Equipment kept aboard Benefit, limiting the cover to moored craft only. We have now expanded cover to include equipment on vessels ashore. As with moored craft, there is cover for theft of fishing & diving equipment kept aboard a boat ashore when it is stored within a securely locked cabin or locker, or in a secure and locked building.

For our few clients with boats large and seaworthy enough to venture offshore beyond the policy limits, we've amended our approach to cover in these circumstances. Rather than a blanket entire bluewater voyage exclusion (albeit we can insure these voyages, but you must talk to us first) we now only exclude losses that occur within the policy limits that arise from gear failure, crew experience, crew fatigue or sickness, or navigational error. And remember: if you do venture beyond the policy limits without talking to us first, the situation hasn't changed: you're truly on your own in the deep blue water!

We have also added a number of clarifications and amendments to cover, as detailed below.

### Policy Structure

The liability exclusions (previously in the Legal Liability section, but unnamed as such) and the General Exclusions have been combined into one section: Policy Exclusions.

This has allowed us to cut down on clutter and some repetition. It's allowed us, for example, to be more brief with exclusions, using phrases such as:

“we do not cover and will not pay for any loss or damage or legal liability ...”

## DEFINITIONS - CLARIFYING AGREED VALUE, MARKET VALUE & CONSTRUCTIVE TOTAL LOSS

Change	Explanation
<p><b>Definitions</b></p> <p>We have added the following words to the definition of <b>agreed value</b>:</p> <p>It is the amount that will be paid in the event that the entire boat is a total loss or a constructive total loss. In any other circumstance, the basis of claim settlement shall be market value.</p>	<p>It's usually larger and more expensive boats that can be insured under agreed value, because of their uniqueness. However, the important issue is that an agreed value has only ever applied in specific and somewhat limited claim circumstances, where there is a total loss or a constructive total loss. We have clarified this because there was previously some confusion.</p>
<p>We have expanded the definition of <b>market value</b> so that in addition to the referring to the reasonable sale value of your boat, it also refers to your 'boat's gear, and other items noted on this policy's Schedule'.</p> <p>We have also added the words:</p> <p>It is the amount that will be paid in the event that the entire boat is a total loss or a constructive total loss unless you and we have agreed to insure your boat for an agreed value.</p>	<p>This change clarifies that market value applies both to your boat and also your boat's gear, and that market value will be paid in the event of a total loss or constructive total loss unless we have agreed to insure for agreed value.</p>
<p>We have changed the definition of constructive total loss from:</p> <p><b>constructive total loss</b> means where there has been accidental loss or damage to your boat and it is reasonable under the circumstances for you to abandon that boat, or where the cost of saving the boat or repairing the boat would exceed the insured value in the policy schedule.</p> <p>To:</p> <p><b>constructive total loss</b> means a complete loss of your boat, but your boat is not physically destroyed. A constructive total loss can occur when the cost of saving the boat or repairing the boat exceeds the insured value in this policy's Schedule. A constructive total loss can also occur where there has been accidental loss or damage to your boat and it was then reasonable under the circumstances for you to abandon your boat.</p>	<p>This change expands the meaning of constructive total loss to where there is a complete loss of your boat, but your boat is not physically destroyed. The previous definition of constructive total loss was more restrictive.</p>

## DEFINITIONS – CHANGES TO OTHER DEFINITIONS

Change	Explanation
<p>We have amended the definition of <b>Act</b> to:</p> <p><b>Act</b> means any Act of the New Zealand Parliament in force at the commencement of the period of insurance or law which comes into force during the period of insurance. It includes any future modification, any future re-enactment, and/or any future substitution of that Act by legislation. Any reference to Act also includes any regulation, any order-in-council, and/or any other instrument issued or made or enabled under that legislation.</p>	<p>The amendment provides a more comprehensive definition of <b>Act</b> to bring it in line with our other policies.</p>
<p>We now refer to an <b>amphibious boat</b> rather than an <b>amphibian</b>. We have added the following underlined words:</p> <p><u>Hovercraft are amphibious vehicles, but cannot be insured under this Pleasurecraft Policy.</u></p> <p>Similarly, we have also added the following underlined words to the definition of <b>Hovercraft</b>:</p> <p><u>Hovercraft cannot be insured under this Pleasurecraft Policy.</u></p>	<p>This is a reduction in policy cover as hovercraft are no longer covered under this pleasurecraft policy. This is because these boats are both very different, and very few in number, so for us to insure them we now use a different wording.</p>
<p>We have simplified the definition of <b>Anywhere in New Zealand</b> to:</p> <p><b>Anywhere in New Zealand</b> means whilst afloat on all inland and coastal waters, anywhere within 200 nautical miles of the North and South Islands. Your boat is insured whilst ashore or in transit.'</p> <p>Previously the definition also referred to when cover ended and recommenced when embarking on an overseas voyage.</p>	<p>Instead of stating in the definition section when cover ends and recommences for long voyages (i.e. 'bluewater voyages'), we have now set this out in a new exclusion 6i, which is discussed in the Exclusions section below.</p>
<p>We have included within the definition of <b>boat</b> amphibious vehicle and amphibious boat and stated that <b>boat</b> does not include any hovercraft.</p>	<p>This clarifies that amphibious vehicles and amphibious boats are covered (subject to the terms and conditions of the policy) but hovercraft are not.</p>

We have deleted the definition of **Injury** and added the following definition:

**Bodily injury** means physical injury to a human body (including death), illness, disability, disease, shock, fright, mental anguish or mental injury to a person.

We have also changed references in the policy to 'injury' to either 'bodily injury' or 'trauma'.

We have added a definition for **Damages**:

**Damages** means amounts payable in accordance with judgment against you and/or settlements negotiated by us, including the other party's costs and interest on any judgment where applicable. Damages do not include fines, penalties, exemplary or punitive penalties, reparation, or any other form of criminal sanction, non-pecuniary relief, taxes, or any payment deemed to be unlawful to insure.

We have added a definition for **Reparation**:

**Reparation** means an amount ordered by a New Zealand court under section 32 of the Sentencing Act 2002 (or any replacement Act) and any subsequent amendments to be paid to the victim of an offence. Reparation does not include:

- a. reparation arising from prosecution of an offence under the Health and Safety at Work Act 2015 (or any replacement Act) and any subsequent amendments; or
- b. damages, court costs, fines, penalties, any other form of criminal sanction, non-pecuniary relief, taxes, any payment deemed to be unlawful to insure against; or
- c. your legal defence costs in relation to an offence.

The previous wording included personal injury cover with exclusions for what is covered by ACC and exemplary and punitive damages.

However, there was uncertainty about whether the exclusion for exemplary and punitive damages also had the effect of excluding cover for reparations. We have therefore amended the wording so that:

- i) It is clear that there remains no cover for personal injury covered by ACC;
- ii) There is now express cover for your legal liability to others to pay reparation arising from accidents.

See the Legal Liability section below for more information on cover for reparations.

## POLICY TERMS

Change	Explanation
<p>The material changes we have made to this section are as follows (note: the struck out words have been deleted in the new wording and the underlined words have been added):</p> <p><b>We will insure you</b> for an accident to your boat anywhere in New Zealand during the period of insurance. <del>However, if your boat is amphibious, we will not insure your boat whilst it is being used on a road as a vehicle.</del></p> <p>We will also cover physical damage to your boat that is caused by any latent defect. However, we will not cover the cost of repairing or replacing any <del>defective part or component</del> <u>latent defect</u>.</p>	<p>We have deleted the reference to not insuring your amphibious boat whilst being used on road as a vehicle and instead added exclusion 7k:</p> <p>7. We will not pay for:</p> <p>k) any loss or damage to your amphibious boat, or any legal liability incurred, arising from its operation as a motor vehicle under its own power. Otherwise, whilst your amphibious boat is ashore, cover under this policy will be as if your amphibious boat is a trailer craft.</p> <p>Replacement of the words 'defective part or component' with 'latent defect' clarifies that we will cover physical damage caused by a latent defect but not repair/replacement of the latent defect itself.</p>

<p>We have also added the following words at the end of <b>We will insure you:</b></p> <p>If you have other insurance with Vero Insurance New Zealand Ltd, you are only entitled to the benefit of one policy and/or section of one policy per event.</p>	<p>This change restricts your cover to one Vero Insurance New Zealand Ltd policy/section per event.</p>
<p>We have added the following underlined words to <b>What we will pay:</b></p> <p><b><u>For loss or damage to your own property insured by this policy:</u></b></p> <p>If your boat is insured at agreed value:</p> <p>We will pay you the agreed value of your boat as stated in this policy's Schedule should it <u>in its entirety</u> be a total loss or a constructive total loss.</p> <p>If your boat is insured for market value:</p> <p>We will pay you the market value of your boat up to the sum insured as stated in this policy's Schedule should it in its entirety be a total loss or a constructive total loss.</p>	<p><b>What we will pay</b></p> <p>The addition of the further subheading is to clarify that this section applies where there is damage to your property as opposed to others' property.</p> <p>Addition of the words 'in its entirety' mean that the whole boat must be lost or destroyed before we will pay the agreed value or market value of your boat. Partial loss or destruction will not trigger any entitlement under this section.</p>

## BENEFITS INCLUDED IN YOUR COVER

Change	Explanation
<p><b>Personal Trauma</b></p> <p>In line with the changes mentioned in the Definition section above regarding 'injury', 'bodily injury' and 'trauma', the section previously entitled 'Personal Injury' has been changed to 'Personal Trauma' and references to 'injury' have been replaced with 'trauma' or 'death or trauma' depending on the context.</p> <p>The amounts payable in this section are unchanged.</p>	<p>We have done this simply to help clarify and distinguish between the two types of cover for first and third parties.</p>
<p><b>Premium Credit</b></p> <p>We have added the following underlined words:</p> <p>'Where we agree your boat is a total loss <u>or constructive total loss</u> and we insure your replacement boat, we will credit the unused premium towards insurance on the replacement. We will only do this if:</p> <ol style="list-style-type: none"> <li>the person in control of your boat was completely free of blame; and</li> <li>the identity of <del>the</del> <u>any</u> other party that caused the damage is established.</li> </ol>	<p>This minor change means that we will also credit your unused premium under this section where your boat is a constructive total loss whereas previously the policy only allowed for this when the boat was a total loss.</p> <p>The change from 'the' to 'any' allows for the situations where either no other party or more than one party caused the damage.</p>

## OPTIONAL ADDITIONAL BENEFITS

Change	Explanation
<p><b>Fishing or Diving Equipment kept aboard</b></p> <p>We have changed the heading of this section as follows (note: the struck out words have been deleted in the new wording and the underlined words have been added):</p> <p><b>Fishing or Diving Equipment kept aboard a <del>Moored Craft</del> <u>your boat</u></b></p> <p>We have also added the following sentence at the end of the section:</p> <p>If your boat is ashore, fishing and diving equipment will not be covered for theft unless it is within a securely locked cabin or locker, or the boat is in a secure and locked building.</p>	<p>These changes expand cover for fishing and diving equipment kept aboard. There is now cover for theft of fishing and diving equipment if your boat is ashore whereas previously there was cover only if the boat was moored.</p> <p>Note that the fishing and diving equipment must be within a securely locked cabin or locker, or the boat must be in a secure and locked building.</p>

## LEGAL LIABILITY

Change	Explanation
<p>We have amended the <b>Legal Liability</b> section as follows (note: the struck out words have been deleted in the new wording and the underlined words have been added):</p> <p>We will cover you for your legal liability <del>arising to pay damages for accidental bodily injury or accidental loss or damage to someone else's property happening during the period of insurance as a result of an event that occurs anywhere in New Zealand and that arises</del> from an accident involving your boat, including:</p> <ol style="list-style-type: none"> <li>your <u>legal</u> liability for loss, damage or contamination caused by the sudden accidental discharge or escape of oil or fuel from your boat, or the wreck of your boat;</li> <li>any reasonable expenses you incur in minimising loss or damage to the environment or to others;</li> <li>any costs of salvaging your boat that you are legally liable to pay;</li> <li>any wreck removal costs which you are legally liable to pay;</li> <li>any costs that result from the raising, removal or destruction of the wreck of your boat or an attempt at any of these, where you are instructed to do so by a legally authorised statutory authority;</li> <li>your legal liability for any loss of or damage to property that arises from the wreck of your boat;</li> <li>any interest on our proportion of any judgement which is earned before we make payment;</li> </ol>	<p>Under the Sentencing Amendment Act 2014, if you're convicted of a criminal offence the courts may order you to pay compensation if you've injured someone in an accident. New Zealanders now have a clear need for insurance protection for their liability to pay reparation that arises from accidents. (You can learn more about the Sentencing Amendment Act 2014 and the cover we offer at <a href="http://vero.co.nz/sentencing-act">vero.co.nz/sentencing-act</a>).</p> <p>As already mentioned, we have needed to rephrase the policy to make the cover more explicitly defined to allow for this, including amendment to this Legal Liability section.</p> <p>To cover your legal liabilities for the combination of accidental third party property damage and accidental bodily injury, we've increased our standard Liability Limit to NZD 10,000,000.</p> <p>In addition, the law has changed concerning liability for forest and rural fires as a result of the Fire and Emergency New Zealand Act 2017. In particular, s43 of the Forest and Rural Fires Act 1977, under which fire losses could be recovered from the person responsible, has been replaced with an offence and penalty regime which it is against public policy to insure. Therefore, cover under s43 of the 1977 Act has been deleted as this is no longer applicable.</p> <p>We have also added cover for your legal liability to pay reparations for accidental third party property damage and accidental bodily injury.</p>

~~h. your liability under the Forest and Rural Fires Act 1977 (F&RF Act) for costs under section 43 of the F&RF Act incurred and apportioned by any Fire Authority; and costs and levies under sections 46 and 46A of the F&RF Act; and costs claimed by any other party in order to protect their property from fire.~~

~~We extend this Legal Liability section to provide the same cover:~~

- ~~i. your legal liability to any person whilst water skiing or being towed on the water's surface by your boat;~~
- ~~j. your legal liability for accidents involving any other boat being used by you as an individual person provided it does not belong to you and is not hired to you under a hire purchase or lease arrangement. No cover is provided for damage to the boat itself.~~

~~We will also cover you for your legal liability to pay reparation for accidental bodily injury or accidental loss or damage to someone else's property happening during the period of insurance as a result of an event that occurs anywhere in New Zealand and that arises from an accident involving your boat, provided that:~~

- ~~a. you tell us immediately if you are charged with any offence which resulted in loss to someone else's property or bodily injury to another person; and~~
- ~~b. you obtain our written approval before any offer of reparation is made.~~

~~The most we will pay for your legal liability to others to pay damages or reparation for accidental bodily injury or accidental loss or damage to someone else's property is NZ\$10,000,000 for any event.~~

~~The most we will pay is \$10,000,000\* for any event.~~

~~In addition, where your liability is to pay damages, we will also pay for your legal or other reasonable expenses incurred with our prior written consent; and the costs of attendance at court proceedings at our request, subject to a maximum of NZ\$250 per person per day. However, where your liability is to pay reparation, we will not pay such expenses and costs.~~

We have changed the structure of the policy including deleting the liability exclusions in the Legal Liability section and instead putting all exclusions in one section called Policy Exclusions.

This has allowed us to cut down on clutter and some repetition. It's allowed us, for example, to be more brief with exclusions. Material changes to the exclusions are set out in the Policy Exclusions section below.

## POLICY EXCLUSIONS

Change	Explanation
<p>New exclusion at 2b:</p> <p>2 We will not pay for</p> <p>b. your legal defence costs and any other expenses, or costs of attendance in court proceedings, in relation to an offence and/or where your legal liability is to pay reparation (other than as provided in the Legal Defence Costs Benefit, or the Legal Liability section, or where we have given prior written consent)</p>	<p>This is now a standard Vero exclusion. It is not our intention to pay for a legal defence relating to criminal proceedings, except in exceptional circumstances.</p>
<p>We have amended exclusion 3 as follows (note: the struck out words have been deleted in the new wording and the underlined words have been added):</p> <p>3. We will not cover your legal liability arising from</p> <p>a. the carriage or transmission of any infectious disease, any <u>bacteria</u> or virus, any spore or any plant or animal;</p> <p>b. any fire you lit intentionally that did not comply with <del>the F&amp;RF Act</del> or any <u>other</u> statutory or local body requirement governing the lighting of fires.</p>	<p>The exclusion at 3a. is aimed principally at liability for didymo on trailercraft and, to a lesser extent, exotics on larger moored boats, and is intended to be wide in application. We have now added in bacteria to this list to ensure it is comprehensive.</p> <p>These issues will only become more important in the future, especially re. pleasurecraft or their occupants discharging waste in marine reserves, harbours and marinas.</p> <p>The exclusion at 3b. has also been amended to reflect the recent repeal of the Forest and Rural Fires Act 1977.</p>
<p>The previous policy wording provided at exclusion 2.t. that 'We will not pay for costs which can be recovered under the provisions of the Accident Compensation Act 2001.'</p> <p>The new policy provides at exclusion 5:</p> <p>We will not cover your legal liability for amounts which can be recovered (including by the victim of an offence) under the provisions of the Accident Compensation Act 2001 (or any subsequent Act or amendment) or which would be recoverable but for:</p> <p>a. a failure by the victim to correctly notify a claim to the ACC within the time required under the Act, or to claim any amount he or she would be entitled to claim under the Act for any reason whatsoever; or</p> <p>b. the ACC's decision to decline a claim or limit the liability in whole or in part for any reason whatsoever.</p>	<p>This exclusion has been expanded so that Vero will not cover amounts which would have been recoverable under the Accident Compensation Act 2001 but:</p> <p>i) the victim has failed to correctly notify the claim or claim an amount s/he would be entitled to;</p> <p>ii) ACC declines a claim or limits liability.</p>



<p>We have broadened the exclusion that was at exclusion 2.m. of the previous policy wording, for damage and loss caused by your reckless acts or wilful misconduct, as follows:</p> <p>The new wording also expressly excludes cover for legal liability, and where the loss, damage or legal liability is caused by intentional acts, and intentional or reckless omissions:</p> <p>6. We do not cover and will not pay for any loss or damage or legal liability</p> <p>e. caused by any intentional or reckless act or omission or wilful misconduct by you.</p>	<p>The broadening of the exclusion is to make clear that there will not be any kind of cover where there is blameworthy conduct by you.</p>
<p>As mentioned in the Definitions section above, we have simplified the definition of <b>Anywhere in New Zealand</b> and set out in a new exclusion where cover ceases and commences for long voyages.</p> <p>The 2015 'bluewater' cover exclusion wording was broader than the new wording, which provides:</p> <p>6. We do not cover and will not pay for any loss or damage or legal liability</p> <p>i. that occurs from the time you clear New Zealand Customs or from the time you first cast off to commence a voyage beyond 200 nautical miles from New Zealand's North or South Islands, which is in any way attributable in whole or part to gear failure, crew experience, crew fatigue or sickness, or navigational error. This exclusion does not imply that we are giving any cover beyond 200 nautical miles from New Zealand's North or South Islands. This exclusion ends when this voyage ends, which for this purpose is when your boat returns alongside a berth or wharf on New Zealand's North or South Islands, or clears a physical New Zealand Customs inspection, or ties up at its usual mooring. This exclusion shall not apply if, prior to this voyage, we have reached a written agreement with you that overrides this exclusion;</p>	<p>This new 'bluewater voyage' exclusion is narrower than under the previous wording because it only applies to exclude cover within policy limits for loss, damage or legal liability attributable to gear failure, crew experience, crew fatigue or sickness, or navigational error.</p> <p>These are the main causes of pleasurecraft coming to grief on bluewater voyages. Vessels founder on reefs and rocks which are generally found near coastlines in shallower waters, and not on the high seas i.e. the boat has already come back within 200 nautical miles of the NZ coast.</p> <p>This change allows other causes to be covered, e.g. lightning strikes or collisions with objects in the water such as logs washed down from rivers and out to sea, or submerged but floating containers. These risks are faced by any vessel off our coast, whether on a bluewater voyage or not.</p>
<p>At exclusion 7.b. we have added the following underlined words to the wording that was previously at exclusion 2.f.:</p> <p>7. We will not pay for</p> <p>b. scratching, denting or marring to your jet-boat, <u>amphibious boat</u> or personal watercraft caused by being in shallow waters, or loss or damage to the jet unit or motor caused by dirt or debris entering and/or leaving the jet unit or motor;</p>	<p>The change is to include amphibious boats within the exclusion because they are also exposed to these risks which Vero does not intend to cover.</p>

<p>At exclusion 7.g. we have re-arranged the wording that was previously in exclusions 2.b. and 2.c. and added the following underlined words:</p> <p>7. We will not pay for</p> <p>g. loss or damage caused by marine organisms, sunlight, electrolysis, osmosis, dampness, <u>a gradual leakage of water into your boat</u>, normal wetting or weathering; or caused by any other gradually operating cause resulting in deterioration, delamination, corrosion, rust, rot, or mould;</p>	<p>The change at 7.g. simply makes the exclusion for gradual deterioration more explicit that water leakage as well as other gradually developing faults and their resultant damage are excluded.</p>
<p>We have added the following new exclusion:</p> <p>7. We will not pay for</p> <p>h. loss or damage caused by wear and tear, or lack of maintenance; and any resultant damage to your boat where the cause is reasonably attributable to a lack of your due diligence regarding maintenance</p>	<p>At 7.h. we have made it more clear that (1<sup>st</sup> party) resultant damage from a lack of maintenance is not covered.</p> <p>Our intention is to pay for resultant damage to your boat where the root cause was not a disregard for boat maintenance i.e. where a loss is caused by a hidden and developing fault (which is not a latent defect), but that would not be usually found in reasonable and routine maintenance.</p>
<p>Previously, the policy wording provided at exclusion 2.a.:</p> <p>2. We do not cover and will not pay for any loss or damage caused by or resulting from:</p> <p>a. loss of use or any other consequential loss, or loss or depreciation in value</p> <p>We have changed the wording which is now at exclusions 7.1. and 7.j.:</p> <p>7. We will not pay for</p> <p>i. any loss of use whilst your boat is damaged, under repair, or being replaced; or for any other consequential loss arising from a claimable event under this policy;</p> <p>j. any depreciation of value after repair;</p>	<p>The expansion of the exclusion for consequential loss at 7.i. makes clear that we will not cover loss of use as well as all other forms of consequential loss or legal liability.</p> <p>The exclusion at 7.j. clarifies that depreciation in value is not covered when this occurs after the boat is repaired.</p>
<p>Previously, the policy wording provided in the Legal Liability section:</p> <p>We will not:</p> <p>b. cover your legal liability arising from</p> <p>iii. the use of your amphibious boat on land when it is or should be registered or licensed for use on a road;</p> <p>This has been replaced by exclusion 7.k.</p> <p>7. We will not pay for</p> <p>k. any loss or damage to your amphibious boat, or any legal liability incurred, arising from its operation as a motor vehicle under its own power. Otherwise, whilst your amphibious boat is ashore, cover under this Policy will be as if your amphibious boat is a trailer craft.</p>	<p>This change is intended to expand cover so that your amphibious vehicle now has cover ashore when it is not being used as a motor vehicle.</p> <p>We still exclude loss or damage and legal liability when using your amphibious boat as a motor vehicle because of legal issues with certain amphibious boats not meeting road vehicle standards regarding braking and lights.</p>

<p>We have changed the wording of previous exclusion 2.g. in the new policy's exclusion 8.b. as follows (note: the struck out words have been deleted in the new wording and the underlined words have been added):</p> <p>8. <del>We do not cover and</del> will not pay for any loss or damage caused by <del>or resulting from</del>:</p> <p>b. water ingestion to the motors or electrical equipment of your <u>jet-boat or</u> personal watercraft;</p>	<p>Jet boats are now explicitly mentioned to make our intention clear that damage to all personal watercrafts' mechanical and electrical systems are excluded.</p>
<p>We have reworded the exclusion at 2.i. of the previous policy, in the new wording at exclusion 10.</p> <p>Exclusion 2.i. provided:</p> <p>We do not cover and will not pay for any loss or damage caused by or resulting from:</p> <p>Any loss or expenditure incurred solely in remedying a fault or error in design or construction or, in the event of damage resulting from a fault or error in design or construction and giving rise to a claim under this policy, for any additional expenditure incurred by reason of betterment or alteration in design or construction, or for the cost and expense of replacing or repairing any part condemned solely in consequence of a fault or error in design or construction;</p> <p>Whereas new exclusion 10 provides:</p> <p>We will not pay for</p> <p>a. any loss or expenditure incurred solely in remedying a fault or error in design or construction;</p> <p>b. any loss or damage that results from a fault or error in design or construction;</p> <p>c. any additional expenditure incurred by reason of betterment or alteration in design or construction;</p> <p>d. any cost or expense of replacing or repairing any part condemned solely in consequence of a fault or error in design or construction.</p>	<p>We have amended the current wording concerning faults and errors in design and construction, to make it more clear that it is not our intention to cover the expenditure to remedy, or loss or damage caused by a fault or error in design or construction.</p>
<p>We have added a new exclusion at 11.b.</p> <p>11. We will not pay for any loss or damage attributable to</p> <p>b. the use, consumption, storage or manufacture of any illegal chemical or drug (including methamphetamine or its precursor chemicals) or materials used in any of these activities. We will not pay for the testing, decontamination and/or repair of your boat in these circumstances. This exclusion shall not apply if such loss or damage is caused by anyone breaking into or entering your boat without your permission.</p>	<p>The exclusion does not apply should anyone break in to the boat to use it as a clan-lab. This could happen to a boat on a mooring, for example. However, this qualification is limited to breaking and/or entering without permission. Contamination loss or damage caused during loaning or renting a boat would still be subject to the exclusion.</p> <p>The exclusion is limited to illegal chemicals or drugs, so does not encompass keeping petrol or isopropyl alcohol on board in small quantities for legitimate purposes. However, the process of manufacturing is excluded, which would include the storage of large amounts of isopropyl alcohol or gas, used in P manufacture.</p>

## POLICY CONDITIONS

Change	Explanation
<p>We have added a new Policy Condition, as follows:</p> <p><b>Reparation Payments Received</b></p> <p>If any person is ordered to pay reparation to anyone we insure under this policy for loss to any property that we have or will pay 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.</p>	<p>This change requires you to tell us if there is an order for someone insured to be paid reparation, and provides for reimbursement to us if anyone insured receives a reparation payment.</p>

## CLAIMS

Change	Explanation
<p>We have reformatted the previous Claims requirements at 1.h. and changed the wording. The main change is deletion of the requirement that our requests in relation to the claim are to be reasonable.</p>	<p>This wording change makes it clear that in all circumstances you must comply with the steps set out in 1. when making a claim.</p>
<p>We have deleted the following provision in the Claims section of the previous policy:</p> <p>3. We will decide the best way to advance your claim, including inspecting any damage, choosing the repairer or supplier, and arranging for the repair or replacement. If we choose to repair or replace we will seek independent quotes from our repairers or suppliers. If you wish, you can recommend a repairer or supplier to provide a quote for consideration. We will select who is to repair or replace, arrange for this to be done, oversee any repairs and keep you informed of progress.</p>	<p>This change has been made because of a change in our claims handling practices.</p>