

Boat Insurance

Your guide to Premiums, Excesses,
Discounts and Claim Payments



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The Premiums, Excesses, Discounts and Claim Payments Guide (**PED Guide**) is designed to provide you with additional information about how we calculate premiums and determine excesses and discounts for the policy. You should read this Guide together with our GIO Boat Insurance Product Disclosure Statement (**PDS**) dated 24 May 2013.

This guide is relevant to you if your policy has a commencement date on or after 3 September 2013 or renewal effective date on or after 13 October, 2013.

About your premium

The premium is the amount you pay us for this insurance. It reflects what we consider is the likelihood of you making a claim, other factors related to our cost of doing business and any discounts we give you, stamp duty, goods and services tax (GST) and fire services levy (FSL) if applicable in your state or territory. Your certificate of insurance will show you how much you have to pay.

When we calculate your premium there are a range of factors we take into account including the level of cover you choose. The importance we place on the factors we use can change and how these factors combine to affect your premium will differ from person to person.

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because the premium you pay is also affected by other things including:

- ▶ the cost of claims we have paid to other customers and claims we expect to pay in the future;
- ▶ new and updated data we use to calculate your premium;
- ▶ changes in government taxes and any state or territory duties or levies;
- ▶ our expenses of doing business;
- ▶ other commercial factors.

When determining your renewal premium, we also consider how much your premium was last time. As such we may limit movements up or down.

Significant factors affecting your premium include a combination of some of the following:

Factor	Third Party Cover	Comprehensive Cover
Address or locality where boat is kept	✘	✓
Age of operator of boat	✘	✓
Boat amount covered (includes hull, motor and trailer you have told us about)	✘	✓
Optional covers you have chosen	✘	✓
Type of boat (includes make, hull length and motor fuel type)	✓	✓
Year of manufacture of your boat	✘	✓
Whether you have chosen a voluntary excess	✘	✓
Hull construction material	✘	✓

Paying by the month

Your premium will be higher if you choose to pay by the month, rather than annually.

Premium discounts

Discounts are also a significant factor that can affect your premium. The premium you pay for your insurance includes any discounts we have given you. Any discounts are usually calculated and applied before the application of government taxes and charges.

The main discounts we offer are:

- ▶ no claim bonus;
- ▶ multi-policy discount.

From time to time we might also offer discounts or some other special offers as part of a marketing campaign. If we do this, separate terms and conditions may apply and you might not be eligible for our usual discounts. The amount and type of discount offered can change or be withdrawn.

If you are eligible for more than one discount, we usually apply any subsequent discount to the already discounted premium. Minimum premiums may apply and any discount we give you will not reduce a premium below the minimum premium.

No claim bonus

A no claim bonus (NCB) is a discount off your comprehensive premium. If you have a NCB, it is shown on your certificate of insurance.

Our NCB levels are between 0% up to a maximum of 25%.

The table below sets out how claims affect your NCB on renewal.

Continues to increase or stays on maximum	<ul style="list-style-type: none">▶ we decide you or the operator of your boat are not at fault; and▶ you can provide the name and address of the person at fault and any registration or identification details of any other boat or vehicle involved.
Reduces at renewal and pay a higher premium on renewal	<p>After claims for incidents where:</p> <ul style="list-style-type: none">▶ we decide that you were at fault or partially at fault;▶ it is unclear who is at fault;▶ you cannot provide details of the person who is at fault. <p>When the claim is for:</p> <ul style="list-style-type: none">▶ theft or malicious damage;▶ loss or damage by a natural peril such as hail or storm;▶ collision with marine life (e.g. whale).

Multi-policy discount

A multi-policy discount rewards you with a discount for holding **3** or more eligible paid personal insurance policies with us. There must be a common mailing address and the person(s) seeking the discount must be nominated as an insured with the same name on each eligible policy. If you take out a new policy which means you qualify for the multi-policy discount, you are eligible to receive the discount on that new policy immediately and on your other existing policies from their next renewal date, provided you still qualify. If you believe you are eligible for the multi-policy discount but it is not shown on your certificate of insurance, please contact us. Eligible personal insurance policies are home, contents, car, motorcycle, caravan and boat. The NSW GIO CTP Green Slip insurance also counts as an eligible policy but the CTP Green Slip premium cannot be discounted.

Government taxes and charges

Boat insurance policies are subject to stamp duty imposed by state and territory governments, GST and FSL if applicable.

Your excess

The different types of excesses are:

Standard excess for Third Party only cover

The standard excess is \$500.

Standard excess for Comprehensive cover

The standard excess that applies depends on the value of your boat and will be between \$250 and \$750.

Voluntary excess for Comprehensive cover

The range of voluntary excess we offer is between \$350 and \$2,000 depending on the value of your boat.

Choosing a higher excess reduces your premium. If you choose a voluntary excess this will replace the standard excess.

Imposed excess

Refer to the PDS on page 37 for details.

Inexperienced operator excess

The inexperienced operator excess is \$200.

Claim payments

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They are a guide only. GIO always determines real claim payments on an individual basis, after we have assessed each claim. You should read the PDS and your certificate of insurance for full details of what we cover as well as what policy limits, conditions and exclusions apply.

Notes about the claim payment examples:

- ▶ all amounts are shown in Australian dollars and are GST inclusive;
- ▶ all examples assume that the policy holder is not registered for GST.

Example 1 – Total loss

Your boat is comprehensively insured for an amount covered of \$23,000. Your standard excess is \$350. There is a major storm which causes significant damage to your boat hull and motor. Both your hull and motor are more than 2 years old. We have assessed the cost of repairs to be \$20,000. We decide your boat hull and motor are a total loss. The estimated salvage value is \$5,000. You have requested to keep the salvaged items.

How much we pay		Additional information
Amount covered	\$23,000	The most we will pay is the amount covered shown on your certificate of insurance.
Less excess	- \$350	As your boat has been damaged by a storm, the standard excess applies.
Your insurance was paid through monthly instalments of \$50 per month and there are four remaining monthly payments in the period of insurance when your boat is damaged:		
Less outstanding premium	- \$200	The 4 x \$50 monthly payments become due when we decide your boat is a total loss. We normally deduct this from the amount we pay you.
Less salvage value	-\$5,000	When we settle your claim as a total loss you can keep the salvaged item and we will deduct the salvage value.
Total claim	\$17,450	We would normally pay this directly to you. If a credit provider has a registered interest in the boat then 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.

Once we settle your claim, all cover on the boat stops and your policy is cancelled. You are retaining the salvage and this has been deducted from your settlement.

Example 2 – New boat after a total loss

Your boat is comprehensively insured for an amount covered of \$18,000. You pay your premium annually. Your standard excess is \$250. Your boat (including the hull, motor and trailer) is stolen from your locked garage and you report this to the police. The boat is recovered extensively damaged and you choose to assign ownership to us (see page 41 in the PDS for details). Your boat is less than 2 years old and you qualify for the "New boat after a total loss" additional feature (see page 17 in the PDS for details). The cost to replace your boat with a new one made by the same manufacturer and that is of the same model and specification is \$19,400.

How much we pay		Additional information
Cost to replace your hull, motor and trailer	\$19,400	We pay \$19,400 because your boat is less than 2 years old and you otherwise qualify for the "New boat after a total loss" additional feature (see page 17 in the PDS for details). We pay this amount directly to the boat dealership.
Less excess	- \$250	As your boat was stolen the standard excess applies. You pay your excess directly to us.
Total claim	\$19,150	

Once we settle the claim, all cover on the boat stops, your policy is cancelled and there is no refund of the unused premium. Your boat becomes our property and we are entitled to keep the proceeds of its sale.

Example 3 – Partial damage

Your boat is comprehensively insured for an amount covered of \$15,000. Your standard excess is \$250. Your boat is on its trailer in the driveway of your home. Vandals put graffiti on your boat. We assess the cost of repairs to your boat will be \$7,000.

How much we pay		Additional information
Damage to boat	\$7,000	We repair your boat to its prior condition, standard and specification it was before the incident (see page 40 of the PDS)
Less excess	\$250	As your boat was vandalised the standard excess applies. You pay your excess directly to us.
Total claim	\$6,750	We normally pay this directly to the repairer.

Example 4 – Cover for sailing boats when racing option

Your sailing boat is comprehensively insured for an amount covered of \$13,000 and you have the “Cover for sailing boats when racing” option shown on your certificate of insurance (see page 23 of the PDS). Your standard excess is \$250. You are sailing your boat in a race at your local sailing club when it collides with a buoy, causing damage to your hull. We assess the cost of repairs to your hull will be \$4,300.

How much we pay		Additional information
Cost of repairs	\$4,300	We repair your boat to its condition before the incident.
Less excess	- \$250	As your boat has collided with a buoy, your standard excess applies. You pay your excess directly to us.
Total claim	\$4,050	We normally pay this directly to the repairer.

Example 5 – Water-skier’s liability option

Your boat is comprehensively insured and you have the “Water-skier’s liability” option shown on your certificate of insurance (see page 22 of the PDS). Your standard excess is \$350. You and your on-board observer are towing a water-skier behind your boat when the skier loses grip and falls into the water. The skier breaks their ankle and makes a claim for their out of pocket expenses and loss of wages for a 6 week period for the amount of \$8,000. We assess this claim and agree you are liable for these amounts.

How much we pay		Additional information
Total amount of liability	\$8,000	We assess the claim and agree you are liable. We pay this amount to the injured party.
Less excess	- \$350	As you are liable for this claim, the standard excess applies. You pay your excess directly to us.
Total claim	\$7,650	

Example 6 – Liability cover

Your boat is insured for Third Party cover. The standard excess is \$500. You are involved in a boating accident causing damage to another boat. We determine that you are at fault and liable to pay the cost of repairs for the damage caused to the other boat, which is \$6,700. The damage to your own boat is not covered as you have selected Third Party cover.

How much we pay		Additional information
Damage to other boat	\$6,700	We normally pay the cost of repairs directly to the third party claimant.
Less excess	- \$500	As you are at fault, the standard excess applies. You pay this amount directly to us.
Total claim	\$6,200	

