

Boat

Product Disclosure Statement and Marine Insurance Policy



POLICY

QM0083

About This Booklet

This booklet contains 2 separate sections: Part A and Part B.

Part A – Product Disclosure Statement (PDS)

Part A of this booklet contains a Product Disclosure Statement (PDS). The PDS is designed to assist you to make informed choices about your insurance needs. It gives a summary of the significant benefits and risks associated with this product (you should refer to Part B – Terms and Conditions for full details).

The PDS also contains information about costs, our dispute resolution system, your cooling off rights and other relevant information, including other rights, terms, conditions and obligations attaching to this product. Please read Parts A and B of this booklet carefully.

Part B – Policy Terms and Conditions

Part B of this booklet contains the Policy Terms and Conditions, which detail all the terms, conditions and exclusions relating to the Policy. It is Part B which forms part of your legal contract with us.

If we issue you with an insurance policy, you will be given a Policy Schedule. The Policy Schedule sets out the specific terms applicable to your cover and should be read together with the Policy Terms and Conditions.

The Policy Terms and Conditions and the Policy Schedule we send to you form your legal contract with us so please keep them in a safe place for future reference.

If you require further information about this product, please contact your Financial Services Provider.

About QBE Marine

QBE Marine is part of QBE Insurance (Australia) Limited, a member of the QBE Group.

QBE Marine distributes its products through professional general insurance intermediaries. QBE Marine has built up a strong reputation in the intermediary market and will continue to grow within the QBE Group.

QBE is a household name in Australian insurance, backed by sizeable assets, and well known as a strong and financially secure organisation.

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PART A – PRODUCT DISCLOSURE STATEMENT (PDS) FOR BOAT INSURANCE

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

Other documents may form part of the PDS. Any such documents will be dated and will include a statement identifying them as part of the PDS. If any major omissions, updates or corrections need to be made to the PDS a Supplementary PDS may be provided. In either case the relevant document will be provided to you with the PDS.

Significant benefits and features

We believe the most significant benefits of this insurance Policy are that it protects:

- (a) your financial investment in your boat up to an agreed value if it is lost or damaged due to an accident
- (b) you for your legal liability to third parties in the event of an accident.

Optional extensions are available and need to be considered should you intend to use:

- your boat for water skiing and/or aquaplaning activities
- your boat in any yacht races (either club or club social)
- equipment for fishing and or water sports on your boat
- your boat for permanent living accommodation.

The Policy provides:

- agreed value cover for boat equipment and accessories
- third party cover for \$5,000,000, \$10,000,000 or \$20,000,000, depending on the amount of cover you have selected. The third party cover includes:
 - cover for members of your family living with you provided they are not named as an insured person in the Policy
 - your liability for accidental death or injury to other people or damage to their property caused by your use of a substitute boat (which is not owned by you or your family) while your boat is not being used
- your emergency expenses to minimise loss or damage if your boat gets into difficulties or is damaged accidentally
- theft cover without evidence of visible and forced entry provided reasonable care to prevent theft has been taken
- clean up costs of discharged fuel following insured accident.

The Policy does not cover certain things

Claims may be refused in certain circumstances. Please refer to Boat Policy Terms and Conditions which follow this PDS for full details of the terms and conditions of cover and exclusions.

The Policy will not cover loss or damage or any third party liability:

- if you do not keep your boat in good order and repair or in a proper state of seaworthiness and in compliance with any Statutory requirements or do not take reasonable precautions when using your boat
- if your boat is undergoing major hull repair or alteration unless you have specifically requested cover and we have agreed to cover it
- if the loss or damage is intentionally caused by you or a person acting with your express or implied consent, unless required by law
- caused by normal wear and tear or depreciation
- caused by mechanical, structural, electrical or electronic failures. The resultant damage to your boat due to the failure will be paid for, but the cost of repairing or replacing the item that failed will not
- caused by faulty design or construction of your boat
- caused by pollution
- caused by parasailing or other aerial activities including a water ski ramp while you are using a substitute boat, or under optional water skiing and aquaplaning cover
- when you are competing under optional water skiing and aquaplaning cover.

The Policy will not cover loss or damage to sails and protective covers caused by the force of wind unless there has also been damage caused to the masts, spars or the boat.

These are only some of the events that are not covered by this insurance. Please read the Boat Policy Terms and Conditions which follows this PDS for full details of all relevant Policy exclusions.

The amount of any claim may be reduced

The amount of any claim made against the Policy may be reduced:

- (a) where an excess applies. 'Excess' means the first amount you must contribute to any claim you make under this Policy. Any applicable excess will be shown in your Policy Schedule
- (b) if you have understated the value of your boat
- (c) where you have not requested the insured value of any item to be specifically specified in the Policy
- (d) if you do not adequately secure your boat.

Significant risks

This product may not match your expectations

This product may not match your expectations (for example, because an exclusion applies). You should read the PDS (Part A of this booklet) and the Policy Terms and Conditions (Part B of this booklet) carefully. Please ask your Financial Services Provider if you are unsure about any aspect of this product.

Your sum insured may not be adequate

This Policy is an agreed value policy. A separate agreed value (called a 'sum insured') will apply to each of the hull, equipment and accessories where specified on the Policy Schedule.

This means it is important that you ensure all items to be insured are separately listed on the Policy Schedule with their respective sums insured, otherwise the maximum amount we will pay for any part or item will be its current market value.

Under insurance

The maximum amount we will pay under this Policy will not exceed the total sum insured under any circumstances or any specified sum insured for an item. Any amount payable for an individual item where a separate sum insured is not specified for that item will be reduced if the total market value of the boat including all listed items exceeds the sum insured shown in the Policy Schedule by more than 20%. The amount payable for the item will be reduced in proportion to the difference between the market value of the whole boat and the total sum insured.

Overdue premium

You must pay your premium on time otherwise your Policy may not operate.

If you have not paid by the due date or your payment is dishonoured, this Policy will not operate and there will be no cover.

For more detailed information regarding payment options refer to the section headed 'How you can pay your premium' in Part B (Terms and Conditions).

A claim may be refused

We may refuse to pay or reduce the amount we pay under a claim if you do not comply with the Policy conditions, if you do not comply with your Duty of Disclosure, or if you make a fraudulent claim.

The cost of this insurance Policy

The total premium is the amount we charge you for this insurance Policy. It includes the amount which we have calculated will cover the risk, and any taxes and government charges. The premium and any taxes and government charges will be shown on your Policy Schedule.

When calculating your premium we take a range of rating factors into account. These factors, and the degree to which they affect your premium, will depend upon the information you provide to us.

The following factors have a significant impact on the calculation of your premium:

- make, model and type of boat
- construction
- maximum speed (powered craft)
- sum insured
- cruising navigational limits.

Premium payments are annually You should arrange your method of payment through your Financial Services Provider. A quote for premium may be obtained from your Financial Services Provider.

Duty of Disclosure – What you must tell us

Under the Insurance Contracts Act 1984 (the Act), you have a Duty of Disclosure. The Act requires that before a policy is entered into, you must give us certain information we need to decide whether to insure you and anyone else to be insured under the policy, and on what terms.

You are required before you enter into, renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

You do not have to tell us about any matter:

- that diminishes the risk
- that is of common knowledge
- that we know or should know in the ordinary course of our business as an insurer, or
- which we indicate we do not want to know.

If you do not tell us

If you do not comply with your Duty of Disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the Privacy Act 1988 (Cth) and its principles when collecting and handling your personal information. QBE Marine has developed a privacy policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your insurance policy, including any claims you make.

We may need to disclose personal information to our reinsurers, (who may be located overseas), insurance intermediaries, insurance reference bureaus, credit reference agencies, our advisers and those involved in the claims handling process (including assessors and investigators), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of litigation.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

Please contact your Financial Services Provider to obtain a copy of the QBE Marine Privacy Promise information brochure. A copy of the brochure may also be obtained from any QBE Marine office or from our website at www.qbemarine.com

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice. The Code aims to raise standards of practice and service in the insurance industry.

It:

- promotes better communication between insurers and customers which will lead to better public understanding of insurance to allow customers to make informed choices, and
- outlines good standards of practice and service to be met by insurers to enhance their reputation for responding efficiently to their customers' needs.

How to make a claim

Please contact your Financial Services Provider to make a claim. We will only accept responsibility for repairs or payments to third parties under a claim where you have told us about them beforehand and we have accepted your claim. Full details of what you must do for us to consider your claim are provided in the Claims section in part B of this booklet.

Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to your complaint within 15 working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE Marine office and ask to speak to a dispute resolution specialist.

If you are not happy with our answer, or we have taken more than 15 working days to respond, you may take your complaint to the General Insurance Enquiries and Complaints Scheme (IEC), an external dispute resolution body.

Access to the Dispute Resolution process is free of any charge to you. In addition, although QBE Marine is bound by the panel's decision, you are not and you have a right to pursue the matter elsewhere if you disagree.

We will provide the contact telephone number and address of the IEC upon request.

Taxation implications

Goods and Services Tax

The Policy has provisions relating to GST. In summary, they are as follows but please read the provisions in full. They can be found in Part B Terms and Conditions, under the heading 'How Goods and Services Tax affects any payments we make'.

- The amount of premium payable by you for this Policy includes an amount on account of the GST on the premium.
- When we pay a claim, your GST status will determine the maximum amount we pay.

Other taxation implications

There may be other taxation implications affecting you, depending upon your own circumstances. We recommend that you seek professional advice.

Cancelling your Policy

How you may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that you want to cancel it. You can do this by giving the notice to your Financial Services Provider.
- Where 'you' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing you in writing.
- We will give you this notice in person or send it to your address last known to us.

The premium

We will refund to you the proportion of the premium for the remaining period of insurance.

Cooling-off information

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this you may notify your Financial Services Provider electronically or in writing within 21 days from the date the Policy commenced.

This cooling-off right does not apply if you have made or are entitled to make a claim. Even after the cooling-off period ends, you still have cancellation rights however your Financial Services Provider may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

PART B – POLICY TERMS AND CONDITIONS FOR BOAT INSURANCE

(This Part does not form part of the Product Disclosure Statement)

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

Our agreement with you

This Policy is a legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the Policy, occurring during the period of insurance shown on your Policy Schedule or any renewal period.

The excesses set out in the section headed 'What you must pay if you make a claim – Excess' apply to all claims except where otherwise stated. The amount of any excess that applies to your Policy will be shown on your Policy Schedule.

The exclusions in the section(s) headed 'When you are not covered' and conditions in the section headed 'General Conditions' apply to all types of cover.

Your Policy

Your Boat Policy consists of Part B (Terms and Conditions) of this booklet and the Policy Schedule we give you.

Please read your Policy carefully, and satisfy yourself that it provides the cover you require.

If you want more information about any part of your Policy, please ask us, or your Financial Services Provider.

The address and telephone number of your QBE Marine branch are on your Policy Schedule.

You should keep your Policy Booklet and Policy Schedule together in a safe and convenient place for future reference.

Providing proof

So that your claim can be assessed quickly you should keep the following:

- receipts or other confirmation of purchase, and
- valuations.

We may ask you for these if you make a claim. You must be able to prove to us that you have suffered a loss that is covered by this Policy before we will pay you for it.

Other party's interests

You must tell us of the interests of all parties (e.g. financiers, owners, lessors) who will be covered by this insurance. We will protect their interests only if you have told us about them and we have noted them on your Policy Schedule.

How you can pay your premium

You can pay your premium in one payment by cash, cheque, credit card or bank transfer.

Paying your premium

You must pay your premium by the due date. If we do not receive your premium by this date or your payment is dishonoured this Policy will not operate and there will be no cover.

Paying your instalment premium

If you are paying your premium for the first time by instalments we will deduct instalments each month on the day of the month that you nominate as your payment date.

If you are renewing your Policy and you paid your previous Policy by instalments, we will continue to deduct instalments for your renewed Policy on the day of the month you previously nominated as your payment date, unless you tell us otherwise.

If you have nominated the 29th, 30th or 31st of the month as your payment date, we will deduct your instalment payment on the next day if those dates don't occur in a month.

Details of your instalments are shown on your Policy Schedule.

If your first instalment of premium when you take out your Policy or renew it is dishonoured, this Policy will not operate and there will be no cover.

We will not pay a claim under this Policy if, at the time the claim occurred, any instalment of premium has remained unpaid for 14 days or more.

If any instalment of premium has remained unpaid for 1 month, we may cancel this Policy. We will send you a notice giving you details of the action we intend to take and when any cancellation will become effective.

We are entitled to deduct from any amount we pay you under a claim any unpaid premium or instalment of premium.

If you are paying your premium in instalments by direct debit from your credit card or financial institution account, you must tell us if those details change. You must do this no later than 7 days before your next instalment is due.

Preventing our right of recovery

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by this Policy, we will not cover you under this Policy for that loss, damage or liability.

How Goods and Services Tax affects any payments we make

The amount of premium payable by you for this policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST.

Words with special meanings

- b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a Damaged item insured under the Policy) we will pay for the GST amount.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number & Taxable Percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is your entitlement to an Input Tax Credit on your premium as a percentage of the total GST on that premium.

Words with special meanings

Some key words used in this Policy have a special meaning.

Wherever the following words are used in the Policy, they mean what is set out below:

Word or Term	Meaning
Accident	an incident that is unforeseen and unintended and that causes loss or damage. This includes a series of accidents arising out of the one event.
Anti theft device	professionally manufactured purpose designed anti theft device which does not include chain and/or padlocks.
Boat	the boat described in the current Policy Schedule. Your boat is comprised of: <ul style="list-style-type: none"> the hull its motor(s), including fuel tanks (unless they form part of the hull) equipment and accessories its sails, masts, spars, standing and running rigging its trailer.

Word or Term	Meaning
Damage	any form of physical harm to the boat but does not include wear and tear or anything that was present before this Policy came into force.
Equipment and accessories	safety equipment installed or carried in accordance with statutory requirements and any other equipment intended for the use of or with the boat including: <ul style="list-style-type: none"> any tender used with your boat anchors oars or paddles detachable canopies boat and motor covers bilge pumps life-saving equipment including life jackets auto pilot depth sounders electronic navigation equipment global positioning system EPIRB (Emergency Position Indicating Radio Beacon) two-way radios as shown in the Policy Schedule. Note: This definition excludes equipment for water skiing, fishing, diving or any other water sport. Please also refer to the section 'What is not covered'.
Excess	an excess is the first amount of any claim which must be paid by you. If an excess is applicable to any sections of your Policy the amount will be shown in the Policy Schedule. <ul style="list-style-type: none"> this amount shall be deducted from the amount payable on each claim there is no excess for claims arising out of death or bodily injury under the personal accident or legal liability sections of this Policy.
Family	includes your spouse or partner, the children, parents or other relatives of you or your spouse or partner who live permanently with you.
Hull	the shell of the boat, deck, fixtures and fittings on deck or below deck that are not normally removable and would be normally sold with the boat. Note: Refer to the section 'What is not covered'.
Legal liability	your legal responsibility arising out of the use of the boat to pay compensation for death, injury or damage to other people (including members of your family) or their property. This responsibility only arises if you have done something wrong or you are at fault. Note: Refer to the sections 'What you are not covered for - Liability' and 'When you are not covered'.

Word or Term	Meaning
Motor(s)	includes: <ul style="list-style-type: none"> • inboard motors • outboard motors • stern drive units • jet units • gear boxes • propellers • shafts • skegs • portable fuel tanks and lines • wiring harness • instruments (e.g. tachometer) • control cables • generators.
Omission	a failure to act and includes a failure to do or say something.
Period of insurance	the period for which the cover under your Policy is in force. You will find this period of insurance set out in your Policy Schedule.
Personal effects	as listed below: <ul style="list-style-type: none"> • clothing • waterproof gear, bags • food or beverage coolers • shoes • wallets or purses excluding cash and credit cards • toilet articles • hats or caps • keys or pens • portable: radio, radio cassette and compact disc players. <p>Note: This definition excludes equipment for water skiing, fishing, diving or any other water sport - this equipment can be covered separately on application. Please also refer to the section 'What is not covered'.</p>
Policy Schedule	the most recent document we give you. We give you a Policy Schedule when you: <ul style="list-style-type: none"> • first buy the Policy from us • change any part of the Policy or any personal details relevant to it, or • renew the Policy with us.
Premium	the amount you pay for the insurance provided by this Policy, including any taxes and other government charges. (This is different from the excess that you pay when making a claim).
Sail, masts, spars, standing and running rigging	sails, masts, spars, booms and fittings, spinnaker poles, standing and running rigging. Note: Refer to the section 'What you are not covered for'.

Word or Term	Meaning
Salvage	either: <p>(a) what is left of the boat after it has suffered loss or damage, or</p> <p>(b) the action of saving the boat in a time of peril.</p>
Tender	an auxiliary boat (or dinghy) (capable of being and usually carried on deck or on davits on your boat or which is towed behind your boat) that is used as a lifeboat or means of transportation between your boat and the shore, or for both purposes. A tender must be marked with the registration number of your boat and not registered in its own right.
Theft	a person has taken your boat, equipment and accessories without your knowledge, prior consent or agreement, with the intention of permanently depriving you of them.
Total sum insured	the amount we agree to insure your boat for and is the total value for all of the boat's hull, motors, equipment and accessories, sails, masts, spars, standing and running rigging and trailer, whether individual sums insured are specified for these items by you or not.
Water skiing or aquaplaning	travelling on the surface of water, either barefoot, or on water skis or similar devices designed for that purpose while being towed by your boat. Note: Refer to the sections 'What you are not covered for - Liability' and 'When this water skiers or aquaplaning extension does not cover you'.
We/our/us	QBE Insurance (Australia) Limited, ABN 78 003 191 035
Yacht racing risks	taking part in a sporting event organised by a club or association. Cover applies only when we have agreed to grant the optional yacht racing risk extension or yacht club social racing risk extension and you have paid the premium. This will be shown in your Policy Schedule. Note: Refer to the sections 'What you are not covered for - loss of or damage to your boat' and 'When you are not covered'.
You or your	any of the person or persons named as the insured in your Policy Schedule. If more than one person is named as the insured in the Policy Schedule, we will treat an act, omission, statement or a claim by any one of those persons as an act, omission, statement or a claim by all of them.

Section 1 - Cover for your boat

What is covered

We will cover your boat described in your Policy Schedule including:

- the hull
- motors
- equipment and accessories
- sails, masts, spars, standing and running rigging, and
- trailer
- personal effects (or those of any passenger on your boat).

while it is navigating or in transit within the cruising limits specified in your Policy Schedule, and including while the boat is at any marina, slipway or location when laid-up ashore or engaged in any voluntary rescue work.

What is not covered

We will not cover:

- any boat, being a combination of hull and motor, which is capable of a speed exceeding 50 knots
- moorings
- money, credit cards, spectacles, sunglasses, watches, jewellery, cameras, mobile phones, pagers, consumable stores, compact discs, audio or video tapes.

What can be covered additionally (on application)

We may specially agree to cover you for the following items on application. If we agree we will show them in your Policy Schedule:

- any dinghy or tender used with your boat capable of a speed exceeding 20 knots
- equipment for water skiing, fishing, diving or any other water sports (excluding while in use).

Note. These items are not automatically covered unless agreed in writing by us.

Please remember that you will have to pay any excess shown on your Policy Schedule.

What you are covered for - loss of or damage to your boat

We will cover you for:

- (a) accidental damage
- if your boat is damaged accidentally
 - if your boat sinks accidentally, provided it was in seaworthy condition at the time of sinking.
- (b) theft (excluding personal watercraft)
- of the entire boat including trailer, outboard motor(s), equipment and accessories
 - of part of the boat including trailer, outboard motor(s), equipment or accessories from:
 - the boat, or
 - the place of storage of the boat, trailer, outboard motor (s) or the equipment and accessories.

In the event of a claim it will not be necessary for you to demonstrate that there is physical evidence of visible and forced entry, but it is a condition of this cover that you are at all times required to take reasonable measures to prevent theft eg. placing equipment/accessories or outboard motors temporarily removed from the boat in a secure place of storage.

(c) Theft of Personal Watercraft (PWC)

Theft of your PWC whilst stored ashore in a locked garage or yard provided there is physical evidence of visible and violent and forcible removal from or entry to the place of storage.

Theft of your PWC whilst on a trailer, but only if your trailer was immobilised by an anti theft device and provided there is physical evidence of visible and violent and forcible removal of both the trailer and the anti-theft device.

(d) malicious damage if your boat is damaged maliciously

(e) transit damage if your boat is accidentally damaged during transit on its own trailer by road, rail or ship, provided your boat is designed to be normally trailed by a boat trailer and you are complying with all statutory requirements

(f) clean up costs. We will cover you for the reasonable costs of cleaning up an accident site following accidental discharge, emission spillage or leakage upon or into waters or land of oil, diesel, petroleum products, effluent or sewage following an insured event up to a maximum of \$20,000. We pay these costs in addition to the sum insured of your boat

(g) pollution hazard. We will cover you for damage caused to your boat by any governmental authority in order to prevent or minimise a pollution hazard or threat of such a hazard resulting from damage to your boat, provided this has not resulted from a lack of due diligence by you

(h) recovery or removal of wreck costs. If your boat is damaged or sinks accidentally, and we agree to recover it or the law requires that it must be removed, we will pay the reasonable costs of the removal/recovery of the wreck. These costs are recoverable in addition to the sum insured of your boat and are subject to a limit of \$1,000,000

(i) other expenses. If your boat gets into difficulties or is damaged accidentally, we will pay the reasonable cost of taking action to:

- minimise loss or damage, or
- remove the boat to safety (including emergency towing), or
- dry all the electrical equipment in the motor(s), or
- clean and oil the motor(s).

You do not need our authority to take such action if it is an emergency and you are unable to contact us to obtain authority.

However, you must advise us as soon as possible after the action has been taken.

These costs are recoverable in addition to the sum insured of your boat. The additional amount we will pay is limited to the sum insured of your boat shown in your Policy Schedule.

Please remember that you will have to pay any excess shown on your Policy Schedule.

What you are not covered for - loss of or damage to your boat

We will not cover you for:

- loss of any outboard motor(s) when they are secured to the boat in a manner other than that specified or recommended by the manufacturer
- theft of your boat or any part of it by persons to whom you have loaned your boat
- loss or damage intentionally caused by you or a person acting with your express or implied consent, unless required by law
- depreciation
- loss or damage caused by normal wear & tear
- loss or damage caused by timber rot, delamination, osmosis, deterioration, vermin, marine growth
- loss or damage caused by rusting or other forms of corrosion, or electrolysis
- loss or damage caused by lack of maintenance
- mechanical, structural, electrical or electronic failures. We will pay the resultant damage to your boat due to the failure, but we will not pay for the cost of repairing or replacing the item that failed
- the cost of repairing or replacing any part of the boat which is defective and the defect is caused by fault or error in design or construction or faulty workmanship
- financial, emotional or psychological loss which occurs because you cannot use your boat
- accidental loss or damage to fishing gear, diving equipment, tools and/or water ski equipment while in use
- damage to sails and protective covers caused by the force of wind unless there has also been damage caused to the masts, spars or the boat
- damage to sails, masts, spars, standing and running rigging while your boat is racing - unless you pay an additional premium and we agree to provide the optional yacht racing risk extension or yacht club social racing risk extension
- any claim arising directly or indirectly from pollution or contamination by any substance
- any fine or penalty.

How much we pay - loss of or damage to your boat

This is an agreed value policy. Where specified and shown in the Policy Schedule, there is an agreed sum insured for each of:

- the hull
- the motor(s)
- sails, masts, spars, standing and running rigging
- trailer
- equipment and accessories.

Individual items of equipment and accessories have an agreed sum insured where specified by you.

In the event of a claim, the maximum we will pay you for each item lost or damaged is the agreed sum insured for that item.

Where you have not specified a separate sum insured for either a part of the boat as above, or an individual item, then the maximum we will pay is the current market value of the part or item.

However, the maximum amount payable will not exceed the total sum insured under any circumstances. Any amount payable will be reduced if the total market value of the boat including all items listed above exceeds the total sum insured shown in the Policy Schedule by more than 20%. The amount payable will be reduced in proportion to the difference between the market value of the whole boat and the total sum insured.

We will, at our option:

- repair or replace the item involved, or
- pay you the reasonable cost of repairing or replacing the item involved, or
- pay you the sum insured (where specified) of the item involved and take ownership of any salvage, or
- pay you the current market value of the item (where there is no agreed value) and take ownership of any salvage.

When we decide either to replace an item, or to pay the cost of replacing an item which has no agreed sum insured, then depreciation may apply and the amount payable is determined by:

- comparing the value of an item with an item of similar age and condition, or
- establishing the actual cost of an item of similar age and condition.

When we take the option of repairing an item, the amount that we pay is limited by the actual value of the item being repaired compared with its age and condition.

If your boat is less than one year old, we will not apply depreciation in determining the amount paid to you.

Your personal effects are automatically covered under the Policy while they are on your boat, and the maximum we will pay for loss of or damage is \$200 for any one item up to a maximum of \$2,000 in total any one claim for the reasonable cost of repairing or replacing the lost or damaged item.

Additional benefits

We give you the following additional benefits:

Personal accident cover

If you suffer bodily injury as a result of an accident during the period of insurance which arises directly out of the use of your boat, and that results within six (6) calendar months in either:

- death
- temporary total disablement
- permanent total disablement.

Additional benefits/Options you can choose

We will pay in the event of your:

- death - the sum of \$10,000
- temporary total disablement - the sum of \$100 per week, up to a maximum of 100 weeks
- permanent total disablement - the sum of \$10,000.

To qualify for payment you must obtain and follow advice of a qualified medical practitioner (other than you or your spouse) as soon as possible after the accident.

In this additional benefit:

'Temporary Total Disablement' means you are unable to carry out all the normal duties of your occupation solely and directly as a result of the injury.

'Permanent Total Disablement' means you have been unable to carry out any occupation for which you are fitted by reason of your education, training or experience for a period of at least 12 consecutive months and you remain unable to do so for a continuous indefinite period solely and directly as a result of the injury.

Power boat association time trials

We will provide cover if your boat is participating in time trials conducted under the control or regulation of the Power Boat Association to a maximum speed of 15 knots.

Options you can choose for additional premium

The following options may be obtained on application, and for an additional premium:

Optional yacht racing risk extension

What you are additionally covered for

If we have agreed to cover you for yacht racing risks and shown it in your Policy Schedule, we will provide additional cover to you for loss of or damage to your boat including its:

- sails, or
- masts, or
- spars, or
- standing and running rigging

while your boat is racing.

We will only cover you when your boat is operating within the following navigational limits:

- moored boats – within 100 nautical miles of your boat's home port
- trailer boats – within 100 nautical miles of the place where your boat was last launched from:
 - the Australian mainland, or
 - an Australian offshore Island within 200 nautical miles of the Australian mainland including Tasmania.

When you are not covered

We will not cover you for any racing outside of the areas set out above, unless you have our agreement in writing.

How much we pay under this optional cover

If an item is lost or damaged while your boat is racing, we will, at our option:

- repair or replace the item involved, or
- pay you the reasonable cost of repairing or replacing the item involved, or
- pay you the agreed sum insured (where specified) of the item involved and take ownership of any salvage, or
- pay you the current market value of the item (where there is no agreed value) and take ownership of any salvage.

When we decide either to replace an item, or to pay the cost of replacing an item which has no agreed value, then depreciation will apply and the amount payable is determined by:

- comparing the value of an item with an item of similar age and condition, or
- establishing the actual cost of an item of similar age and condition.

Please remember, if you make a claim under this optional cover you will have to pay the yacht racing risk excess shown on your Policy Schedule for any loss or damage to your boat or any legal liability for damage to other people's property.

The sections of the Policy called

- 'What you are not covered for - loss of or damage to your boat'
- 'What you are not covered for - legal liability'
- 'When you are not covered'

also apply to this extension.

Optional yacht club social racing risk extension

If we have agreed to cover you for yacht club social racing risks and shown it in your Policy Schedule, we will provide additional cover to you for loss or damage to your boat including its:

- sails, or
- masts, or
- boom, or
- standing and running rigging

while your boat is being raced in yacht club social races not exceeding 15 nautical miles from your boat's home port.

This cover excludes spinnakers and/or extras.

How much we pay

If an item is lost or damaged while your boat is racing in yacht club social races, we will, at our option,

- repair or replace the item involved, or
- pay you the reasonable cost of repairing or replacing the item involved, or

- pay you the sum insured (where specified) of the item involved and take ownership of any salvage, or
- pay you the current market value of the item (where there is no agreed sum insured) and take ownership of any salvage.

When we decide either to replace an item, or to pay the cost of replacing an item which has no agreed sum insured, then depreciation will apply and the amount payable is determined by:

- comparing the value of an item with an item of similar age and condition, or
- establishing the actual cost of an item of similar age and condition.

Please remember, if you make a claim under this optional cover you will have to pay the yacht racing risk excess shown on your current schedule for any loss or damage to your boat or any legal liability for damage to other people's property.

The sections of the Policy called

- 'What you are not covered for - loss of or damage to your boat'
- 'What you are not covered for - legal liability'
- 'When you are not covered'

also apply to this extension.

Section 2 - Legal liability cover

What you are covered for - legal liability

1. Operating your own boat

We cover you and any person allowed by you to control your boat against legal liability for:

- accidental death or bodily injury to a person other than you
- accidental death or bodily injury to you when another person allowed by you is in control of your boat
- accidental damage to other people's property caused by the use of your boat.

2. Operating a substitute boat

We will cover you against legal liability for:

- accidental death or bodily injury to a person other than you
- accidental damage to other people's property caused by the use of the substitute boat provided that:
 - you have permission from its owner, and
 - your boat is not being used at the time, and
 - you or any member of your family do not own or have an interest in the substitute boat.

If you are entitled to cover under any other policy we will only be liable under this section for the amount your liability exceeds the limits of cover under any other policy.

What you are not covered for - legal liability

3. Operating your own or a substitute boat

We will not pay the costs of your liability for:

- loss of or damage to any property owned by you or in your custody or control or the property of any other person covered by this Policy
- bodily injury to, or the illness or death of a person who is covered (or should have been covered) by any compulsory compensation insurance, including any compulsory third party boat insurance
- death or bodily injury caused by the activity of scuba diving
- death or bodily injury or property damage intentionally caused by a person covered by this Policy
- loss or damage to third party property arising from the trailer being towed by or breaking away from or accidentally becoming detached from the towing vehicle
- the towing of persons or objects in the air, including parasailing
- water skiing or aquaplaning unless you have chosen the optional water skiers or aquaplaning extension and it is shown in your Policy Schedule
- any tradesperson or company engaged by you for the repair, service or maintenance of your boat

Section 2

- any claim arising directly or indirectly from pollution or contamination by any substance
- actions that are brought against you in a court or tribunal outside Australia or a court or tribunal that applies laws other than the law of a state or territory of Australia
- any fine or penalty
- aggravated, exemplary or punitive damages.

How much we pay - legal liability

We will pay the costs of:

- compensation, and
- legal fees and expenses

that you are liable for.

We will only pay the costs of legal fees and expenses you incur if we consent to them in writing before you incur them.

Limit on what we will pay - legal liability

The maximum we will pay is the amount shown in your Policy Schedule in total for all claims that arise from any one accident. This maximum amount includes all legal fees and expenses.

Liability option you can choose for additional premium

The following liability option may be obtained on application, and for an additional premium:

Optional water skiers or aquaplaning extension

What you are additionally covered for

If we have agreed to cover you and shown it in your Policy Schedule and you have paid any additional premium we ask for, we will cover you or any person allowed by you to control your boat and the person acting as an observer (within the requirements of any law) against legal liability for:

- accidental death or bodily injury to a water skier or aquaplaner (including you) towed by your boat
- accidental death or bodily injury to any person caused by a water skier or aquaplaner being towed by your boat, or
- accidental damage to another person's property caused by a water skier or aquaplaner being towed by your boat.

We will also cover a water skier or aquaplaner towed by your boat against the water skier's or aquaplaner's legal liability to others for accidental:

- death or bodily injury to a person, or
- damage to property other than your boat

caused by the water skier or aquaplaner while being towed by your boat.

When this water skiers or aquaplaning extension does not cover you

We will not pay the costs of liability arising out of:

- water skiing or aquaplaning when there is not a legally competent observer in addition to the driver on board your boat at the time of the accident
- water skiing or aquaplaning when an aerial device or ski ramp is being used
- water skiing or aquaplaning when a ski mast, ski pole, ski tower are being used unless it is professionally designed, manufactured and installed
- competition water skiing
- towing or using air chairs
- towing of any person by personal watercraft that breaches waterways regulations
- towing of any device not designed and professionally manufactured for the purpose of being towed behind a boat (eg. surfboards or tyre tubes).

The sections of the Policy called

- 'What you are not covered for - legal liability'
- 'When you are not covered'
- 'How much we pay - legal liability'
- 'Limit on what we will pay - legal liability'

also apply to this extension.

What you must pay if you make a claim – Excess

'Excess' means the first amount you must contribute to any claim you make under this Policy. For most claims you make on this Policy, you will have to pay the excess which is shown on your Policy Schedule. If you make a claim for loss or damage to your personal effects the excess will be \$100 for each and every claim for personal effects.

The excess for Personal Watercraft whenever the vessel is under the control or being operated by a person who is:

- less than 25 years of age, or
- has less than 2 years experience in the use of this type of craft,

the excess shown in your schedule is increased by 100% for each and every claim.

When you will NOT have to pay an excess

You will not have to pay an excess for claims arising out of death or personal injuries under the personal accident or liability cover.

When you are not covered

General exclusions applying to this Policy

This Policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
- any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos
- any chemical, biological, bio-chemical, or electromagnetic weapon.

This Policy also excludes any loss, destruction, damage, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above exclusions.

Additional exclusions applying to this Policy

We will not cover you when:

1. your boat is outside the cruising limits described in your Policy Schedule
2. your boat was being operated:
 - at a speed greater than 50 knots
 - with a motor more powerful than recommended by the hull manufacturer for the hull specifications
 - with more than the maximum number of passengers or load recommended by the hull manufacturer.

3. your boat was in the control of you or any person with your express or implied consent while under the influence of alcohol or of any drug or had a percentage of alcohol or drugs in your/their breath or blood in excess of the percentage permitted by law in the place where the loss, damage or liability occurred

But we will cover you if you were not on board the boat at the time and can clearly demonstrate that you had no reason to suspect that the person in control would be under the influence of alcohol and any drug or had a percentage of alcohol or drugs in excess of legal limits.

4. your boat was under the control of a person not licensed under the applicable law:

But we will cover you if the person:

- was not named as one of the insured in your Policy Schedule, and
- you can clearly demonstrate you had no reason to suspect that person was unlicensed.

5. your boat was being used in racing, speed tests or trials, unless you pay an additional premium and we agree to provide the optional yacht racing risk extension or yacht club social racing risk extension
6. your boat was being used for an unlawful purpose
7. your boat was being used for hire or charter, or for payment or reward at the time of the accident or loss unless we specially agree to cover this use and specify the cover in your Policy Schedule
8. your boat was being towed on a trailer and the driver with your express or implied consent was not licensed to drive a vehicle in accordance with law
But we will cover you if you were not in the vehicle at the time and can clearly demonstrate that you had no reason to suspect that the driver was unlicensed
9. your boat is being transported on a trailer, unless the boat is designed and built for that purpose
10. your boat is being loaded or unloaded or transported by a commercial carrier unless you tell us beforehand in writing, and we agree in writing to cover you
11. the boat is being used for permanent living accommodation unless you tell us beforehand in writing, and we agree in writing to cover you
12. you do not keep the boat in good order and repair, or in a proper state of seaworthiness and in compliance with any statutory requirements (eg. Waterways Authority Regulations)
13. your boat is undergoing major hull repair or alteration (eg. extending the length of the boat, major refurbishment of deck, cabin and hull or replacing inboard engines) unless you tell us beforehand in writing, and we agree in writing to cover you.

General conditions

Changing your Policy

If you want to make a change to this Policy, the change becomes effective when:

- we agree to it, and
- we give you a new Policy Schedule detailing the change.

Other interests

You must not transfer any interests in this Policy without our written consent.

Any person whose interests you have told us about and we have noted on your Policy Schedule is bound by the terms of this Policy.

Automatic reinstatement

When we pay a claim for your boat or an item under this Policy, the sum insured for your boat or that item is automatically reinstated to the amount shown in the current Policy Schedule, provided you:

- give us written details of the replacement boat or item(s) within 14 days of buying them, and
- pay us any additional premium that we ask for.

Keeping us informed

You must tell us as soon as possible:

- if there is any significant change in the condition or use of your boat which may affect our decision to insure it
- if any event happens that could mean you will make a claim and/or a claim may be made against you by another person, you must tell us within 30 days of the event happening.

If you do not keep us informed we may do the following:

- refuse to pay your claim, or
- reduce the amount we pay you for your claim under your Policy, or
- cancel your Policy.

If more than one person is insured by this Policy

Please remember if more than one person is insured by this Policy, an act, omission, statement or claim by any one of the insured people has the same effect as an act, omission, statement or claim by all of those people.

Your duty to co-operate

In the event of a claim, any benefits that this Policy gives you depend on you giving us full details of your loss and any help that we require, including further written statements and documents we consider relevant. We may also require you to attend Court to give evidence.

You must help us even after we have paid your claim. We may attempt to recover the amount of our payment from the person who caused you to suffer loss or damage, or we may want to defend you if it is alleged that you caused loss or damage to someone else.

You must send to us immediately any letters, demands, notices or Court documents you receive relating to an accident that resulted or could result in a claim.

Cancelling your Policy

How you may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that you want to cancel it.
- Where 'you' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing you in writing.
- We will give you this notice in person or send it to your address last known to us.

The premium

We will refund to you the proportion of the premium for the remaining period of insurance.

Notices

Any notice we give you will be in writing, and it will be effective:

- if it is delivered to you personally, or
- if it is delivered or posted to your address last known to us.

It is important for you to tell us of any change of address as soon as possible.

Purchase of a 'new' boat

If you replace the boat or any item shown in your Policy Schedule and we agree to cover the replacement, the Policy covers it:

- from the time you bought it, and
- up to the same value as your agreed sum insured, and
- no longer covers the old boat or item.

We will give you this cover for the 'new' or replacement boat or item only if:

- you give us written details of it within 14 days of buying it, and
- you pay us any additional premium that we ask for.

In giving you this cover, we will consider either the price you paid for the hull, motors, equipment and accessories, sails, masts, spars, standing and running rigging and its trailer, or our valuation as the agreed sum insured of that item.

If you sell or give away your boat

If you sell or otherwise give away your boat or part-ownership in a boat and do not tell us:

- the cover under this Policy ceases immediately without any notice to you from the time of sale or you otherwise give away your boat.

When you tell us that you no longer own the boat, we will:

- refund to you what is left of the premium you paid by deducting an amount which covers the period for which you have been insured with us.

If you are giving up an interest as lessor, mortgagee or owner under a hire purchase agreement, you do not have to tell us.

Law & Practice

Any dispute arising from this Policy will be determined by the courts, and in accordance with the laws of the State or Territory of Australia where your Policy was issued.

Other insurance policies

If at the time of an accident another policy is in force covering the same risk, we will only pay the amount in excess of the amount that is recovered under those policies, limited to the sum insured shown in your Policy Schedule.

Claims

What you must do

For us to consider your claim, you must:

- promptly take all reasonable and responsible precautions to prevent any further loss or damage to your boat including electrical equipment and components which have been submerged and in the case of a motor, the flushing out and oiling of the motor and the drying out of its and all other electrical equipment and components
- make a report to the Police if there is injury, malicious damage and theft or attempted theft of your boat
- contact us and tell us details of what has happened
- complete our claim form and any other form we ask you to complete, and take it or mail it to our claims department at any of our offices.

You must not authorise repairs to your boat without our consent

Only we have the right to settle or defend a claim against you by another person.

If we agree you have a claim, only we have the right to:

- make or accept any offer or payment, or in any other way admit you are liable
- settle or attempt to settle any claim, or
- defend any claim.

When we may refuse a claim

We may refuse a claim if amongst other things:

- you do not do what your duty to disclose facts (Duty of Disclosure) requires you to do
- in the application or when making a claim, you:
 - are not truthful
 - have not given us or refuse to give full and complete details, or
 - have not told us something when you should have.
- you do not at all times take reasonable care to:
 - prevent theft of the boat, outboard motor(s) or the equipment and accessories
 - protect your boat against any initial or further loss or damage
 - keep your boat in good condition
 - prevent death, bodily injury, or illness to other people, or loss or damage to their property, and
 - obey any statutory requirements that safeguard people or their property.
- you do not give us the documents and information we may need to help us decide on any amount that we may pay you
- you do any of the following without our knowledge and consent:
 - make or accept any offer or payment, or in any other way admit you are liable
 - settle or attempt to settle any claim, or
 - defend any claim.
- you do not as soon as possible make a report to the Police about:
 - any injury, or
 - any malicious damage to your boat, or
 - any theft or attempted theft of your boat.
- You must give us a written statement from the Police saying that you reported such an event to them.

What we do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for damages. If we do this we will do it in your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving us any statements, documents or assistance we require. This may include giving evidence in any legal proceedings.

What can affect a claim

We will reduce the amount of a claim by the excess shown in the Policy Terms and Conditions or on the Policy Schedule.

Claims

We may refuse to pay a claim if you are in breach of your Duty of Disclosure or any of the conditions of this Policy, including any endorsements noted on or attached to the Policy Schedule.

We pay only once for loss or damage from the same event covered by this Policy even if it is covered under more than one section of the Policy.

We may be entitled to refuse to pay or to reduce the amount of a claim if:

- it is in any way fraudulent, or
- any fraudulent means or devices are used by you or anyone acting on your behalf to obtain any benefits under this Policy.