

Boat Insurance

Product Disclosure Statement



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Introduction

Welcome to GIO Boat Insurance

Why is this document important?

This Product Disclosure Statement (PDS) is an important legal document that contains details of your GIO Boat Insurance if you purchase this product from us. Before you decide to buy this product from us, please read this PDS carefully. If you purchase this product, your policy comprises of this PDS and your certificate of insurance which shows the details particular to you.

The information in this PDS was current at the date of preparation. We may update some of the information in the PDS that is not materially adverse from time to time without needing to notify you. You can obtain a copy of any updated information by contacting us on **13 10 10**. We will give you a free paper copy of any updates if you request them.

In some circumstances the terms and conditions of this PDS may be amended by a Supplementary PDS (SPDS).

PED Guide

Throughout this PDS you will be referred to a guide called: Premiums, Excesses, Discounts and Claim Payments Guide, indicated as 'Refer to the PED Guide for further information'. This guide will provide you with further information and is available at gio.com.au/moredetails. You can also obtain a copy of this guide on request, at no charge, if you contact us.

Cooling off period

After this insurance begins or you renew your policy for another period of insurance, you have **21** days to consider the information in your PDS. This is called the 'cooling off period'. If you wish, and provided you have not made a claim, you can exercise your cooling off rights within **21** days from the day cover began or was renewed. When you exercise your cooling off rights, we will refund in full the money you have paid for that period of insurance but you will have no cover from when your policy would have otherwise begun or from your renewal date.

Alternatively, you can cancel your policy at any time during the period of insurance. When you do this and unless we tell you otherwise, you will have cover up until the date of cancellation. For more information see 'Cancellation by you' on page 42.

Who is this product designed for?

This insurance product is designed for owners of trailered boats who use their boat for private use only (see page 45).

This product excludes cover for boats that are normally moored and boats used for any business or commercial activity. See page 25 to 31.

Your duty of disclosure

You have a duty of disclosure to tell us everything you know, or could reasonably be expected to know, is relevant to our decision to insure anyone under the policy, including you, and on what terms.

It includes matters we specifically ask about when you apply for a policy, or renew or alter your policy, and any other matters which might affect whether we insure you and on what terms.

The information you tell us can affect:

- ▶ the amount of your premium;
- ▶ if we will insure you;
- ▶ if special conditions will apply to your policy.

You do not need to tell us of anything which:

- ▶ reduces the chances of you making a claim; **or**
- ▶ we should know about because of the business we are in; **or**
- ▶ we tell you we do not want to know.

If you are unsure it is better to tell us. If you do not tell us something which you know or should know is relevant, we might reduce a claim, refuse to pay a claim, cancel your policy or, if fraud is involved we can treat the policy as if it never existed.

Exclusion for new policies

We do not insure you for bushfire, storm, flood or tsunami in the first **72** hours of your policy.

Very limited exceptions apply. For full details see 'General exclusions' on page 25 to 31.

More than one named insured

If there is more than one named insured on your certificate of insurance, we will treat a statement, act, omission, claim, request or direction (including to alter or cancel your policy) made by one as a statement, act, omission, claim, request or direction by all those named as insured on your certificate of insurance.

Some words in your policy have special meanings

Some words when used in this PDS have special meanings. Most of the words with special meanings are defined in the 'Words with special meanings' section on page 43.

Summary of features and benefits

Below is a table identifying some of the policy features and benefits available depending on the type of cover you choose. It is a guide only. For full details of what is covered and not covered and for the limits that apply, please read this PDS and your certificate of insurance carefully.

Summary of features and benefits	Comprehensive cover	Third party cover
Sinking	✓	✗
Stranding	✓	✗
Collision or Impact	✓	✗
Theft	✓	✗
Fire	✓	✗
Storm	✓	✗
Malicious damage	✓	✗
Legal liability cover (up to \$10 million)	✓	✓
Monthly instalments (additional cost)	✓	✓
No excess if we agree you were not at fault*	✓	✗
New boat after total loss for boats less than 2 years old	✓	✗
Emergency expenses (up to \$5,000)	✓	✗
Salvage and removal costs (up to \$10 million)	✓	✓
24/7 Australia-wide claims service	✓	✓

***Note:** We usually require that you pay your excess when you first lodge your claim. It will be returned if we decide to waive your excess (see page 37 for more details).

About your premium

The premium is the amount you pay us for this insurance and it includes stamp duty, GST, other government charges and any fire services levy that applies. The total amount payable will be shown on your certificate of insurance or, if you pay by instalments, the amount due each month will be shown on your certificate of insurance as 'monthly instalment'.

In addition to your amount covered we use many factors about you and your boat to work out your premium. These are called premium factors. The premium factors we use reflect the likelihood of you making a claim together with other factors related to our cost of doing business.

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because premiums are affected by other things such as our expenses of doing business and changes in our approach to how we calculate your premium.

Your premium includes any discounts we have given you.

Refer to the PED Guide for further information

Paying your premium

We will tell you how much you have to pay and how much time you have for payment on your certificate of insurance. You must pay this premium by the due date to get this insurance cover. You can pay in one annual payment or, if we agree, by instalments. If you pay your premium by instalments it costs you more than if you choose to pay your premium in one annual payment.

Unless we tell you, any payment reminder we send you does not change the expiry or due date. If you do not pay the premium in full, we may reduce the period of insurance so it is in line with the amount you paid.

If you make changes to your policy details, it may affect the premium you need to pay for the remainder of your period of insurance.

Late annual payments

If you do not pay your premium by the due date, in the first year of insurance with us, we will give you a written notice of policy cancellation where we are required by law to do so.

If you do not pay the premium due on renewal by the due date, you will have no cover from the due date.

If we accept your late payment, we might recommence your cover from the date we receive your payment. If so, you will have no cover for the period from that due date until the date of payment.

Overdue monthly instalments

If you pay your premium by monthly instalments and your payment is overdue we can do one or both of the following:

- ▶ refuse to pay a claim if payment is **14** days (or more) late;
- ▶ cancel your policy without notifying you in advance if payment is **1** month (or more) late.

Your responsibilities

You must:

- ▶ keep your boat well maintained and seaworthy (see page 46). See 'General exclusions' on pages 25 to 31 for exclusions that may apply;
- ▶ take all minimum security precautions to prevent theft, (see 'Minimum steps you must take to prevent theft' on page 34) and loss, damage or legal liability;
- ▶ follow all the terms, conditions and responsibilities set out in your policy;
- ▶ provide honest and complete information for any claim, statement or document supplied to us.

Not meeting your responsibilities

If you do not meet your responsibilities, it may lead us to do either or both of the following:

- ▶ reduce or refuse to pay your claim;
- ▶ cancel your insurance policy.

If fraud is involved, we can treat your policy as if it never existed.

When you need to contact us

Changes in your details and boat

You need to tell us immediately if any details on your certificate of insurance are no longer accurate. For example:

- ▶ you change your address;
- ▶ the place where you keep your boat changes;
- ▶ you replace your boat (see the 'Replacing your boat' additional cover on page 20 where we give you 14 days cover on your replacement boat if you have comprehensive cover);
- ▶ your boat becomes unseaworthy or is no longer in good condition;
- ▶ you change the way you use your boat e.g. you plan to use your boat for hire, charter, teaching or any other business or commercial activity.

Changes at renewal each year

You must tell us at each renewal if you or any operators of your boat have had changes to their:

- ▶ insurance or driving history;
- ▶ criminal history related to fraud, theft, burglary, drugs, arson, criminal, malicious or wilful damage.

What we will do when you contact us

When you contact us and tell us about these changes, we may decide to impose an additional excess, charge an extra premium or apply a special condition to your policy. In some cases it could mean we can no longer insure you and we will cancel your policy.

What is the No Claim Bonus?

A No Claim Bonus (NCB) is a discount off your comprehensive premium. On each renewal, your discount will increase providing you haven't made any claims that affect your NCB. If you are eligible your NCB will keep increasing until you reach the maximum discount level. Your NCB is shown on your certificate of insurance.

[Refer to the PED Guide for further information](#)

Proof of ownership and value

When you make a claim we may ask you to give us proof of ownership and value for what you are claiming for. We understand it is not practical to keep proofs for every item you own. However, there are some items where we will reduce or refuse a claim **unless** you have proof of ownership and value. For full details refer to page 35.

About your cover

About your boat

Your boat means your boat as described on your certificate of insurance that you own and use for private use. This includes your boat hull (if shown on your certificate of insurance), your boat motor(s) (if shown on your certificate of insurance) and your boat trailer (if shown on your certificate of insurance) which we collectively refer to as 'your boat' in your policy, **unless** stated otherwise. Unless you have asked us to insure them and your boat hull, boat motor(s) and/or boat trailer are shown on your certificate of insurance, they are not insured as part of your boat.

What we cover as your boat hull

- ▶ superstructure, decks, gangways, railings and cabin;
- ▶ rudder, keel, helm and steering equipment;
- ▶ windows and windscreen;
- ▶ fixed solar panels;
- ▶ console, gauges and controls;
- ▶ partitions, bulkheads, cupboards, tables, bunks, doors and hatches;
- ▶ canopies, storm covers, fixed seats and fixed seat covers, curtains and blinds;
- ▶ anchor, chain and winches;
- ▶ masts, spars, rigging and sails that are used on your boat only;
- ▶ fixed fuel tanks and fuel lines (**but not** the fuel);
- ▶ fixed electrical fittings and appliances permanently wired in such as lights, instruments, anemometer, FAH radio receiver-transmitter, GPS, depth sounder, fish finder, radar unit and compass, bilge pumps, electric winches and batteries;
- ▶ fixed entertainment items such as a TV, DVD/Blu-ray player and stereo;
- ▶ signwriting **but only** to the extent that the signwriting relates to your boat's name and registration number;
- ▶ mandatory safety equipment kept on your boat;
- ▶ your boat tender **but only** one that is up to **4** metres long, less than **40** years old and not registered in its own right;
- ▶ tools for your boat that were supplied by the manufacturer.

What we do not cover as your boat hull

Your boat hull does not include:

- ▶ murals, artwork, air brushing, stickers or decals other than the name and registration number details of your boat;
- ▶ vinyl hull wraps;

- ▶ the motor on your tender;
- ▶ your boat contents;
- ▶ your boat motor(s);
- ▶ your boat trailer;
- ▶ anything not listed under 'What we cover as your boat hull' see above.

What we cover as your boat motor(s)

The inboard or outboard motor, auxiliary or electric trolling motor for your boat shown on your certificate of insurance including its propellers, drive shaft, transmission, skeg, stern drive, outdrive and jet drive.

What we cover as your boat trailer

The boat trailer for your boat shown on your certificate of insurance that is designed for and used to transport your boat.

About your boat contents

We cover boat contents owned by you and your family under additional cover 'Cover for boat contents' on page 19 and 'Additional cover for boat contents' on page 24 (if that optional cover is shown on your certificate of insurance).

What we cover as your boat contents

- ▶ portable fuel tanks (**but not** fuel);
- ▶ cushions, bedding, manchester and flags;
- ▶ paddles;
- ▶ batteries;
- ▶ unfixed furniture, tables and chairs;
- ▶ items and appliances used for cooking, drinking and eating;
- ▶ portable refrigerators, freezer, ice boxes and 'esbies';
- ▶ portable barbeques and gas bottles;
- ▶ portable TV and DVD or Blu-ray player;
- ▶ face plates for GPS units and sounders;
- ▶ fishing rods and tackle, diving equipment and water-skiing gear, **but not** when in use;
- ▶ unfixed spare parts for your boat;
- ▶ clothing, hats, shoes and wet weather gear;
- ▶ maps, charts, tide and weather guides.

What we do not cover as your boat contents

Boat contents does not include:

- ▶ any boat equipment not permanently wired into the hull;
- ▶ mobile phones or cameras;
- ▶ bait, medicines, food or drinks;
- ▶ personal belongings such as jewellery, watches, sunglasses or spectacles;
- ▶ laptops or electronic tablets (e.g. iPads);
- ▶ portable electronic or electrical items or their accessories such as MP3 players, CD players, video games, game consoles;
- ▶ toys or games;
- ▶ cash or other items able to be cashed (e.g. gift cards, cheques, coupons, tickets);
- ▶ fuel or lubricants;
- ▶ anything not listed under 'What we cover as your boat contents', see above.

Types of cover

You need to choose a level of cover that best fits your circumstances. There are two types of cover to choose from:

- ▶ Comprehensive cover; **or**
- ▶ Third party cover.

The cover you choose and that we agree to give you will be shown on your certificate of insurance.

Comprehensive cover

This cover includes:

- ▶ theft and accidental loss or damage cover;
- ▶ third party cover;
- ▶ additional features and additional covers at no extra cost (see pages 15 to 21).

You can also choose from our range of optional covers (see pages 22 to 24).

All of the conditions of this policy apply to this cover, **unless** stated otherwise.

Theft and accidental loss or damage cover

We cover	<p>We will cover you for theft and accidental loss or damage to your boat caused by an incident in the period of insurance within the geographic limits. Examples of incidents covered include accidental loss or damage by:</p> <ul style="list-style-type: none">▶ storm;▶ fire;▶ sinking;▶ stranding;▶ collision and impact. <p>Limit</p> <p>The most we will pay for any one insured incident is the amount covered shown on your certificate of insurance for your boat hull, boat motor(s) and boat trailer, unless we say otherwise in your policy.</p>
We do not cover	<p>See 'General exclusions' on pages 25 to 31, 'We do not cover' in Additional features on pages 15 to 18 or 'We do not cover' in Additional covers on pages 19 to 21 and 'We do not cover' in Optional covers on pages 22 to 24.</p> <p>Also, if you have chosen the Lay-up period option (see page 24) and this is shown on your certificate of insurance, we do not cover theft or any loss, damage or liability that is not specifically covered by that option.</p>

Third party cover

Comprehensive cover includes Third party cover (see page 13).

Third party cover

This cover includes:

- ▶ legal liability cover for death or bodily injury to other people or damage to their property;
- ▶ additional features and additional covers at no extra cost (see pages 15 to 21).

All of the conditions of this policy apply to this cover, **unless** stated otherwise.

Legal liability for death or bodily injury to other people or damage to their property

We cover

We cover your legal liability to pay compensation for death or bodily injury to other people, or damage to their property, resulting from an incident in the period of insurance:

- ▶ arising out of your ownership of your boat; **or**
- ▶ which happens when you, or a person authorised by you, are operating your boat; **and**
- ▶ which occurs within the geographic limits (see page 14 for details).

Limit

The most we pay for all claims arising from any one insured incident is **\$10 million**, including all associated legal costs we have agreed to pay for your claim.

We do not cover

- ▶ any legal liability caused by or arising from water skiing activities **unless** cover is available under the 'Water skiers liability' optional cover and that optional cover is shown on your certificate of insurance;
- ▶ pollution by oil, fuel or waste **except** to the extent it is covered under the additional feature 'Pollution by oil, fuel or waste following an insured incident', see page 15 for details;
- ▶ anything excluded in the 'General exclusions' on pages 25 to 31, 'We do not cover' in Additional features on pages 15 to 18 or 'We do not cover' in Additional covers on pages 19 to 21.

Refer to the PED Guide for further information

How much is your boat covered for?

If you have Comprehensive cover your boat is insured for the amount covered shown on your certificate of insurance. We have to agree to the amount covered before we will insure your boat. The amount covered may change at each renewal.

The amount covered is the most we will pay for theft, loss or damage to your boat for any one insured incident, unless we tell you otherwise.

Limits on boat cover

There are a number of limits that apply to Comprehensive cover and Third party cover:

Comprehensive cover limits

If you have Comprehensive cover the following table lists the most we will pay for any one insured incident. These limits cannot be changed.

Limits apply to	Limit for any one insured incident
Boat hull	The amount covered shown on your certificate of insurance
Boat motor(s)	The amount covered shown on your certificate of insurance
Boat trailer	The amount covered shown on your certificate of insurance
Boat contents	See the 'Cover for boat contents' additional cover on page 19
Additional boat contents	See the 'Additional cover for boat contents' optional cover on page 24

Third party cover limits

If you have Third party cover the most we will pay for all claims from any one insured incident is **\$10 million**, including all associated legal costs we have agreed to pay for your claim. A lower limit applies to the additional feature 'Pollution by oil, fuel or waste following an insured incident' (see page 15 for details) and this limit cannot be increased.

Geographic limit – Comprehensive cover and Third party cover

We provide cover within the geographic limits which is anywhere on the land and waterways of Australia **but only** up to **200** nautical miles from the Australian mainland and Tasmanian coasts.

Speed limit – Comprehensive cover and Third party cover

There is no cover when your boat is exceeding **60** knots or its maximum design speed, whichever is less. See page 31 for details.

Additional features

When we accept a claim under your Comprehensive or Third party cover policy, you may be entitled to the following additional features. All of the conditions of this policy (including limits) apply to these additional features **unless** we say otherwise.

In some circumstances, we may decide to make an additional feature available to you before we accept or agree to pay your claim. If we do this, it does not mean that your claim has or will be accepted or that we have otherwise agreed to pay your claim. If we later decide that we cannot accept or pay your claim then the cover available under an additional feature will not apply and we may decide to recover the costs from you.

There are some things we do not cover under these additional features and these are shown in the 'We do not cover' sections of the below tables on pages 15 to 18 and in the 'General exclusions' on pages 25 to 31. All of the conditions of this policy apply to these additional features unless the cover says otherwise.

1. Pollution by oil, fuel or waste following an insured incident

Applies to	Comprehensive cover and Third party cover.
We cover	<p>When your boat is stranded, sunk or damaged in an insured incident in the period of insurance and this causes pollution to suddenly and accidentally discharge from your boat, to the extent you are legally liable for the costs of removing, containing or dealing with the pollution, we will pay the reasonable and necessary costs:</p> <ul style="list-style-type: none">▶ to remove, contain and deal with the pollution;▶ to compensate other people for cleaning up or fixing damage caused to their property by the pollution. <p>Limit</p> <p>Up to a total of \$250,000, including all legal costs that we have agreed to pay for any one discharge or series of discharges arising out of the same insured incident. The cover in this feature is not paid in addition to the Third party cover limit.</p>
We do not cover	<ul style="list-style-type: none">▶ the cost of removing, containing or dealing with pollution that starts to discharge more than 7 days after the incident;▶ any loss or damage which first happens more than 7 days after the pollution starts to discharge from your boat;▶ your legal liability for injury, illness or death;▶ fines, punitive, aggravated or exemplary damages;▶ the cost of removing, containing or dealing with asbestos in any form.

2. Salvage and removal costs

Applies to	Comprehensive cover and Third party cover.
We cover	<p>When your boat is stranded, sunk or burnt in an insured incident in the period of insurance and you are legally liable for the costs of salvaging or removing it, we will pay the reasonable and necessary costs, including legal costs that we have agreed to pay, to salvage and remove your boat.</p> <p>Limit</p> <p>Up to a total of \$10 million for any one insured incident. The cover in this feature is not paid in addition to the Third party cover limit.</p>

3. Emergency expenses

Applies to	Comprehensive cover.
We cover	<p>When your boat is damaged in an insured incident in the period of insurance and emergency actions are necessary (e.g. if the outboard motor on your boat has struck a log, won't operate and you need to pay for towing), we pay the reasonable costs for:</p> <ul style="list-style-type: none">▶ towing your boat to safety when it is on the water;▶ avoiding or minimising further loss or damage;▶ arranging for urgent repairs, to get you home;▶ securing your boat;▶ scuttling or sinking your boat if you are required by law to do so; or▶ flushing, drying and oiling of the motor on your boat that has been submerged. <p>Limit</p> <p>Up to a total of \$5,000 for any one insured incident.</p>

4. New boat after a total loss

Applies to	Comprehensive cover.
We cover	<p>When your boat hull, boat motor(s) or boat trailer is less than 2 years old and we determine they are a total loss following an insured incident in the period of insurance, we will pay what it costs us to replace your boat hull, boat motor(s) or boat trailer with a new boat hull, boat motor(s) or boat trailer that is:</p> <ul style="list-style-type: none">▶ made by the same manufacturer, of the same or similar model and of the same or similar specification; or▶ in our opinion, the nearest possible match to your boat hull, boat motor(s) or boat trailer. <p>Limit</p> <p>If we cannot locate a suitable replacement boat hull, boat motor(s) or boat trailer within 60 days in Australia, or if you disagree with our choice, we will pay you the amount covered shown on your certificate of insurance for your boat hull, boat motor(s) or boat trailer less applicable deductions (see page 41).</p>
We do not cover	If only one part of your boat is a total loss, we will not replace all parts e.g. if only your boat motor(s) is a total loss, we will not replace your boat hull and boat trailer as well.

5. Emergency travel costs

Applies to	Comprehensive cover.
We cover	<p>When your boat is lost or damaged in an insured incident in the period of insurance and you are left stranded and unable to return to your usual place of residence, we pay your reasonable and necessary travel costs to get you back to your usual place of residence or to pick up your boat after it has been repaired.</p> <p>Limit</p> <p>Up to a total of \$500 for any one insured incident.</p>

6. Road towing costs

Applies to	Comprehensive cover.
We cover	<p>When your boat is damaged in an insured incident in the period of insurance and needs to be repaired, we pay the reasonable costs of towing your boat by road, to the nearest place of safety or repair.</p> <p>Limit Up to a total of \$1,000 for any one insured incident.</p>

7. Fatal injury

Applies to	Comprehensive cover.
We cover	<p>When you or the operator of your boat are fatally injured as a direct result of the same insured incident that also caused loss or damage to your boat, we will pay \$5,000 to either the executor of your or your boat operator's estate (but not both). The most we will pay in any one period of insurance is \$5,000.</p>
We do not cover	<ul style="list-style-type: none">▶ any amount if death is caused by suicide or self harm;▶ any amount if death occurs more than 12 months after the incident that caused loss or damage to your boat.

Refer to the PED Guide for further information

Additional covers

We also provide the cover set out under the following additional covers. All of the conditions of this policy (including limits) apply to these additional covers **unless** we say otherwise.

There are some things we do not cover and these are shown in the 'We do not cover' sections of the below tables on pages 19 to 21 and in the 'General exclusions' on pages 25 to 31.

1. Cover for boat contents

Applies to	Comprehensive cover.
We cover	<p>We cover your boat contents when they are either in or on your boat, or locked in a fully enclosed room, shed, garage or vehicle for theft and accidental loss or damage caused by an incident in the period of insurance within the geographic limits but only up to the market value of each item and no more than:</p> <ul style="list-style-type: none">▶ \$1,000 for an EPIRB, VHF or HF radio;▶ \$500 for any other boat contents item not an EPIRB, VHF or HF radio; and▶ \$5,000 in total for any one insured incident for all boat contents, (unless you have the 'Additional cover for boat contents' optional cover on page 24).
We do not cover	<ul style="list-style-type: none">▶ theft of your boat contents if you did not take minimum security precautions to secure your boat contents (see page 34).

2. Rescue expenses

Applies to	Comprehensive cover.
We cover	<p>When you and your boat are lost and missing within the geographic limits in the period of insurance, whether or not your boat is lost or damaged in an insured incident, we pay the fees charged by a government maritime rescue service or organisation to search for, and rescue you and your boat.</p> <p>Limit Up to a total of \$5,000 during any one period of insurance.</p>
We do not cover	<ul style="list-style-type: none">▶ any ambulance or medical costs;▶ any costs for search and rescue outside the geographic limits;▶ any payment or contribution to private individuals who assist in the search or rescue of you or your boat.

3. Replacing your boat

Applies to	Comprehensive cover.
We cover	<p>When you sell your boat and replace it with another boat in the same period of insurance, we will automatically provide comprehensive cover for your replacement boat from when it is first purchased for up to 14 days or until you purchase insurance cover for your replacement boat, whichever happens first.</p> <p>Limit</p> <p>Up to the amount covered for your boat (i.e. the one that has been sold) or the purchase price of your new boat, whichever is less.</p> <p>Unless stated otherwise, all of the conditions, limits and exclusions of your policy apply to this additional cover as if the replacement boat was your boat.</p>
We do not cover	<ul style="list-style-type: none">▶ your boat for any period after it is sold;▶ your replacement boat under this additional cover if we have already agreed in writing to insure the replacement boat and you have paid any additional premium that applies;▶ your replacement boat for any period after the timeframes described in this additional cover. <p>For cover beyond this you must contact us to apply to insure your replacement boat. If we agree we will tell you in writing and you must pay any additional premium that applies.</p>

4. Inspection of hull after running aground

Applies to	Comprehensive cover.
We cover	<p>When your boat has run aground following an insured incident in the period of insurance even if no loss or damage has occurred to your boat, we will pay the reasonable costs to inspect your boat hull.</p> <p>Limit</p> <p>Up to a total of \$1,000 in any one insured incident.</p>

5. Substitute boat

Applies to	Comprehensive cover and Third party cover.
We cover	<p>When you have borrowed a boat because your boat is:</p> <ul style="list-style-type: none">▶ with a repairer and being serviced or repaired; or▶ lost, stolen or destroyed in an incident and we have accepted your claim but not yet paid it; <p>we extend our Third party cover for up to 14 days from when your boat is first left with a repairer or we first accept your claim for loss or damage to your boat, to cover your legal liability in relation to your use of a substitute boat that is of a similar type and size to your boat and registered by law (if required). See page 13 for details on 'Third party cover'.</p> <p>Limit</p> <p>The most we pay for all claims from any one insured incident is \$10 million, including all associated legal costs we have agreed to pay for your claim.</p> <p>Note: Unless stated otherwise, all other conditions, limits and exclusions of our Third party cover apply to this additional cover.</p>
We do not cover	<ul style="list-style-type: none">▶ any liability where the substitute boat is a hired, rental or chartered boat;▶ any liability where the substitute boat is owned by you, your family or a co-insured;▶ any liability where the substitute boat is not a similar type and size to your boat or not registered by law (if required to be).

Refer to the PED Guide for further information

Optional covers

Any options you choose, and we agree to give you, will be shown on your certificate of insurance. Depending on the optional covers you choose, an extra premium may apply. These optional covers are available with Comprehensive cover only. All of the conditions of this policy (including limits) apply to these optional covers **unless** we say otherwise.

There are some things we do not cover and these are shown in the 'We do not cover' sections of the below tables on pages 22 to 24 and in the 'General exclusions' on pages 25 to 31. All of the conditions of your policy apply to these covers **unless** stated otherwise.

1. Water-skier's liability

We cover	<p>We cover your legal liability to pay compensation for:</p> <ul style="list-style-type: none">▶ death or injury to a person being towed by your boat; or▶ death or injury to other people, or damage to their property caused by a person or object being towed by your boat; <p>while engaged in water skiing activities caused by an incident in the period of insurance within the geographic limits.</p> <p>In addition to covering your legal liability, under the above circumstances we also insure the legal liability of:</p> <ul style="list-style-type: none">▶ any person authorised by you to control or operate your boat;▶ an observer nominated by the controller or operator of your boat; and▶ the person being towed. <p>Limit</p> <p>The most we pay for all claims arising from any one incident is \$10 million, including all associated legal costs we have agreed to pay for your claim.</p>
We do not cover	<ul style="list-style-type: none">▶ any incident which happens when there is no observer in or on your boat or no observer who is observing the water skiing competently and in accordance with relevant legal requirements;▶ any incident involving airborne activities such as parasailing or jumping over an elevated structure such as a ski ramp;▶ death or injury to you or a part owner of your boat;▶ damage to property belonging to you, your passengers or the operator of your boat.

2. Cover for sailing boats when racing

We cover	<p>We extend your Comprehensive cover to insure your sailing boat while it is participating in a race in the period of insurance up to 100 nautical miles in total distance travelled.</p> <p>Limit</p> <p>The most we will pay is the amount covered shown on your certificate of insurance for your boat hull or boat motor(s), unless we say otherwise in your policy.</p> <p>All other conditions, limits and exclusions of this policy apply to this cover.</p>
We do not cover	<ul style="list-style-type: none">▶ any loss, damage or liability that arises when you are outside the geographic limit;▶ any loss, damage or liability when the race you are participating in is longer than 100 nautical miles in total distance travelled;▶ power boat racing;▶ loss or damage to sails:<ul style="list-style-type: none">▶ by wind or water (e.g. wind tearing a sail, tearing from a wave or capsizing during a race), unless other structural parts of your boat suffer damage by an incident (e.g. a broken mast);▶ when sails are being hoisted, lowered, dropped or trimmed;▶ caused by people accidentally damaging them (e.g. making a hole or tearing them).

3. Lay-up period

We cover	<p>When you have this optional cover you will pay a reduced premium but your Comprehensive cover is reduced such that during the lay-up period shown on your certificate of insurance we will only cover your boat for theft and accidental loss or damage when it is:</p> <ul style="list-style-type: none">▶ at your home; or▶ in a secure commercial storage facility; or▶ going to and from a repairer for repairs (but only if it is following a claim we have agreed to pay) or to be serviced. <p>All other conditions, limits and exclusions of this policy apply to this cover.</p> <p>Limit</p> <p>The most we will pay is the amount covered shown on your certificate of insurance for your boat hull, boat motor(s) or boat trailer, unless we say otherwise in your policy.</p>
We do not cover	<p>Theft or any loss, damage or liability that arises:</p> <ul style="list-style-type: none">▶ if the boat is used on the water during the time it is in lay-up;▶ when the boat is in transit for any reason other than stated above;▶ when the boat is kept at any location other than at your home or a secure commercial storage facility.

4. Additional cover for boat contents

We cover	<p>We cover your boat contents when they are either in or on your boat, or locked in a fully enclosed room, shed, garage or vehicle for theft and accidental loss or damage caused by an incident during the period of insurance within the geographic limits.</p> <p>We pay up to the boat contents amount covered shown on your certificate of insurance for any one insured incident but only up to the market value of each item and no more than:</p> <ul style="list-style-type: none">▶ \$1,000 for any EPIRB, VHF or HF Radio;▶ \$500 for any other boat contents item not an EPIRB, VHF or HF Radio.
We do not cover	<ul style="list-style-type: none">▶ theft of your boat contents if you did not take the minimum security precautions to secure your boat contents (see page 34);▶ loss or damage that we have already agreed to cover under additional cover, 'Cover for Boat Contents' (see page 19).

Refer to the PED Guide for further information

General exclusions

This section details what is not covered under any part of your policy.

We do not cover:

Agreements you enter into

legal liability caused by or arising out of any agreement or contract you, or someone you authorised to operate or be in charge of your boat, enter into accepting liability, **but we will** provide cover if the legal liability would have existed without that agreement.

Airborne activities

legal liability for an incident caused by or arising out of any airborne activity such as hang gliding, paragliding and parasailing or any jumping over an elevated structure (e.g. a ski ramp).

An incident while being towed by a motor vehicle

legal liability caused by or arising out of:

- ▶ an incident which happens when your boat is on a trailer that is attached to a motor vehicle of any kind;
- ▶ an incident which is insured, or required to be insured, under compulsory third party motor vehicle insurance cover.

Death or injury to you, a part owner or person controlling your boat

legal liability for death or injury to:

- ▶ you;
- ▶ any person who owns part of your boat;
- ▶ any person operating or controlling your boat;

if they caused or contributed to the incident **other than** the cover provided by the additional feature 'Fatal injury' on page 18.

Fines

legal liability for any fines or penalties and/or aggravated, punitive or exemplary damages.

Injury or death of employees

legal liability caused by or arising out of the death or injury to any of your employees or damage to their property while they are working for you.

Pollution

legal liability caused by or arising out of the escape or discharge of pollution from your boat such as fuel, oil, bilge, garbage or any other pollutant, **but we will cover** legal liability for pollution to the extent that it is covered by the additional feature 'Pollution by oil, fuel or waste following an insured incident' on page 15.

General exclusions (Cont'd)

We do not cover:

Property owned by your family, an operator of your boat or a passenger

legal liability for loss or damage to property:

- ▶ owned by your family;
- ▶ owned by a person operating or in control of your boat;
- ▶ owned by any person who is a passenger in or on your boat; **or**
- ▶ in your custody or control which you do not own.

But we will cover legal liability in relation to your use of a substitute boat to the extent that is covered under additional cover 'Substitute boat' (see page 21).

Towing people or things

legal liability for:

- ▶ death or injury to:
 - ▶ a person being towed by your boat;
 - ▶ others caused by a person or thing towed by your boat.
- ▶ damage to property:
 - ▶ towed by your boat (other than your boat tender);
 - ▶ of others caused by a person or thing towed by your boat.

But we will cover these incidents to the extent that they are covered by the optional cover 'Water-skier's liability' if this option is shown on your certificate of insurance.

There is no cover for damage, loss, cost or legal liability that is caused by or arises from or involves:

Alcohol or drugs

an incident that occurs when your boat is being operated, or is in the charge of, anyone who:

- ▶ was under the influence of, or had their judgement affected by any alcohol, drugs or medication;
- ▶ had more than the legal limit for alcohol or drugs in their breath, blood, saliva or urine as shown by analysis;
- ▶ refused to take a test for alcohol, drugs or medication.

But we will pay a claim if you:

- ▶ were not the person operating your boat, or in charge of your boat, at the time of the incident; **and**
- ▶ can satisfy us that you did not know and could not have reasonably known about any of the above circumstances.

Asbestos

asbestos, asbestos fibres or derivatives of asbestos of any kind.

Biological, chemical, other pollutant or contaminant

- ▶ any actual or threatened biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant; **or**
 - ▶ any looting or rioting following the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant; **or**
 - ▶ any action taken by a public authority to prevent, limit or remedy the actual or threatened release of any biological, bacterial, viral, germ, chemical or poisonous substance, pollutant or contaminant.
-

Bushfires, storms, floods, tsunamis in the first 72 hours of this policy

a bushfire, storm, flood or tsunami in the first **72** hours of cover.

But we will cover these incidents if this policy began on the same day:

- ▶ you bought your boat;
 - ▶ that another policy covering your boat expired, **but not** when you cancelled the policy prior to its expiry date, and only up to the sums insured covered under the expired policy (any increase in sums insured will not be covered for these events for the first **72** hours specified).
-

Business or commercial activity

your boat being used for any business or commercial activity (e.g. charter or hire or teaching), see meaning on page 43.

Care, custody or control

theft of your boat or of any part of your boat (**unless** there is evidence of forced entry to your boat) while it is in the care, custody or control of a person or entity other than you, **other than** the cover provided by 'Lay-up period' cover (if this optional cover is shown on your certificate of insurance). See page 24 for details.

Certain items

loss or damage to:

- ▶ fuel, lubricants, stores or moorings;
 - ▶ anti-fouling protection, **unless** it is in an area of the hull which has been repaired after a claim;
 - ▶ fishing, diving and water-skiing gear while in use.
-

General exclusions (Cont'd)

There is no cover for damage, loss, cost or legal liability that is caused by or arises from or involves:

Consequential losses or extra costs following an incident covered by your policy

consequential losses (financial and non-financial loss) or extra costs following an incident covered by your policy including:

- ▶ loss of income or wages;
- ▶ your boat's value (including its trade-in or resale value) is less after being repaired;
- ▶ the cost of hiring a substitute boat;
- ▶ costs, including cost of your time, to prove your loss or to help us with your claim;
- ▶ travel costs;
- ▶ cleaning costs;
- ▶ any costs not covered by your policy.

Corrosion, rust, wear and tear

wear, tear, rust, fading, gradual deterioration, mould, mildew, action of light, corrosion or rot of any parts of your boat **unless** this is caused by your boat sinking and we have agreed to accept your claim for this.

Damaged, faulty or unsafe boat hull, boat trailer, boat motor(s) or boat contents

your failure to, at all times, protect your boat hull, your boat motor(s), your boat contents and your boat trailer against any initial or further loss or damage.

Deliberate acts

acts caused intentionally or deliberately by:

- ▶ you;
- ▶ a member of your family;
- ▶ a person who owns any part of your boat;
- ▶ a person acting with your consent;
- ▶ a person authorised by you to operate your boat.

Disease or illness

disease, illness or sickness you knowingly spread or failed to take due care to prevent spreading after you knew about it.

Diving

injury or death to anyone caused by or resulting from the use of diving equipment.

Failing to take minimum security precautions

theft of your boat or any part of your boat and boat contents if you do not comply with the minimum security precautions set out on page 34.

Faulty workmanship or materials

loss or damage to your boat caused by or resulting from:

- ▶ the use of faulty materials;
- ▶ faulty workmanship;
- ▶ faulty design or construction of your boat;
- ▶ the use of contaminated or incorrect fuel.

Houseboats

your boat being used as a houseboat.

Incorrect trailer

your boat being transported on a trailer that is not designed to carry it (e.g. a box trailer).

Ingestion, obstruction or blockage

loss or damage contributed to or caused by, or resulting from, the obstruction or blockage of a motor or water inlet, or the intake of any external materials or substances into a motor or water inlet of your boat (e.g. a plastic bag obstructing or blocking an inlet or being sucked into a motor causing damage from overheating of the motor).

Maintenance

loss or damage contributed to or caused by a lack of reasonable care when maintaining or using your boat or lack of regular maintenance on your boat.

Mechanical or electrical breakdown or failure

loss or damage contributed to or caused by or resulting from:

- ▶ mechanical breakdown of any motor, including seizing or overheating, caused by or resulting from:
 - ▶ depreciation, deterioration, wear and tear or lack of maintenance;
 - ▶ the use of contaminated or incorrect fuel causing damage to motors, fuel lines or storage systems, for example:
 - ethanol blended fuels;
 - water contaminated fuels;
 - separated fuels;
 - incorrect use of fuel such as petrol in a diesel motor;

but we will cover the motor if it is damaged as a result of impact, fire, malicious damage, sinking or grounding;

- ▶ electrical breakdown or failure of any part of your boat **but we will cover** fire damage that results from this;
 - ▶ the burning out of wiring in the boat (**but not** the wiring in the motor).
-

General exclusions (Cont'd)

There is no cover for damage, loss, cost or legal liability that is caused by or arises from or involves:

Moored boats

an incident that occurs when your boat is moored (if it is normally kept moored).

Not keeping your boat in seaworthy and good condition

your boat not being seaworthy or in good condition, **unless** you can prove to us that you did not know and could not have reasonably have known that your boat was unseaworthy or not in good condition at the time.

Osmosis, electrolysis, marine growth, inherent vice

- ▶ osmosis or electrolysis;
- ▶ vermin, marine growth, insects or borers;
- ▶ inherent vice.

Overload

your boat carrying more people than it is designed or licensed to carry.

Oversized motors

the power (HP or KW) of your operating boat's motors exceeding the maximum design speed for the boat's hull.

Racing

your boat participating in any race, **but we will** cover racing to the extent it is covered under 'Cover for sailing boats when racing' optional cover where this option is shown on your certificate of insurance. We do not cover power boat racing in any form.

Radioactivity/nuclear materials

- ▶ radioactivity or the use, existence or escape of nuclear fuel, nuclear material or waste; **or**
- ▶ action of nuclear fission including detonation of any nuclear device or nuclear weapon; **or**
- ▶ any looting or rioting following these incidents.

Revolution, war

- ▶ revolution, hostilities, war or other acts of foreign enemy, warlike activity (whether war is declared or not), military coup; **or**
- ▶ any looting or rioting following these incidents.

Sail damage

loss or damage to sails from wind or water when they are hoisted or in the process of being hoisted or dropped to the deck.

Speed

your boat exceeding **60 knots** or its maximum design speed, whichever is less. See page 14 for more details.

Theft or repossession

the theft or repossession of your boat by:

- ▶ someone you allow to use your boat, such as a friend or prospective buyer;
 - ▶ anyone who has a financial interest in your boat, such as a credit provider;
 - ▶ anyone who is named on the certificate of insurance.
-

Tyres

damage to your boat trailer's tyres caused by braking, punctures, road cuts or bursting.

Unlawful purposes

your boat being used for unlawful purposes.

Unlicensed operator

your boat being operated by a person who is not licensed to operate it, but this exclusion will not apply if you can prove that you did not know or could not have reasonably known that at the time, the operator or driver was not licensed, or if there was no requirement by law to hold a licence in the state in which the boat is being operated.

Unregistered boat or boat trailer

your boat or boat trailer being unregistered at the time of the incident in circumstances where your boat or boat trailer must be registered according to law.

There is no cover under this policy for:

Overdue monthly instalments

if you pay your premium by monthly instalments and your payment is overdue we can do one or both of the following:

- ▶ refuse to pay a claim if payment is **14** days (or more) late;
 - ▶ cancel your policy without notifying you in advance if payment is **1** month (or more) late.
-

Claims

Making a claim

When to make a claim

We understand being involved in an accident or having your boat damaged by an incident covered by this policy can be a stressful experience. We are here to help you **24** hours a day. Contact us on **13 14 46**.

What you must do

Step 1	Step 2	Step 3	Step 4	Step 5
Make sure everyone is safe. For emergencies call 000.	Try to prevent further loss or damage. You must do everything you reasonably can to limit and prevent further loss or damage. We may provide cover for emergency expenses up to \$5,000 (see page 16 for details).	Report the incident to the authorities. If someone is injured or has stolen, attempted to steal or maliciously damaged your boat, call the police immediately and record the time, date, report number and the name of the recording officer.	Collect details of all drivers, passengers and witnesses. You will need these when you call us. Make sure you have their full names, addresses and contact numbers. If another boat or vehicle is involved, record its registration details (if it is registered) or its identification number and the operator or driver's insurance details. Do not admit fault to anyone.	Contact us as soon as possible on 13 14 46. Make sure you have the details of the incident at hand to assist us with lodging your claim. Please see page 36 for details on what you will need.

If you have caused damage to other people's property

Tell us about any incident that has caused damage to other people's property. You also must immediately tell us about any demands made on you to pay compensation to others, any court actions or offers of settlement and send these to us. If you do not tell us about these and it results in further costs, you may have to pay those costs.

How the Goods and Services Tax (GST) affects this insurance

You must tell us about the input tax credit (ITC) you are entitled to for your premium and your claim, each time you make a claim. If you do not give us this information or if you tell us an incorrect ITC, we will not pay any GST liability you incur.

If your boat is a total loss we will reduce any payment we make by an amount equal to your input tax credit entitlement, if any.

In all other circumstances our liability to you will be calculated taking into account any ITC to which you are entitled for any acquisition which is relevant to your claim, or to which you would have been entitled had you made a relevant acquisition.

Any payment we make to settle your claim will be considered to be made in full even if the amount we pay has been reduced as described above.

To process the claim, you must:

- ▶ allow us to inspect the damaged boat or boat contents, and if repairs are required you must allow us to take your boat or boat contents to a repairer;
- ▶ allow us to arrange for experts to assess the damaged boat or boat contents and to quote on repair or replacement;
- ▶ provide us with a quote for repair or replacement if we ask for this;
- ▶ consult an expert if we ask for this;
- ▶ give us any information and help we require to handle the claim. This can include agreeing to be interviewed and providing relevant documents we ask for (e.g. proof of ownership);
- ▶ allow us or a person nominated by us to recover, salvage or take possession of your boat or boat contents;
- ▶ attend court to give evidence if we ask you to.

What you must not do:

- ▶ do not admit liability or responsibility to anyone to pay for any damage **unless** we agree;
- ▶ do not negotiate or promise payment;
- ▶ do not authorise any repairs, **except** for emergency expenses described on page 16;
- ▶ do not dispose of any damaged parts of your boat or boat contents without our consent;
- ▶ do not accept payment from someone who admits fault for loss or damage to your boat. Refer them to us.

If you do not comply

If you do not comply with 'What you must do' and 'What you must not do' we can reduce or refuse your claim and/or recover costs from you or cancel your policy.

If we decline a claim

When you contact us to make a claim we will tell you if we can accept it. If we can't, we will tell you why. In some cases we will allow you to lodge your claim **but we will** need to further assess it before making a decision. If we then decide to decline your claim we will give you our reasons in writing. If you wish to dispute our decision, see page 47 for more information.

Minimum steps you must take to prevent theft

For securing boat hulls

You must take the following minimum security precautions to prevent theft when your boat is not in use. Otherwise, we can refuse your claim (see page 7).

Boat type	Minimum security precautions
Boats on trailers	<ul style="list-style-type: none">▶ keep it inside a fully enclosed garage allocated for your personal use only; or▶ when in the open air (e.g. carport, backyard, on the street or unattended anywhere else) secure the boat trailer with an anti-theft device designed to prevent the theft of your boat and boat trailer, such as:<ul style="list-style-type: none">▶ tow ball lock;▶ coupling clamp;▶ trailer wheel clamp. <p>Note: Chains or cables with padlocks are not satisfactory if used on their own.</p>
Portable boats not on trailers	Must be kept inside a secure storage area.

For securing boat contents

You must take the following minimum security precautions to prevent theft of your boat contents when your boat is in the locations described below. Otherwise, we can refuse your claim (see page 7).

Location	Minimum security precautions
When your boat is at the place where you normally keep it (e.g. your house, unit, flat)	Locked inside either: <ul style="list-style-type: none">▶ a fully enclosed room, shed or garage; or▶ a cabin or compartment on your boat, but not under or behind a tarpaulin or canopy as these are easily torn or cut.
When your boat is anywhere else and unattended (e.g. you are away from your boat buying bait or supplies)	All portable boat contents items must be locked inside either: <ul style="list-style-type: none">▶ a cabin or compartment but not under or behind a tarpaulin or canopy; or▶ your vehicle; or▶ the house, unit or caravan where you are staying.

For securing boat motors

You must take the following minimum security precautions to prevent the theft of your boat motor(s) in the location described below. Otherwise, we can refuse your claim (see page 7).

Location	Minimum security precautions
When your motor is an outboard motor and your boat is left unattended anywhere	<ul style="list-style-type: none">▶ remove the motor and store in a locked room, shed, garage, vehicle or caravan; or▶ lock it to the transom with a suitable padlock or other similar device.

Minimum proofs of ownership and value

Boat hull, boat motor(s) and boat trailer

You **must** provide the following:

- ▶ proof of purchase, such as a sales receipt, sales invoice or sales contract. These must show a description of the boat, the amount paid, where and when it was purchased and from whom; **or**
- ▶ an inspection report such as a survey or pre-purchase report and valuation.

Other acceptable proof which can be used in conjunction with the above*:

- ▶ registration papers if your boat is registered;
- ▶ service records from a boat repairer or mechanic showing details of your boat;
- ▶ a close up photograph;
- ▶ bank statement or credit card receipt.

Boat contents

If you purchased the boat contents new in the past **5** years for more than **\$100**, you must provide a sales receipt showing a description of the item, the date purchased and the purchase price.

Other acceptable proof which can be used in conjunction with the above*:

- ▶ original operating manual;
- ▶ manufacturer's box.

***Note:** Unless we tell you otherwise, these items are not satisfactory proof on their own.

How to establish your loss

Establish an incident took place

When making a claim you must be able to prove that an incident covered by your policy actually took place. If you do not do this, we will not be able to pay your claim.

We may obtain the following from the police or maritime authorities:

- ▶ confirmation that you reported the incident;
- ▶ details of any investigations they undertook.

You must give us authority to access these records, if we ask.

Describe your loss or damage

You must also give us accurate and full details of the theft, loss or damage and give us proof of ownership and value, if we ask.

Proving your loss or damage

Usually allowing us, a repairer or an expert appointed by us, to look at what is damaged is all that is needed to prove your loss. For valuable and badly damaged items, we may ask you to provide proof of ownership and value.

For lost, damaged or stolen items that are no longer available for inspection, you are required to validate your claim by giving us details of when and where purchased and reasonable proof of ownership and value.

We have minimum proof requirements for some items, for full details of these requirements see 'Minimum proofs of ownership and value' on page 35.

For all other items we will decide what is reasonable proof of ownership and value depending on what you are claiming for, how old they are and their value.

If you are unable to reasonably substantiate your claim, we can reduce or refuse your claim.

Your excess

What is an excess

An excess is the amount you have to pay for each incident when you make a claim. For example, if your boat has been damaged in two separate incidents, then you have to make **2** claims and pay the excesses that apply for each claim.

The total excess you are required to pay is determined by the circumstances of your claim. You might have to pay more than one type of excess when you claim.

The amount and types of excesses are shown on your certificate of insurance. The different types of excesses are:

Standard excess for Third party only cover	If you choose Third party only cover and unless we tell you otherwise, a standard excess will apply to all claims. This cannot be removed or reduced by paying an extra premium.
Standard excess for Comprehensive cover	If you choose Comprehensive cover and unless we tell you otherwise, a standard excess applies to all claims. The standard excess that will apply is affected by the value of your boat. This cannot be removed or reduced by paying an extra premium.
Voluntary excess	If you have Comprehensive cover you may choose a voluntary excess from the range we offer to reduce your premium. This excess replaces the standard excess and will be the excess you pay for all claims unless we tell you otherwise.
Imposed excess	An imposed excess may be applied depending on the type or construction of your boat and our assessment of the accident, claims or insurance history in the last 3 years of you or anyone to be insured under the policy. This excess replaces the standard or voluntary excess and will be the excess you pay for all claims, unless we tell you otherwise.
Inexperienced operator excess	This excess applies if an inexperienced operator was operating, using or in control of your boat at the time of the incident, and the inexperienced operator was responsible or partly responsible for the loss or damage. This excess will not apply to claims for storm, fire or theft. It also does not apply if the inexperienced operator was not required to have a licence to operate your boat.

When you don't pay an excess

We will waive your excess if:

- ▶ we decide you or the operator of your boat was not at fault; **and**
- ▶ you can provide the name and address of the person at fault and the registration **or** identification details of any boat or vehicle involved.

[Refer to the PED Guide for further information](#)

What does at fault mean?

At fault means fully or partly responsible for the loss or damage. Sometimes more than one person can be at fault. For every claim we will decide if anyone is at fault and this decision affects:

- ▶ whether you must pay your excess; **and**
- ▶ whether your 'No claim bonus' changes at renewal.

How do we determine fault?

We will decide who is at fault from the information available to us. We take into account:

- ▶ what, how and when the incident happened;
- ▶ descriptions and statements from you, the other operator and any witnesses;
- ▶ the cause of the loss or damage;
- ▶ the parts of your boat that were damaged;
- ▶ reports from police and any charges they made;
- ▶ facts and statements given at a court or a coroner's enquiry.

When we have confirmed how the incident happened, we will use the relevant maritime and boating laws and regulations to determine if someone is at fault.

In some circumstances, a court, tribunal or the Ombudsman will determine who is at fault and we will follow this.

We can decide it is unclear who is at fault when:

- ▶ we don't have enough information to prove to us that another person was fully responsible for your loss or damage; **or**
- ▶ it is proven that someone else is at fault but you don't know who they are or you can't supply their details (name and address of the person at fault and the registration or identification details of any boat or vehicle involved).

If subsequent information proves to us that another person was at fault, we will refund any excess you paid and re-set your no claim bonus.

How to pay your excess

We may:

- ▶ ask you to pay us the excess;
- ▶ ask you to pay your excess to the repairer or supplier;
- ▶ deduct the excess from the amount we pay you; **or**
- ▶ deduct the excess from the amount we pay to another person for loss or damage to their property.

You must pay the excess in full (if we ask for it) before we pay any claim, or provide any benefits under this policy. We usually require that you pay your excess when you first lodge your claim. It will be refunded if we decide to waive your excess (see page 37 for more details).

We may not cover any legal or other costs that arise because of any delay in paying the excess.

How we settle your claim

We choose how your boat claim is settled

If we agree to pay a claim for theft or loss or damage to your boat we will decide if we will:

- ▶ repair the damage to your boat;
- ▶ replace the damaged parts of your boat;
- ▶ pay you what it would cost us to repair or replace the damaged parts of your boat;
- ▶ decide your boat is a total loss (see page 41 for what we do 'If we decide your boat is a total loss').

Third party claims

If you make a third party claim that is covered under this policy we can decide to defend you, settle any claim made against you or represent you at an inquest, official inquiry or court proceedings.

If we decide to defend you, settle any claim made against you or represent you, then you must give us all the help we need, including help after your claim is settled.

Boat contents claims

If we agree to pay a claim for theft or loss or damage to your boat contents we will decide if we will:

- ▶ repair or replace to the same condition, standard and specification the contents were before the incident took place; **or**
- ▶ pay you what it would cost us to repair or replace your boat contents.

We may offer you a voucher or stored value card for the amount it would have cost us to repair or replace the boat contents.

Boat motor claims

We do not cover damage to a boat motor that has been caused or contributed to by wear and tear, deterioration or mechanical breakdown. See 'General exclusions' on pages 25 to 31.

Before we will accept your claim for damage to your boat motor, we might ask you to authorise a qualified marine mechanic to disassemble your boat motor. If the damage caused to your boat motor is not covered by your policy, then you will be responsible for all costs charged by the marine mechanic. If we accept the claim, these costs will be covered in addition to the cost of the repairs we authorise.

For additional features, additional covers or optional covers

If we agree to pay a claim under an additional feature, additional cover or optional cover, we will settle your claim in accordance with that additional feature, additional cover or optional cover.

[Refer to the PED Guide for further information](#)

Repairs

If we choose to repair your boat, we will repair it to the same condition, standard and specification it was before the incident.

When repairing your boat we will:

- ▶ use qualified boat repairers;
- ▶ do our best to obtain parts that are the same as the damaged parts before they were damaged (this may include using non-genuine or recycled parts);
- ▶ pay the cost of surface freight or shipping new parts to the repairer **but we will not** pay the cost of airfreight.

When we cannot match parts

If we cannot find parts that match we will use the closest match reasonably available to us.

If you are not satisfied with what we choose:

- ▶ you can pay the extra cost of choosing other parts, if we agree; **or**
- ▶ we will pay you what it would have cost us, **but only** if we agree to this.

Obsolete items and parts

In all cases we will only pay the market value of damaged parts we consider to be obsolete.

When repairing your boat we will not:

- ▶ pay extra to repair your boat to a better standard, specification or quality that it was before the loss or damage occurred;
- ▶ pay to replace any undamaged parts, but if we agree you can pay the extra cost of replacing these parts for the purpose of matching the damaged parts, as part of our repairs;
- ▶ fix a fault or defect in your boat that existed before the loss or damage occurred;
- ▶ pay for repairing pre-existing damage that you didn't repair, or make a claim for in the past. If we agree, you can pay the extra cost of repairing this damage as part of our repairs;
- ▶ pay the cost of replacing or purchasing an extended warranty on your boat.

Contribution to repairs

This typically applies to mechanical and electrical parts. You won't have to contribute towards labour costs.

If your boat is less than 2 years old

We will pay for the cost of repairs using new parts as needed.

If your boat is aged 2 years or more

We can ask you to contribute towards the cost of buying new parts used for repairing your boat if the damaged parts are affected by age, wear and tear.

If we decide your boat is a total loss

If your boat is less than 2 years old

See 'New boat after a total loss' on page 17.

If your boat is aged 2 years or more

If we decide your boat hull, boat motor(s) or boat trailer is a total loss following an insured incident in the period of insurance, we will pay the amount covered for your boat hull, boat motor(s) or boat trailer shown on your certificate of insurance less applicable deductions, **unless** we say otherwise in your policy.

Deductions from your settlement

When we decide your boat is a total loss and pay your claim, we will deduct any outstanding excess or unpaid premium including any remaining instalments in the period of insurance if you pay your premium by instalments. We might also deduct salvage value and remaining registration value (see below 'Salvaged items'). We will also deduct an amount equal to your input tax credit entitlement (if applicable).

If you have a loan secured by your boat

If it is noted on the certificate of insurance or you have told us at the time of your claim that a credit provider has a financial interest in your boat then subject to the limits of your policy, we will comply with the credit provider's instructions on how much of your claim is paid to them and how much is paid to you.

Salvaged items

If we settle your claim for your boat or boat contents, you can either:

- ▶ assign ownership of any part of your damaged boat or boat contents over to us and we have the right to sell it and keep the proceeds and any refund from registration cancellation (if applicable); **or**
- ▶ keep the salvaged item and we will deduct the salvage value and the value of any remaining registration (if applicable) from the amount we pay you.

After we pay your claim

Does your claim affect your cover?

If we choose to repair your boat (or replace part of it) your policy continues for the period of insurance. Your claim may affect your no claim bonus.

If we decide your boat is a total loss, all cover under your policy stops and there is no refund of premium.

Our right to recover claims we pay from those responsible

After we pay a claim under this policy, we can decide to take legal action in your name to recover money from the person or entity who caused the loss, damage or liability. You must give us all the help we need to do this. If we recover money that belongs to you and was not part of the claim we paid, we will give this to you.

Other important information

What happens with cancellations?

Cancellation by you

You may cancel this policy at any time. If you cancel this policy, you will be refunded the unexpired portion of the premium, less the cancellation fee and less any non-refundable government charges if the refund is more than **\$10**. See below for the cancellation fee.

Cancellation by us

We can cancel your policy where the law allows us to do so. If we cancel this policy, you will be refunded the unexpired portion of the premium, less the cancellation fee and less any non-refundable government charges if the refund is more than **\$10**. If we cancel your policy due to fraud, we will not refund any money to you.

Cancellation fee

Fee	Details
<p>Cancellation fee</p> <p>We incur costs in establishing and administering your policy. If you cancel your policy we will charge a cancellation fee on each boat cancelled.</p> <p>A cancellation fee will not apply in some circumstances, including:</p> <ul style="list-style-type: none">▶ when you are transferring cover to another boat with us;▶ if you exercise your cooling off rights (see page 3).	<p>The amount of the cancellation fee is \$30 (plus (if applicable) FSL plus GST plus stamp duty) for each boat insured on the policy.</p> <p>This fee is deducted from any refund we send you. If the refund is less than the fee, a refund will not be issued and we will not charge you an additional amount to cover the difference.</p>

Words with special meanings

Amount covered

see page 14.

Boat

see page 9.

Boat contents

see page 10.

Boat hull

see page 9.

Boat motor

see page 10.

Boat trailer

see page 10.

Business or commercial activity

- ▶ an activity that earns you income that must be declared to the ATO; **or**
- ▶ hiring or chartering your boat for reward; **or**
- ▶ teaching or tutoring people on or in your boat (whether paid or not).

Certificate of insurance

means the latest certificate of insurance, including the insurance account, we have given you. It is an important document as it shows the covers you have chosen and other policy details.

Excess

see page 37.

Family

any of the following people if they normally live with you:

- ▶ spouse, partner or de facto;
- ▶ parents, parents-in-law, grandparents;
- ▶ children, grandchildren, brothers and sisters, including their respective spouses, partner or de facto;
- ▶ the children, parents, parents-in-law, grandparents, grandchildren, brothers and sisters of a spouse, partner or de facto; **and**
- ▶ people who provide care or services to you.

Fixed

permanently built in or installed which if removed would leave a hole or damage behind.

Flood

means the covering of normally dry land by water that has escaped or been released from the normal confines of any of the following:

- (a) a lake (whether or not it has been altered or modified);
- (b) a river (whether or not it has been altered or modified);
- (c) a creek (whether or not it has been altered or modified);
- (d) another natural watercourse (whether or not it has been altered or modified);
- (e) a reservoir;
- (f) a canal;
- (g) a dam.

Geographic limit

see page 14.

In use

in relation to your boat or boat hull means:

- ▶ when your boat or boat hull is being used for its intended purpose, i.e. on the water or in transit either on a purpose built trailer or boat carrier.

in relation to fishing, diving and water-skiing gear, means:

- ▶ when your fishing, diving or water-skiing gear is being used for its intended purpose, i.e. fishing, diving or water-skiing activities. It **does not include** rods being kept in rod holders or this equipment being kept in your boat.

Incident or event

is a single occurrence which you did not intend or expect to happen.

Inexperienced operator

means the person operating your boat has held their boat licence for less than **2** years.

Insured incident

an incident not excluded by your policy. It is always a single event, accident or occurrence which you did not intend or expect to happen.

Lay-up

the nominated number of months during which you will not be using your boat. This is shown on your certificate of insurance if you have the lay-up optional cover.

Limit

the most you can claim for any one insured incident. It includes GST.

Loss or damage

means physical loss or physical damage.

Market value

means our assessment of the value of items or things in your local market, for example, the amount it costs to buy boat contents (including GST) from a reputable dealer in your area. When we calculate market value we take into account a number of factors including item specification and the age and condition of the item.

NCB

see page 8.

Not in use

your boat hull, boat motor(s) or boat trailer is not being used and it is at the place where you normally keep it, or is left unattended elsewhere and there is no-one on, in or with your boat hull, boat motor(s) or boat trailer.

Operated

driven, controlled or under the charge of.

Observer

a person on or in your boat responsible to look out for and warn the operator about hazards to water skiers and things towed by your boat.

Operator

the person driving, controlling or in charge of your boat.

PED Guide

see page 3.

Period of insurance

means when your policy starts to when it ends. It is shown on your certificate of insurance.

Policy

means your insurance contract. It consists of this PDS and any SPDS we have given you and your latest certificate of insurance.

Private use

using your boat wholly for personal pleasure or recreational sporting activities and not used for hire, charter or fee or any income earning activity.

Race or racing

participating in an organised sailing competition with other boats over a designated distance or route.

Sails

includes standing and running rigging and protective covers.

Seaworthy

in good condition, good working order and able to operate safely and efficiently for the purpose it is designed for (e.g. keep it properly serviced and free of corrosion).

Superstructure

means the sides and bottom of your boat that keeps it afloat.

Tender

an additional smaller boat designed for commuting to or from your boat. A tender is usually towed behind or carried on your boat.

Total loss

when we decide that your boat hull, boat motor(s) or boat trailer are uneconomical, impractical or unsafe to repair.

Unseaworthy

not in good condition, not in good working order or unable to operate safely and efficiently for the purpose it is designed for.

We, us, our and GIO

means AAI Limited ABN 48 005 297 807 trading as GIO.

You, your

the person or people shown as the insured on your certificate of insurance.

How we will deal with a complaint

If you have a complaint about our product or services (even if through one of our service providers) or our complaints handling process, please let us know so that we can help.

You can contact us:

- By phone** **13 10 10**
- By fax** **1300 724 872**
- In writing** **GIO**
Reply paid 3999
SYDNEY NSW 2001
- In person** **By visiting one of our agencies**
- By email** **gioservice@gio.com.au**

Please include the full details of your complaint and explain what you would like us to do.

When we receive your complaint, we will consider all the facts and attempt to resolve your complaint by the end of the next business day.

If we are not able to resolve the matter to your satisfaction, it will be referred to the relevant team leader or manager, who will review your complaint and contact you within **5** business days of us receiving your complaint.

If you remain dissatisfied the matter will be referred to our Internal Dispute Resolution team (IDR). Our IDR team will review your complaint, and provide you with their final decision within **15** business days of your complaint being referred to them.

The contact details for our IDR team are: By phone: 1300 264 094; By fax: 1300 316 047; In writing: Internal Dispute Resolution, GIO, PO Box 14180, Melbourne City Mail Centre, VIC, 8001; By email: idr@gio.com.au.

If we require additional information for our assessment or investigation of your complaint, we will agree with you a reasonable alternative timeframe to resolve your complaint.

If we are unable to resolve your complaint within **45** days, you may take your complaint to the Financial Ombudsman Service (the FOS), even if we are still considering it. The contact details for the FOS are set out on page 48.

What if you are not satisfied with our final IDR decision?

We expect our procedures will deal fairly and promptly with your complaint. However, if you remain dissatisfied, you may be able to access the services of the FOS. The FOS is an independent external dispute scheme and their service is free to you. Any decision the FOS makes is binding on us, provided you also accept the decision. You do not have to accept their decision and you have the option of seeking remedies elsewhere.

The FOS is available to customers who fall within their terms of reference. The FOS will advise if they can help you.

You can contact FOS:

By phone: 1300 780 808

By Fax: (03) 9613 6399

By email: info@fos.org.au

In writing: Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

By visiting: www.fos.org.au

Report insurance fraud

Insurance fraud is not a victimless crime. It imposes additional costs on honest policy holders and wastes the valuable resources of our community. This means it affects everyone.

We actively pursue fraudulent and inflated claims in order to keep your premiums as low as possible. Fraudulent claims will be investigated and may be reported to the police.

Help us fight insurance fraud by reporting:

- ▶ inflated vehicle or home repair bills;
- ▶ staged vehicle or home incidents;
- ▶ false or inflated home or vehicle claims;
- ▶ home and vehicle fires which may be intentionally started, including by someone known to you.

To report suspected insurance fraud call: **1300 881 725**. Let's work together to reduce the impact of insurance fraud on the community.

General Insurance Code of Practice

We support and adhere to the General Insurance Code of Practice.

You can get a copy of the code from the Insurance Council of Australia website (insurancecouncil.com.au) or by phoning **(02) 9253 5100**.

Financial Claims Scheme

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS) which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer to be paid certain amounts by APRA.

Information about the FCS can be obtained from APRA at apra.gov.au or by calling **1300 55 88 49**.

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How to contact us

- ▶ For enquiries **13 10 10**
- ▶ For claims **13 14 46 – 24 hours a day – every day**
- ▶ Report any suspected insurance fraud to our hotline on **1300 881 725**
- ▶ Visit one of our **agencies**
- ▶ Find us on the web at **gio.com.au**

Who we are

This insurance issued by
AAI Limited
ABN 48 005 297 807
AFSL No. 230859 trading as GIO

