

# Boat Insurance

Your Guide to Premiums, Excesses, Discounts and Claim Payments

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The purpose of this guide is to provide further detail about the amount you pay for this insurance and the excesses that may apply if you make a claim. It also includes information about how we calculate and pay claims under your policy. This guide is taken to be part of the GIO Boat Insurance Product Disclosure Statement (PDS) dated 25 June, 2010. This date is shown on the back cover of the PDS in the format "PDS dated". This guide is relevant to you if you purchased a new policy on or after 25 April 2011 or if you renewed your policy on or after 6 June 2011. It also applies to any changes that you have agreed to make to your existing policy on or after 25 April 2011.

## 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 together with other factors related to our cost of doing business.

You also pay stamp duty, GST, and any additional government charges. These charges are applied as the final step in the premium calculation. Your certificate of insurance will show how much you have to pay.

When we calculate your premium there are a range of factors we take into account, we call these premium factors. A significant factor affecting your premium is the level of cover you choose. We offer two levels of cover 'essential' and 'comprehensive'. Comprehensive cover attracts a higher premium than essential cover because comprehensive cover offers broader coverage.

The amount of premium you pay also depends on the information you tell us about your boat, you and the operators of your boat and the decisions you make in relation to your policy such as your choice of flexible excess (if you have comprehensive cover).

Each year when we calculate your premium we may take into account some or all of the premium factors and the factors we use can differ depending on the level of cover you choose. The importance we place on the factors we use can change from year to year.

The following is a guide to the most significant premium factors we use together with an explanation of the likely effect of those factors on your premium:

Premium factor	Essential cover	Comprehensive cover	Likely effect on premium
Address and or locality where boat is kept	✓	✓	Low risk areas for incidents such as storm and theft attract lower premiums than areas of high risk.
Sum insured	✗	✓	Having a boat sum insured of \$20,000 will attract a higher premium than a boat sum insured of \$10,000.
Type of boat	✓	✓	Small powerboats or sailing boats attract lower premiums than high speed powerboats or yachts.
Hull construction material	✗	✓	Boats constructed of fibreglass tend to attract lower premiums than boats constructed of timber.
Optional covers	✗	✓	Depending on the optional covers you choose your premium might increase or decrease.
Level of flexible excess	✗	✓	If you choose a higher flexible excess this will attract a lower premium.

✓ used as a premium factor ✗ not used as a premium factor

Each time you renew your insurance your premium is likely to change. In addition to any change to the premium factors we use, premiums are 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 our approach to calculating your premium
- › our expenses of doing business
- › changes in government taxes and state or territory levies and
- › other commercial factors.

When determining your renewal premium, we also consider how much you paid last year. As such, we may limit any movements up or down to your premium to avoid large changes in premiums year on year.

## Premium discounts

In addition to the premium factors, the discounts you qualify for are also a significant factor affecting your premium. If you qualify for any of our discounts, this will attract a lower premium.

These are some of the key discounts we offer:

- › No claim discount
- › Multi-policy discount
- › Seniors card discount

At times we may also offer premium discounts to particular customers as part of a promotion or to take account of market conditions.

The amount and type of discounts offered can change or be withdrawn at any time before you take out this policy, or at your next renewal. The premium shown on your certificate of insurance includes any discounts you qualify for and these are applied before adding government charges.

Set out below is an example of how we usually apply our discounts when you are eligible for more than one discount:

### Example

You are eligible for 2 discounts. One is a 10% discount and the other is a 5% discount. We have worked out using the premium factors that your premium before adding government charges is \$400. The discounts are applied to the premium in the following way.

Premium	Discount	Additional details
\$400	- 10%	You are entitled to a discount of 10% (\$40). Once this is applied it means a new premium of \$360.
\$360	- 5%	Your 5% discount is applied to the \$360 premium rather than to the \$400 base premium. This gives you a discount of \$18.
<b>\$342</b>	Discounted premium before government charges have been applied.	

## No claim discount

A no claim discount (NCD) is a discount off your comprehensive premium as a reward for your good boat insurance claim history. If you have an NCD, it is shown on your certificate of insurance.

We calculate your NCD level based on the boat operator/s:

- › age
- › boating experience
- › previous insurance and/or claim and accident history.

The NCD levels are 0% and 20%. If your NCD commences at 0%, on renewal your NCD will increase to the maximum discount level of 20% providing you haven't made any claims that affect your NCD.

### How do claims affect your NCD

If your NCD is 20% and you make a claim, your NCD will be reduced to 0% on renewal if:

- › we decide you are at fault or partially at fault (see page 29 in the PDS to find out how we determine fault)
- › it is unclear who is at fault
- › you cannot provide the details of the person who is at fault, (their name, address and registration or identification details, if another boat or vehicle is involved).

## Multi-policy discount

A multi-policy discount rewards you with a discount off your premium for holding multiple policies with us. You must have a common named insured and mailing address on each eligible policy in order to qualify for this discount.

If you take out a new policy which means you qualify for the multi-policy discount you get the discount on that new policy immediately and on your other existing policies the discount applies from their next renewal date provided you still qualify.

How to qualify	What you save
<p>Hold 3 or more eligible insurance policies with us from the following list:</p> <ul style="list-style-type: none"><li>› Motor Vehicle Comprehensive</li><li>› Motor Vehicle Third Party Property Damage</li><li>› Motor Vehicle Fire, Theft &amp; Third Party Property Damage</li><li>› Home Insurance</li><li>› Contents Insurance</li><li>› Boat Insurance</li><li>› Caravan/Trailer Insurance</li><li>› NSW CTP Green Slip<sup>1</sup></li></ul>	<p><b>5% off eligible insurance premiums</b></p>

<sup>1</sup> The NSW CTP green slip premium cannot be discounted but it counts towards the multi-policy discount eligibility.

## Seniors card discount

We reward you with a **10%** discount for being a seniors card holder.

## Government taxes & charges

Boat insurance policies are subject to stamp duty imposed by state and territory governments and 10% GST. Government charges are applied as the final step in the premium calculation. These amounts are shown on your certificate of insurance.

## About 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 the bow and stern of your boat have been damaged by 2 separate incidents, then you have to make 2 claims and pay the excesses that apply to each claim.

The amount and types of excess are shown on your certificate of insurance. Depending on the circumstances, you might have to pay more than one type of excess when you claim (see page 28 in the PDS to find out when an excess applies when you make a claim). The different types of excesses are:

### Flexible excess

A flexible excess has 2 parts:

#### *Essential cover*

A flexible excess of **\$500** applies for all boat types insured under Essential Cover. This excess cannot be changed.

#### *Comprehensive cover*

Depending on your total sum insured there is a minimum flexible excess that applies. You can choose to vary this excess from the range shown in the table below. The amount you choose will affect your premium. The higher the flexible excess level you choose the lower your premium will be.

Total sum insured	Flexible excess levels available						
Up to \$6,000	\$250	\$400	\$650	\$750	–	–	–
\$6,001 to \$19,000	\$300	\$400	\$650	\$750	\$1,000	–	–
\$19,001 to \$50,000	\$350	\$650	\$750	\$1,000	\$1,500	–	–
\$50,001 to \$99,000	\$400	\$750	\$1,000	\$1,500	\$2,000	\$2,500	–
\$99,001 to \$150,000	\$650	\$750	\$1,000	\$1,500	\$2,000	\$2,500	\$5,000
Over \$150,000	\$750	\$1,000	\$1,500	\$2,000	\$2,500	\$5,000	–

### Fixed excess

An additional excess may be imposed depending on the type or construction of your boat and or our assessment of your accident, claim or insurance history in the last 5 years. If an additional fixed excess applies to your policy it will be shown on your certificate of insurance. If a fixed excess has been imposed it is paid in addition to the flexible excess and (if applicable) the theft excess.

### Theft excess

An additional **\$1,000** excess will apply to any claim for theft, if there is no evidence of forced or forcible entry to your boat and you have not taken the minimum steps to prevent the theft happening (see page 29 in the PDS for details of when a theft excess applies). If you have to pay a theft excess, it is paid in addition to the flexible and (if applicable) the fixed excess.

## 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. In each of the examples we assume that you are not registered for GST.

### Example 1 – Total loss

Your boat is insured for comprehensive cover with a total sum insured of \$25,000. Your flexible excess is \$350. Your boat is moored and there is a major storm which causes significant damage to your hull and motor. We assess the cost of repairs will be \$20,000. The estimated salvage value is \$5,000. We calculate the market value of your boat is \$23,000.

How much we pay		Additional information
Market value	\$23,000	When we pay a total loss we pay the market value or the sum insured as shown on your certificate of insurance, whichever is less. In this example we decide your boat is a total loss because the cost of repairs together with estimated salvage value exceeds the market value we have determined for your boat or the sum insured, whichever is less.
Less excess	- \$350	As your boat has been damaged by a storm, the flexible excess applies. We deduct this from the amount we pay to you unless you have already paid the excess to us for this claim.
Claim so far	\$22,650	

If 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 repayments become due when we decide your boat is a total loss. We normally deduct this from the amount we pay to you.
<b>Total claim</b>	<b>\$22,450</b>	We would normally pay this directly to you. If a credit provider has a financial interest in the boat then we would pay your credit provider what they are owed first and pay any balance to you.

Once we settle the claim, all cover on the boat stops and your policy is cancelled. The salvage becomes our property and we are entitled to keep the proceeds of its sale. This does not affect the amount we pay you.

### Example 2 – New boat after total loss

Your boat is insured for comprehensive cover with a total sum insured of \$18,000. Your flexible excess is \$300. Your boat (including the hull, motor and trailer) is stolen from your locked garage and you report this to the police. Your boat is less than 2 years old and you qualify for the new boat after total loss additional feature (see page 13 in the PDS for details). The cost to replace your boat with a new one of the same make and model 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 qualify for the new boat after total loss additional feature (see page 13 in the PDS for details). We pay this amount directly to the boat dealership.
Less excess	- \$300	As your boat was stolen, the flexible excess applies. You don't pay a theft excess as reasonable precautions were taken by locking your boat in your garage. You pay your excess directly to us.
<b>Total claim</b>	<b>\$19,100</b>	

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 (if it is recovered) becomes our property and we are entitled to keep the proceeds of its sale.

### Example 3 – Partial damage

Your boat is insured for comprehensive cover with a total sum insured of \$15,000. Your flexible excess is \$400 and you also have a fixed excess of \$250 due to your insurance history. 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 immediately before the graffiti incident.
Less excess	- \$650	As your boat was vandalised, you must pay both the flexible excess and the fixed excess. We normally get you to pay this directly to the repairer when you pick up your boat after it has been repaired unless you have already paid the excess to us for this claim.
<b>Total claim</b>	<b>\$6,350</b>	We normally pay this directly to the repairer.

### Example 4 – Racing cover option

Your sailing boat is insured for comprehensive cover with a total sum insured of \$13,000 and you have the racing cover option (see page 16 of the PDS). Your flexible excess is \$400. 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 immediately before the incident.
Less excess	- \$400	As your boat collides with a buoy, the flexible excess applies. We normally get you to pay this directly to the repairer when you pick up your boat after it has been repaired unless you have already paid the excess to us for this claim.
<b>Total claim</b>	<b>\$3,900</b>	We normally pay this directly to the repairer.

### Example 5 – Water-skiers' liability option

Your boat is insured for comprehensive cover and you have the water-skiers' liability option (see page 16 of the PDS). Your flexible excess is \$650. You and your onboard observer are towing a waterskier 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	- \$650	As you are liable for this claim, the flexible excess applies. You pay your excess directly to us.
<b>Total claim</b>	<b>\$7,350</b>	

### Example 6 – Legal liability

Your boat is insured for essential cover. The flexible 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 essential 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 flexible excess applies. You pay this amount directly to us.
<b>Total claim</b>	<b>\$6,200</b>	

## How to contact us

- › Phone us 24 hours a day – every day
- › For enquiries 13 10 10
- › For claims 13 14 46
- › Report any suspected insurance fraud to our hotline on 1300 881 725
- › Visit one of our branches or agencies
- › Find us on the web at [gio.com.au](http://gio.com.au)

## Who we are

This insurance is issued by

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