



All Risks Pleasure Craft

Product Disclosure Statement



TABLE OF CONTENTS

PRODUCT DISCLOSURE STATEMENT	PAGE
• About the Insurer.....	1
• Introduction.....	1
• Summary of Your Cover.....	2
• Applying for Cover.....	2
• Determining Your premium.....	3
• Your Duty Of Disclosure.....	3
• Making a Claim.....	3
• The Financial Claims Scheme.....	3
• General Insurance Code of Practice.....	3
• How We resolve Your complaints.....	3
• Other important information.....	4
• How We protect Your privacy.....	5
Part I – The Boat Insurance Contract.....	6
Part IA – Your Obligations.....	7
Part II – Definitions.....	7
Part III – Property Coverage.....	9
A. Insuring Agreement.....	9
B. Amount of Property Coverage.....	9
C. Payment of a Loss.....	9
D. Additional Property Coverage.....	11
E. Loss Payee.....	12
F. Property Exclusions.....	13
Part IV – Legal Liability Coverage.....	13
A. Insuring Agreement.....	13
B. Marine Environment Damage Coverage.....	14
C. Operating other Watercraft.....	14
D. Additional Legal Liability Coverage.....	14
E. Legal Liability Exclusions.....	14
Part V – Personal Accident Cover.....	16
Part VI – General Exclusions and Conditions.....	16
A. General Exclusions.....	16
B. General Conditions.....	18

ABOUT AIG AND NAUTILUS MARINE

In this document, the insurer, AIG Australia Ltd, acting through their agent, NM Insurance Pty Ltd is referred to as “**we**”, “**us**”, and “**our**”.

Throughout this document, words appearing in bold will have special meanings. These meanings are set out in the **policy** section below headed “Definitions”.

This Product Disclosure Statement (PDS) was prepared on 28 August 2015 and tells **you** about Nautilus Marine **Boat** Insurance to help **you** decide if the cover is right for **you** and whether to use **our** services.

It also contains

- (i) information about key benefits and significant features of this insurance;
- (ii) important information about **your** rights and obligations such as the duty of disclosure and cooling off period and complaint procedures; and
- (iii) information about the remuneration received by NM Insurance Pty Ltd and other entities involved in the distribution of Nautilus Marine **Boat** Insurance.

Any advice provided in this document is general only and does not take into account **your** individual circumstances. **You** should carefully read it, and any other documentation **we** send **you** such as **your Certificate of Insurance** to determine if the cover is appropriate for **you**. Keep them in a safe place for future reference.

About the Insurer

The underwriter of this insurance is AIG Australia Limited (“AIG Australia”) (ABN 93 004 727 753) (AFSL 381686). AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc.

American International Group, Inc. (AIG) is a leading insurance organisation serving customers in more than 100 countries and jurisdictions. AIG companies serve commercial, institutional, and individual customers through one of the most extensive worldwide property-casualty networks of any insurer. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

AIG Australia acts through their agent, NM Insurance Pty Ltd (ABN 34 100 633 038) (AFSL 227186) (Nautilus).

Our contact details are:

For NM Insurance Pty Ltd
28-32 George Street,
Sandringham VICTORIA 3191
Telephone: 1300 780 533
Facsimile: 03 5599 5099
Email: customerservice@nautilusinsurance.com.au

For AIG Australia Ltd
Level 19, 2 Park Street SYDNEY NSW 2000
Telephone: 1300 030 886
Facsimile: 1300 634 940

About Nautilus and its services

Nautilus Marine has been given a binder authority with AIG Australia Limited that allows Nautilus to enter into this **policy** to handle and settle claims for it, subject to the terms of the binder authority. In doing so Nautilus acts for the Insurers, not for **you**. Nautilus’ Australian Financial Service Licence (“AFSL”) authorises it to provide these services and is providing these services under its own AFSL.

Introduction

This PDS and the information **we** send **you** about **your** cover is designed to be simple and straight forward to make it easy for **you** to understand what is included in **your** cover and what isn’t.

This Insurance has been designed by Nautilus in conjunction with **boat** owners like **you**, which is simple and easy to understand cover to protect **you** in the event of a loss such as a collision, sinking, fire, storm or theft. Plus **we** give **you** added benefits, to help **you** get back out on the water sooner.

Terms, conditions, limits and exclusions apply. **You** need to read all of the information provided by **us** on this insurance to properly understand the cover provided.

Cooling Off Period

If **you** decide that this insurance does not meet **your** needs, for whatever reason, and **you** have not made a claim, **you** can return the **policy** within 21 days of the start of **your** insurance. **You** will receive a full refund of any premiums paid (less any taxes or duties **we** cannot recover).

Which Terms Form Part of Your Policy

So that **you** understand exactly what **your boat** insurance covers and does not cover, make sure **you** read the PDS, cover sections as well as the limits and exclusions that apply and which are found in the PDS and the **policy**.

Please also note that as **we** have combined the PDS with **your policy**, the terms and conditions found in the PDS form part of **your** coverage terms. In the event of any conflict between the terms and conditions found in the PDS and the **policy** terms and conditions, the terms and conditions of the **policy** will prevail.

Queries and changes

We are here to answer any questions **you** have about **your** cover. If **you** have any questions about this insurance or would like to update or change **your** cover, please:

- contact **your** insurance broker or insurance advisor
- call 1300 780 533
- email customerservice@nautilusinsurance.com.au
- write to Nautilus Marine Insurance at
28-32 George Street, Sandringham, Victoria 3191
- visit www.nautilusinsurance.com.au
- for claims call 1300 996 110

A summary of your cover

You will only be entitled to the cover provided by this insurance for which **you** have paid the applicable premium and which is shown on **your Certificate of Insurance**.

There are limits to the cover provided and while some of these are fixed, others may be extended by simply notifying **us** of the items **you** own and their value.

Certain words have defined meanings **you** need to understand and which are detailed in the definition section of the **policy**.

The **policy** is subject to terms, conditions, limitations, special provisions, and exclusions. It is important that **you** read the **policy** carefully to familiarise **yourself** with these provisions. Specifically, please take special note of the following matters.

- The **policy** Wording contains a Definitions section and General Conditions that apply to this insurance.
- There are some circumstances where cover cannot be provided. These are covered in the **policy** Wording.
- There are some Exclusions applicable to all sections of the **policy** listed in the General Exclusions.

Please note that this is a limited summary only and not a full description of the covers. Each cover noted is subject to terms, conditions, exclusions and limitations that are not listed in the summary. **You** need to read this PDS and **policy** in full to properly understand the cover provided.

In addition to assist with **your** decision to purchase this cover and to manage **your** expectations in the event of a claim **we** believe it is important to highlight some important terms and the main areas where cover is or is not available or where limited cover is available under this **policy**, regardless of the situation. These are detailed below.

Depending on your insurance needs, you may elect to take out one or more of the following covers:

Property Cover

Coverage against all risks of direct **physical loss or damage** to **your boat** and its **contents** and **personal effects** while on board **your boat** caused by an **occurrence**. This coverage is subject to the geographic limits and all **policy** terms, **policy** conditions, **policy** exclusions and written endorsements.

Legal Liability Cover

Coverage for **damages** **you** may become legally obligated to pay for **bodily injury** or **property damage** arising from the ownership, operation, maintenance or use of **your boat** and caused by an **occurrence** covered in this **policy** and subject to the geographic limits. This coverage is also subject to all **policy** terms, conditions and exclusions.

Personal Accident Cover

In the event of: death; or an injury causing permanent and total loss of:

- sight of an eye;
- the use of a limb; or
- the thumb or any finger;

caused directly and solely by an **occurrence** while **you** are using **your boat** for private pleasure purposes or voluntary rescue work, **we** will indemnify **you** for a fixed sum specified in the **policy** wording and **your Certificate of Insurance**.

This coverage only applies to individual(s) that are listed as an insured on **your Certificate of Insurance**.

Applying for cover

When **you** apply for this insurance, **you** will need to complete a proposal. **We** will use and rely on the information supplied by **you** to decide the terms of cover **we** will provide.

You are responsible for deciding the amount of **your sum insured**. If **you** are having difficulties working out the values please seek the advice of a **boat** or yacht broker.

Your boat can be insured on the following bases:

Agreed Value

Boats up to 2 years of age

When **you** have purchased **your** brand new **boat** through a professional **boat** or yacht brokerage, **we** agree to insure **your boat** for the purchase price paid for 2 calendar years from the date **you** purchased **your boat**. **You** must tell **us** the purchase price and date of purchase at the time of entering into the **policy**. Otherwise **your policy** will be issued as a **market value policy**.

Boats over 2 years of age

If **your boat** is older than 2 years of age, **we** will agree to insure **your boat** for the purchase price paid by **you**, or for another amount agreed by **us**, for 2 calendar years from the date **you** purchased **your boat**. **You** must tell **us** the purchase price and date of purchase at the time of entering into the **policy**, and **we** must agree, for agreed value to apply to **your policy**. Otherwise **your policy** will be issued as a **market value policy**.

Your agreed value **policy** will automatically revert to a **market value policy** upon **your** second renewal of the **policy** with **us**. To reinstate agreed value **you** must contact **us** for reappraisal of **your** sums insured or provide a valuation by a professional **boat** or yacht broker/dealer for **our** consideration. **We** must agree to the value, otherwise **your policy** will be issued as a **market value policy**.

Market Value

In the event of a Total Loss, **we** will pay up to the **market value of your boat**, but never more than the sum insured shown on **your Certificate of Insurance**.

Your policy with **us** is made up of:

- this PDS;
- **your Certificate of Insurance**; and
- any other document **we** tell **you** forms part of the terms and conditions of **your** cover, including any endorsements issued by **us**.

We provide cover to **you** on the terms contained in these documents and any other document that **we** tell **you** forms

part of the terms and conditions of **your** cover, including **your Certificate of Insurance**.

Your Certificate of Insurance will contain important information relevant to **your** insurance including the **period of insurance**, **your** premium, details of **your** insured property and the cover selected by **you**, the excess(es) that will apply to **you** and others and whether any standard terms have been varied by way of endorsement.

You need to keep these documents in a safe place together with receipts and other evidence of ownership and value of items **you** insure.

If **you** are not eligible for cover under this **policy**, then **you** can see if there are alternative options by contacting either the National Insurance Brokers Association or the Insurance Council of Australia. If **you** are not happy with **our** reasons as to why **you** are not eligible for cover, **you** can lodge a complaint with **us** by following the complaints procedure outlined in this PDS.

Determining your premium

When **you** buy **your** insurance, **we** tell **you** the premium **you** must pay and show it on **your Certificate of Insurance**.

To determine **your** premium **we** consider factors such as the cover **you** want, the **boat you** want to insure, the limits and **excesses** that will apply, **your** insurance history and whether **you** are paying by instalments or not.

It also includes an administration fee and amounts that take into account **our** obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty and GST) for **your** insurance. **We** show these on **your Certificate of Insurance**.

A minimum premium applies for this insurance irrespective of any discount that applies. The amount of premium **we** charge after taking into account **your** no claim bonus (if any) will not be less than this amount.

We will reward **you** with a no claim bonus discount on **your** premium when **you** buy the **policy** if **you** have not experienced a recent pleasure craft related claim. **We** tell **you** what **your** discount is when **you** apply for the **policy**. However, a minimum premium applies. This means that **your** discounted premium, after taking into account **your** no claim bonus, cannot be less than the minimum premium payable. If **you** hold the **policy** with **us** for three consecutive years and make no claims, **we** will apply **our** maximum no claim bonus discount for all future renewals of the **policy** with **us**.

You are responsible for ensuring that **your** premiums are paid or **your** cover could be put at risk. Please call **us** if **you** are ever unsure about **your** premiums.

Your Duty of Disclosure

Before **you** enter into an insurance contract, **you** have a duty to tell **us** anything that **you** know, or could reasonably be expected to know, may affect **our** decision to insure **you** and on what terms.

You have this duty until **we** agree to insure **you**.

You have the same duty before **you** renew, extend, vary or reinstate an insurance contract.

You do not need to tell **us** anything that:

- reduces the risk **we** insure **you** for; or
- is common knowledge; or
- **We** know or should know as an insurer; or
- **We** waive **your** duty to tell **us** about.

If You Do Not Tell Us Something

If **you** do not tell **us** anything **you** are required to, **we** may cancel **your** contract or reduce the amount **we** will pay **you** if **you** make a claim, or both.

If **your** failure to tell **us** is fraudulent, **we** may refuse to pay a claim and treat the contract as if it never existed.

Making a Claim

What Happens if You Need to Make a Claim?

We understand that it can be very stressful if **you** need to make a claim. **Our** claims team will be there to help **you** with advice and assistance when **you** need it most.

Nautilus has been appointed by **us** to administer and settle claims on **our** behalf. Nautilus' handling of **your** claim will be in accordance with the requirements set out under the General Insurance Code of Practice (see below). The **policy** provides further details as to how to make a claim.

The Financial Claims Scheme

The protection provided under the Federal Government's Financial Claims Scheme (the Scheme) applies to the **Policy**. In the unlikely event that the Insurer is unable to meet its obligations under the **Policy**, persons entitled to make a claim under the insurance cover under the **Policy** may be entitled to payment under the Scheme (access to the Scheme is subject to eligibility criteria). Information about the Scheme can be obtained from the APRA website at <https://www.fcs.gov.au>

General Insurance Code of Practice

We are a signatory to the General Insurance Code of Practice. This aims to raise the standards of practice and service in the insurance industry, improve the way claims and complaints are handled and help people better understand how general insurance works. Information brochures on the Code are available upon request. As **we** act through **our** agent, Nautilus, Nautilus will also be bound (where applicable) by the same found in the Code of Practice.

How we resolve Your Complaints

We welcome every opportunity to resolve any concerns **you** may have with **our** products or service. Any enquiry or complaint relating to this insurance or Nautilus should first be referred to NM Insurance Limited,
28-32 George Street,
Sandringham VICTORIA 3191
Telephone: 1300 780 533 Facsimile: 03 5599 5099
Email: customerservice@nautilusinsurance.com.au
in the first instance.

If this does not resolve the matter or **you** are not satisfied with the way a complaint has been dealt with, **you** please follow the procedure outlined below:

You can register a complaint by telephoning **us** on 1800 339 669 or by writing to:

The Compliance Manager
AIG Australia Limited
Level 12, 717 Bourke Street
Docklands VIC 3008

As soon as **we** receive **your** complaint, **we** will take all possible steps to resolve it. **You** will receive a written response to **your** complaint within 15 working days, unless **we** agree a longer timeframe with **you**.

If **you** are not satisfied with **our** response to **your** complaint, **you** may wish to have the matter reviewed by **our** Internal Dispute Resolution Committee ("Committee"). The Committee is comprised of Senior Management of the company who have the experience and authority to decide on matters brought to the Committee.

If **you** wish to have **your** complaint reviewed by this Committee please telephone or write to the person who has signed the response letter to **your** complaint and provide them with detailed reasons for requesting the review. This information will greatly assist the Committee in reviewing your claim or enquiry. **Your** complaint will then be treated as a dispute. **You** may also make a request for a review by the Committee by contacting:

The Chairperson IDRC
AIG Australia Limited
Level 12, 717 Bourke Street
Docklands VIC 3008

A written response setting out the final decision of the Committee and the reasons for this decision will be provided to **you** within 15 working days of the date **you** advise **us** **you** wish to take **your** complaint to IDRC.

If **we** are unable to provide a written response setting out the final decision **we** will keep **you** informed of progress at least every 10 days.

If **you** are not satisfied with the finding of the Committee, or if **we** have been unable to resolve your complaint within 45 calendar days, **you** may be able to take **your** matter to an independent dispute resolution body, the Financial Ombudsman Service (FOS). This external dispute resolution body can make decisions with which AIG are obliged to comply. Contact details are:

Financial Ombudsman Service
GPO Box 3
Melbourne, VIC 3001
Tel: 1300 78 08 08 (local call fee applies)
Email: info@fos.org.au Internet: <http://www.fos.org.au>

You should note that use of the FOS scheme does not preclude **you** from subsequently exercising any legal rights, which **you** may have if **you** are still unhappy with the outcome. Before doing so however, **we** strongly recommend that **you** obtain independent legal advice.

If **your** complaint does not fall within the Financial Ombudsman Service's terms of reference, **we** will advise **you** to seek

independent legal advice or give **you** information about any other external dispute resolution options (if any) that may be available to **you**.

Other Important Information

Contacting Us

If **you** need to contact **us** for any reason about **your** insurance or to obtain confirmation of any **policy** transaction, please call **us** on: 1300 780 533.

Updating This PDS

We may need to update this PDS from time to time if certain changes occur where required and permitted by law.

We will issue **you** with a new PDS or Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, **we** may issue **you** with notice of this information in other forms or keep an internal record of such changes (**you** can get a paper copy free of charge by calling **us**).

Distributors' Remuneration

Distributors such as **your** Insurance Broker may receive a commission whenever **you** enter into a **policy** arranged by them (including renewals and some variations which increase the premium payable). The commission excludes GST and is a percentage of underwriters base premium (i.e. premium excluding the amounts included by the underwriters in relation to applicable stamp duty, fire service levy, GST or any other government charges, taxes, fees or levies). The commission is included as part of **your** premium. In addition the distributors must also provide **you** with details of the complaints resolution process outlined in the PDS.

How Nautilus is remunerated for the services provided

Nautilus also receives a commission whenever **you** enter into a **policy** arranged by them or their **boat** dealer distributors (including renewals and some variations which increase the premium payable).

We may also advance Nautilus other money in the period to cover marketing and other costs and expenses which is agreed on a case by case basis.

For services in administering this insurance Nautilus may be paid a profit share amount in relation to such insurance entered into in each annual period. The amount Nautilus can receive is a percentage of the net profit amount (if any) which is determined by **us** and is based on the total premium excluding certain costs, expenses, fees and liabilities in relation to the policies (e.g. taxes and charges on the **policy**, reinsurance costs, claims payments, commission paid and administrative costs) over a 12 month period.

If there is no net profit in the annual period, Nautilus receives no profit share. Any profit share amount is paid 3 months after the annual period ends.

Nautilus will also charge **you** an administration fee, which varies depending on the dealing service it provides **you** with. The fee is paid in addition to the premium and is shown on **your Certificate of Insurance**.

Nautilus' staff receive an annual salary that may include bonuses based on performance criteria (which can include sales performance) and the achievement of company goals.

Remuneration paid to Referrers

Nautilus will in some cases pay a pre agreed fee and/or a commission which is a percentage of the premium to persons who refer **you** to it if **you** buy the insurance.

The amount paid will depend on the person who refers **you** and their level of involvement in the transaction.

Further information about remuneration

If **you** would like more details about the remuneration (including commission) or other benefits Nautilus, its distributors or referrers receive, please ask for it within a reasonable period after **you** receive this document and before this insurance is issued to **you**.

How we protect your privacy

AIG Australia and Nautilus are committed to protecting **your** privacy in accordance with the *Privacy Act 1988* (Cth) (the "Act") and the Australian Privacy Principles (APPs). In this section dealing with Privacy, "**we**", "**our**" and "**us**" refers to both AIG Australia and Nautilus.

Further information about **our** Privacy Policies is available at:

- For AIG Australia at www.aig.com.au or by contacting AIG at australia.privacy.manager@aig.com or on 1300 030 886; and
- For Nautilus at www.nautilusinsurance.com.au or by contacting Nautilus at customerservice@nautilusinsurance.com.au or on 1300 780 533.

This Privacy Statement outlines why, how **we** collect, disclose and handle **your** personal information (including sensitive information) as defined in the Act about:

- **You**, if an individual; and
- other individuals **you** provide information about.

Why We Collect Your Personal Information

We collect **your** personal information (including sensitive information) so **we** can:

- underwrite and administer **your** insurance cover;
- advise **you** about and determine what other service or products **we** can
 - (i) provide to **you** or
 - (ii) that may interest **you**;
- identify **you** and conduct necessary checks;
- issue, manage and administer services and products provided to **you** or others, including processing requests for quotes, applications for insurance, underwriting and pricing policies, issuing **you** with a **policy**, managing claims, claims investigation, handling and settlement;

- maintain and improve **our** services and products;
- make special offers or offer other services and products provided by **us** or those **we** have an association with, that might be of interest to **you**.

You also have a legal obligation under the *Insurance Contracts Act 1984* to disclose certain information. Failure to disclose information required may result in AIG Australia declining cover, a cancellation of **your** insurance cover or reducing the level of cover, or declining claims.

If **you** choose not to provide **us** with the information **we** have requested, **we** may not be able to provide **you** with **our** services or products or properly manage and administer services and products provided to **you** or others.

How We Collect Your Personal Information

Collection can take place by telephone, email, or in writing and through websites (from data **you** input directly or through cookies and other web analytic tools).

We collect it directly from **you** or **your** agent.

There may, however, be occasions where **we** collect **your** personal information from someone else.

This may include:

- **our** authorised representatives;
- other Insurers;
- **our** legal or other advisors;
- anyone **you** have authorised to deal with **us** on **your** behalf;
- **our** distributors or referrers, agents or related companies;
- service providers;
- another party involved in a claim including parties who assist **us** in investigating or processing claims;
- third parties who may be arranging insurance cover for a group that **you** are a part of;
- providers of marketing lists and industry databases;
- publically available sources;
- third parties claiming under **your policy**;
- witnesses and medical practitioners;
- family members; and
- in the case of AIG personal information provided to them by Nautilus.

If **you** provide **us** with personal information about another person **you** must only do so with their consent and agree to make them aware of:

- this privacy notice;
- that **you** will, or may, provide their information to **us** and third parties **we** may provide it to;
- the relevant purposes **we** and any of such third parties will use it for; and
- how such persons can access their personal information.

If it is sensitive information **we** rely on **you** to have obtained such other persons consent on these matters. If **you** have not done so, or will not do so, **you** must tell **us** before **you** provide their relevant personal information.

To Whom We Disclose Your Personal Information

In the course of underwriting and administering **your policy** as well as providing services to you, we may disclose **your** information to:

- entities to which **we** are related, in the case of Nautilus, their insurers, reinsurers, contractors **our** representatives or third party providers providing services related to **us** or who are administering **your policy**;
- other insurers and reinsurers;
- banks and financial institutions for **policy** payments;
- assessors, third party administrators, emergency providers, retailers, medical providers, travel carriers, in the event of a claim;
- other entities to enable them to offer their products or services to **you**;
- government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law;
- **Your** agents;
- **Our** legal, accounting and other professional advisers;
- data warehouses and consultants;
- mailing houses and marketing companies;
- insurance reference bureaus;
- credit providers;
- social media and other similar sites and networks, membership;
- loyalty and rewards programs or partners;
- providers of medical and non-medical assistance and services;
- investigators, loss assessors and adjusters;
- other parties **we** may be able to claim or recover against;
- anyone either of **us** appoint to review and handle complaints or disputes; and
- any other parties where permitted or required by law.

We also may need to disclose information to persons located overseas.

AIG Australia is likely to disclose information to some of the entities listed above who are located in the following countries: United States of America, United Kingdom, Singapore, Malaysia, the Philippines, India, Hong Kong, New Zealand as well as any country in which **you** have a claim.

These countries may change from time to time and as may be notified in **our** Privacy Policy from time to time.

You can contact Nautilus or AIG Australia for details or refer to the AIG Privacy **Policy** or the Nautilus Insurance Privacy **Policy** available at **our** respective websites www.aig.com.au and www.nautilusinsurance.com.au.

More information, access, correction or complaints

Access to **your** personal information

Our Privacy Policies contains information about how **you** may access and seek correction of personal information **we** hold about **you**. In summary, **you** may gain access to **your** personal information by submitting a written request to **us**.

In some circumstances permitted under the *Privacy Act 1988*, **we** may not permit access to **your** personal information. Circumstances where access may be denied include where it would have an unreasonable impact on the privacy of other individuals, or where it would be unlawful.

For more information about **our** privacy practices including how **we** collect, use or disclose information, how to access or seek correction to **your** information or how to complain in relation to a breach of the Australian Privacy Principles and how such a complaint will be handled, please refer to the AIG Privacy **Policy** or the Nautilus Insurance Privacy **Policy** available at **our** respective websites www.aig.com.au and www.nautilusinsurance.com.au or by contacting **us** (**our** contact details are below).

Complaints

Our Privacy Policies also contains information about how **you** may complain about a breach of the applicable privacy principles and how **we** will deal with such a complaint.

Consent

Your application includes a consent that **you** and any other individuals **you** provide information about consent to the collection, use and disclosure of personal information as set out in this notice.

Contact Us and Opting Out

If **you** wish to withdraw **your** consent, including for things such as receiving information on products and offers by **us** or persons **we** have an association with, please contact **us**.

NM Insurance:

By phone: 1300 780 533

By email: customerservice@nminsurance.com.au;

In writing: 28-32 George Street Sandringham VICTORIA 3191

AIG:

By phone: 1300 030 886

By email: australia.privacy.manager@aig.com

In writing: Privacy Manager, AIG Australia Limited, Level 12, 717 Bourke Street, Docklands Vic 3008

NAUTILUS MARINE BOAT INSURANCE POLICY

THIS POLICY TOGETHER WITH YOUR CERTIFICATE OF INSURANCE AND ENDORSEMENTS, IF ANY, COMPLETE THE POLICY

PART I – THE BOAT INSURANCE CONTRACT

The Product Disclosure Statement (PDS), this **policy**, **your Certificate of Insurance** and any endorsements that may be issued from time to time, set out the contract between **you** and **us**. They should be read as one document. **You** agree to pay the premium shown on **your Certificate of Insurance** and comply with **your** responsibilities described in this **policy**.

The PDS, the **policy**, **your Certificate of Insurance** and any endorsements that are issued, describe the terms and conditions of **our** contract with **you**. **You** should consider all documents together as one, and read it carefully to determine **your** rights and duties, and what is and is not covered.

It is important that **you** refer to the terms and conditions of this **policy** for full details of cover.

1. This document contains **your** insurance **policy** terms and conditions. It is important that **you** read and understand it and retain it in a safe place.
2. Please inform **us** immediately of:
 - a) any change in **your** address; and/or
 - b) any change in the storage type and location or mooring type and location of **your boat**;
 - c) any other changes affecting **you, your boat**, or any **insured person** which will require an alteration to the **policy**.

We will provide **you** with the insurance described in this **policy**, in return for **your** compliance with all applicable provisions of this **policy**.

PART IA – YOUR OBLIGATIONS

Keep Insured property in good condition and repair and always protected

You must maintain **your boat**, trailer, equipment and accessories in a good state of repair and condition. Any loss or damage caused by poor maintenance is not covered under the **policy**. **You** must also make reasonable efforts to protect **your** boat, trailer, equipment and accessories from any loss or damage.

If **you** make a claim and knew about something that could cause loss or damage to **your** property and **you** did not make reasonable efforts to avoid it before the loss, or damage occurred, then **your** claim may not be paid. If **you** do suffer loss or damage **you** must also make reasonable efforts to prevent any further loss or damage.

Keep proof of ownership and value

When **you** make a claim for loss or damage, **we** will require proof that **you** owned the item/s and of its value/s or **your** claim may not be paid.

You must tell **us** if **you** modify **your boat** or change its normal storage or mooring location or if there is a material change in the use of **your boat**.

If **you** do not provide **us** with this information **you** may not be covered in the event of a claim.

When **you** provide this information to **us** **we** may alter the terms and conditions of the **policy** and this may involve the payment of an additional premium. Alternatively **we** may cancel the **policy** or decide not to offer renewal.

Ensure that your premiums are always paid

You are responsible for ensuring that **your** premiums are paid or **your** cover could be put at risk. Please call **us** if **you** are ever unsure about **your** premiums.

Tell us if there is a transfer of interest

If **your boat** is sold, transferred to a new owner, or there is a change in any interest in the ownership of **your boat**, the **policy** will no longer cover **your boat** from the time of such sale, transfer or change of ownership. **We** will cover **your** replacement **boat** in accordance with the replacement **boat** cover of this **policy**.

Meeting your other obligations

You will need to meet other conditions of the **policy**, such as claims conditions, or **we** may reduce or refuse to pay a claim and/or cancel the **policy**.

PART II – DEFINITIONS

Words with special meanings are defined here or in the part of the **policy** where they are used. Throughout the **policy**, defined terms will be noted in bold print when used with the intent to have special meaning, even where those terms are used in the singular, plural or possessive.

In this policy, the words “**you**”, “**your**”, and “**yours**” refer to the person or legal entity named on your **Certificate of Insurance** as the named insured, who are owners of **your boat** (including any natural person who is a shareholder, partner, member of that legal entity or owner of such legal entity by any other name and in the case of a trust is named or identified as a beneficiary of that trust). The words “**we**”, “**us**”, “**our**” and “**ours**” mean **AIG Australia Limited**.

- **Berth:** means a permanent pen for **your boat** within a marina or a private pontoon. It does not include any other type of mooring.
- **Boat:** means the **boat** described on **your Certificate of Insurance**, including hull, **motor(s)**, **trailer**, fixtures and fittings, mast, spars, rigging and sails, its **contents, equipment & accessories**, and all other items used in the operation or navigation of the **boat**, or **boats** listed on **your Certificate of Insurance**, including their designated **tenders**.
- **Bodily Injury:** means physical harm or injury to persons, including sickness or disease resulting from physical harm, injury or death.
- **Certificate of Insurance** means **your** current **Certificate of Insurance** **we** give **you** stating details of the cover **you** have bought which forms part of this **policy**.
- **Collectibles:** means private collections of rare, unique or novel items of personal interest, including memorabilia.
- **Contents:** means any items not used in the operation or navigation of **your boat** but kept and used exclusively on board, including, but not limited to **your water sports equipment**, clothing, loose furniture, dishes and computer hardware. **Contents** does not include property of guests or **crew members, fine arts**, precious stones, gold or silver, jewellery, money, cheques, credit cards, debit cards, or bankcards or any stocks, bonds, notes, mortgages, mobile phones, cameras, game consoles or any intangible property.

- **Crew Member:** means any person employed by **you** or on **your** behalf under an employment agreement to serve as a **skipper** or as a **crew member** on board **your boat** and who is in the service of **your boat** at the time of a covered loss. **Crew member** does not include an individual employed by **you** solely for the purpose of doing maintenance, service, repair or inspection or other work on board **your boat** while it is at anchor, moored, tied up at a dock or in a repair facility or during navigational tests or sea trials.
- **Damages:** means the sum of money required to satisfy a claim for compensatory **damages** by a third party against an **insured person**, whether settled or agreed to in writing by us or resolved by arbitration or final judicial proceedings. **Damages** do not include punitive **damages**, fines, penalties, consequential **damages** or sanctions.
- **Equipment & Accessories:** means **marine electronics, boat covers and canopies, batteries, portable fuel tanks, safety equipment carried on your boat** in accordance with statutory requirements, and any other items that are portable and not permanently attached to **your boat** that are manufactured and intended solely for use on **your boat** that are portable and not permanently attached to **your boat**.
- **Marine Electronics:** means electronic equipment attached to **your boat** that is portable or is permanently attached to **your boat** such as electronic navigation equipment, depth sounders, marine radios and transceivers, fish finders. **Marine Electronics** does not include laptops or computers.
- **Excess:** means the amounts **you** will pay in respect of each **occurrence** and/or instance of **physical loss or damage**, and for which there will be no payment under this **policy**. The **excess** applicable to each **occurrence** will vary depending on the part of the **policy** which applies to **your** claim made for that **occurrence**. The **excess** applicable to each part of this **policy** is shown on **your Certificate of Insurance**. In the event more than one part of this **policy** applies to **your** claim, then the claims under those coverages shall be subject to the highest single **excess** applicable to any one (1) such claim.
- **Fine Arts:** means paintings, etchings, statuary, antiques, **collectibles** and other bona fide works of art with historical value or artistic merit. Jewellery, watches and furs are not included within the meaning of **fine arts**.
- **Geographic Limits:** means the geographic territory shown on **your Certificate of Insurance** within which **your boat** must be located at the time of any **occurrence** in order for this insurance to apply. Unless otherwise shown on **your Certificate of Insurance**, the **Geographic Limits** of **your policy** are 250 nautical miles off mainland Australia and Tasmania. All cover provided by this **policy** will automatically lapse when **your boat** clears Australian Customs and Immigration for the purpose of leaving Australian waters and will recommence when it clears Australian Customs and Immigration on return.
- **Insured Person:** means:
 - a) **You;**
 - b) An additional insured named in the **policy;** or
 - c) Any person, including a **crew member**, operating **your boat** with **your** permission, but only with respect to their legal liability arising out of such operation. Sub clause c does not include any person, company or other business entity, or any of their agents or employees, operating a shipyard, **boat** repair yard, marina, **boat** club, sales agency, **boat** service station or similar organisation.
- **Latent Defect:** means a hidden flaw in the material of construction existing at the time of original building of **your boat** or any additional or replacement parts, components or systems of **your boat**, which is not discoverable by ordinary observation, known methods of testing or inspection.
- **Lay Up:** If Lay up is shown on **your Certificate of Insurance**, it means the period nominated by **you** during which **you** do not use **your boat** and **you** keep it on its trailer at the address shown on **your Certificate of Insurance**.
- **Marine Environmental Damage:** means the unintended physical injury to or alteration or destruction of coastal or marine habitat through physical contact with **your boat** including its fuel, lubricants, or similar products used in the operation of **your boat**.
- **Market Value:** the value of an item of property determined by taking its replacement value and with allowance for depreciation at the time and place of **physical loss or damage**. Where **your** insured item has no comparable of equivalent functionality and value with which it could be readily compared or replaced at the time of the assessment of **market value**, due to that insured item having become obsolete or only available with enhancements that were not present on the insured item, this shall be taken into account by **us** when calculating the **market value**.
- **Motor:** means stern drive units, inboard and outboard engines as described on **your Certificate of Insurance** and includes the propeller, outdrives, saildrives, shaft, gearbox, skeg, jet unit, wiring harness, instruments, portable fuel tank, control cables, IPS Units, Joystick management systems and generator/s.
- **Named Cyclone:** means a cyclone that has been given a name by the Bureau of Meteorology in Australia, or equivalent body if the cyclone is named outside of Australian waters.
- **Occurrence:** means a sudden, unexpected and accidental event to which this insurance applies which happens within the **period of insurance**. An **occurrence** caused by the same, repeated general harmful condition that results in an **occurrence** within the **period of insurance**, unless an excluded cause of loss, is considered to be one (1) **occurrence**.
- **Personal Effects:** means any personal items normally worn or carried about the person; including items of **your** guests or **crew members** whilst they are on board **your boat**. It does not include portable marine electronics, money, jewellery, mobile phones, portable computers

or tablets, **fine arts**, firearms, cheques, credit cards, consumables, debit cards, bankcards or any intangible property.

- **Personal Watercraft:** means any vessel less than thirteen (13) feet in length propelled by an inboard motor powering a water jet pump designed to be operated by a person or persons sitting, standing or kneeling on the vessel rather than within the confines of a hull.
- **Physical Loss or Damage:** means actual physical harm to or destruction of tangible property insured under this **policy**.
- **Policy:** means **your** Nautilus Marine **Boat Insurance Policy** and PDS and the most recent **Certificate of Insurance** and any written endorsements issued to **you** by **us**.
- **Period of Insurance:** means the period commencing on the effective date shown on **your Certificate of Insurance**. This period ends on the earlier of the expiry date shown on **your Certificate of Insurance** or the effective date of cancellation of this **policy**. All **physical loss or damage, property damage, bodily injury** and all **occurrences** giving rise to any claim under this **policy** must occur during the **period of insurance**. If anyone becomes an **insured person** under this **policy** after the effective date, then in respect of that **insured person**, the **period of insurance** begins as of the date such person becomes an **insured person** and ends on the earlier of the expiry date or the effective date of cancellation of this **policy** or when such **insured person** no longer meets the definition of an **insured person**.
- **Property Damage:** means direct physical harm to or destruction of tangible property of persons other than an **insured person**.
- **Skipper:** means any person employed by **you** or on **your** behalf under an employment agreement naming such person as the **crew member** to be in charge of the shipboard management and navigation of **your boat**.
- **Sum Insured:** means:
 - for a **Market Value Policy**, the **market value** of **your boat** at the time of the **occurrence** or the value shown on **your Certificate of Insurance**, whichever is lesser;
 - for an **Agreed Value Policy**, the value of **your boat** as shown on **your Certificate of Insurance**.
- **Reasonable Costs:** means the amount of money, which would be paid by a prudent purchaser for the products, services, or property provided. It does not include any additional costs incurred in order to have repairs or any other work performed on an accelerated basis.
- **Tender:** a vessel that is stowed and carried on board **your boat** and used solely in conjunction with **your boat** and is clearly marked and identified as **tender to your boat**.
- **Trailer:** means the insured vehicle shown on **your Certificate of Insurance** that is used for the transportation of **your boat**.
- **Water Sports Equipment:** means equipment owned by **you**, inclusive of fishing equipment (i.e. rods, reels, tackle and other similar equipment used for recreational fishing), diving equipment (i.e. tanks, regulators, fins, snorkels, buoyancy compensation devices and other commercially

manufactured equipment used for recreational diving) and Water Skiing or Aquaplaning equipment (i.e. water skis, wakeboards, kneeboards, vests, ropes and other professionally designed and manufactured equipment for the purpose of Water Skiing, Aquaplaning or Wakeboarding behind **your boat**, but not including flyboards or any other aerial device.

Headings (including headings that are underlined and/or in bold) are included for ease of reference and convenience only and shall not affect the interpretation of the **policy**.

PART III – PROPERTY COVERAGE

A. Insuring Agreement

This **policy** covers **you** against all risks of direct **physical loss or damage** to **your boat**, its **contents**, and **personal effects** while on board **your boat** caused by an **occurrence**. This coverage is subject to the **geographic limits** and all **policy** terms, **policy** conditions, **policy** exclusions and written endorsements.

B. Amount of Property Coverage

The coverage limit for **your boat** is **your boat's sum insured**.

C. Payment of a Loss

For a covered loss, **we** will pay as follows:

Total Loss or Constructive Total Loss of **Your Boat**

We will pay **your boat's sum insured** if:

- a) **Your boat** is stolen, lost or destroyed and not recovered; or
- b) the estimated **reasonable cost** of recovery and repair of **your boat** is more than the **boat sum insured**.

We will not pay for any **physical loss or damage** not repaired if **your boat** is subsequently lost, destroyed or declared a constructive total loss as determined under a. and b. above, whether or not such unrepaired **physical loss or damage** is due to a loss covered under this insurance or any prior **policy** of insurance issued by **us**.

We will pay all sums awarded by a court to voluntary salvors or those acting under a salvage agreement providing for a salvage award on a no cure, no pay basis. However, **we** will pay salvage awards up to the value of the remains of **your boat**.

We will pay no more than the **sum insured** for the aggregate of partial **damages**, expenses and salvage awards arising from any one (1) **occurrence**.

When **we** pay a total or constructive total loss, **we** reserve the right to keep the remains of **your boat** or its proceeds, if any, up to the amount of such payment.

• **Partial Damage to Your Boat**

If **your boat** is partially damaged, **we** will pay the reasonable costs to repair **your boat** to as near as possible to its market value, appearance, and condition immediately prior to the occurrence, with materials of like kind and quality. The most **we** will pay is **your boat's** sum insured. **We** will not pay for any improvement or betterment to **your boat**.

For a covered loss to **your motors**, if **your motors** are five (5) years of age or less, **we** will pay the reasonable costs to repair or replace **your motors** without deductions for depreciation up to the market value of **your motors**.

When **we** pay a partial loss, **we** reserve the right to keep the remains, or the proceeds of sale, of any parts removed from **your boat** in connection with the repair of a partial loss, if any, up to the amount of such payment.

- **Subrogation**

We shall acquire all **insured persons'** full rights to recovery and shall be entitled to subrogation against all parties responsible for any **occurrence** giving rise to a total, constructive total or partial loss covered by this insurance to the full extent of any payments **we** make under this section. Subject to any applicable laws, **our** rights of recovery and subrogation shall be superior to any other rights of any **insured person** to recover and shall supersede any **insured person's** rights to compensation arising from an **occurrence**.

We shall bear all costs and expenses of **our** claims for subrogation and recovery, including legal fees, and shall have full authority to compromise and release **our** claims and rights of subrogation without consultation with or agreement by any **insured person**.

All **insured persons** agree to provide their full cooperation with and assistance to **our** efforts to make a recovery. This includes, but is not limited to the provision of their testimony under oath at depositions and at trials (and to travel for those purposes upon **our** request and with reimbursement of reasonable expense), access to physical evidence, including the **boat** and its parts and components, for examination and testing, along with documents and electronic data, and to assist in obtaining testimony under oath at depositions and at trials of other witnesses including current and former **crew members, boat managers** and other employees and contractors of any **insured person**.

- **Government Action**

We cover direct **physical loss or damage to your boat** caused by the actions of any government authority in an attempt to mitigate or prevent an actual or potential pollution hazard or otherwise acting within their authority for the public good resulting in direct **physical loss or damage to your boat**, which is a covered loss.

Unless otherwise agreed in the **policy**, there is no **excess** for this coverage.

- **Temporary Removal and Storage**

Your boat's masts, spars, sails, **tenders, motors, equipment and accessories**, and **contents** are insured against direct **physical loss or damage** while in temporary storage on land, including while in transit to or from **your boat**, up to a limit of \$10,000.

Unless otherwise agreed in the **policy**, the **excess** will be the basic **excess** shown on **your Certificate of Insurance**.

- **Physical Loss or Damage to Contents of your Boat**

For a covered loss to the **contents** of **your boat**, **we** will pay whichever is less:

- a) The **market value** of the lost or damaged **contents**; or
- b) the **reasonable cost** to restore or repair the damaged **contents** to pre-loss condition.

We will cover **you** for **physical loss or damage** to wine and alcohol on board **your boat** provided it is caused by an **occurrence**. This cover is limited to \$500 any one item and a maximum of \$10,000 any one event. Proof of ownership will be required to substantiate any claim payable under this coverage.

Unless otherwise agreed in the **policy**, the **excess** for this coverage is \$500.

We will cover **you** for spoilage of perishable food items on board **your boat** provided that the spoilage is caused by an **occurrence**. This cover is limited to a maximum of \$1000 any one **occurrence**. Unless otherwise agreed in the **policy**, no **excess** will apply if the claim is restricted to the spoilage of perishable food items only.

The **contents** cover limits provided by the **policy** are not payable over and above the **sum insured** in the event of a total and/or constructive total loss.

- **Physical Loss or Damage to the Equipment and Accessories of your Boat**

For a covered loss to the **equipment and accessories** of **your boat**, **we** will pay whichever is less:

- a) The **market value** of the lost or damaged **equipment and accessories**; or
- b) The **reasonable cost** to restore or repair the damaged **equipment and accessories** to pre-loss condition,

For a covered loss to **your marine electronics**, **we** will replace **your marine electronics** on a new for old basis if they are three (3) years of age or less.

The **equipment and accessories** cover provided by the **policy** is not payable over and above the **sum insured** in the event of a total and or constructive total loss.

Unless otherwise agreed in the **policy**, the **excess** for **physical loss or damage** to the **equipment and accessories of your boat** is \$200.

- **Overland Transportation**

We cover direct **physical loss or damage to your boat** incurred during overland transport on **your trailer** within the Commonwealth of Australia (or elsewhere if specifically approved and noted on **your Certificate of Insurance**), including loading and unloading and including incidental transport via commercial ferry, provided that (i) the **trailer** and towing vehicle have sufficient towing capacity to transport **your boat** as rated by their manufacturers, (ii) the tow complies with all applicable legal requirements and (iii) it is legal to tow such a load on a public road or highway.

We will also cover incidental movement of **your boat** in connection with slipping, hauling, dry-docking, maintenance or repair at a marina or shipyard where movements do not exceed a distance of ten kilometres overland.

Unless otherwise agreed in the **policy**, the basic **excess** shown on **your Certificate of Insurance** will apply.

- **Personal Effects**

We will pay up to the **personal effects** coverage limit, the lesser of the following three alternatives:

- a) The **reasonable cost** to replace the lost or damaged personal effect; or
- b) The **reasonable cost** to restore or repair the damaged personal effect to its pre-loss condition; or
- c) Their **market value** at the time of the **occurrence**.

The maximum limit for any one (1) item belonging to **you** and **your** guests under the **personal effects** coverage is \$2,000. The maximum limit for any one item belonging to a **crew member** under the **personal effects** coverage is \$500. The coverage limit per **occurrence** for **personal effects** is \$20,000 in the aggregate unless otherwise shown on **your Certificate of Insurance**.

Personal effects coverage shall apply to **your personal effects** and those of **your** guests and **crew members** while those **personal effects** are on board **your boat**.

Proof of ownership will be required to substantiate any claims for **personal effects**.

The **personal effects** cover limits provided by the **policy** are not payable over and above the **sum insured** in the event of a total and or constructive total loss.

Unless otherwise agreed in the **policy**, the **excess** for **personal effects** coverage is \$200.

- **Water Sports Equipment**

We will pay up to the **water sports equipment** coverage limit, the lesser of the following three alternatives:

- a) The reasonable cost to replace the lost or damaged water sports equipment; or
- b) The reasonable cost to restore or repair the damaged water sports equipment to its pre-loss condition; or
- c) Their **market value** at the time of the occurrence.

The maximum limit for any one (1) item belonging to **you** and **your** guests under **water sports equipment** coverage is \$2,000. The coverage limit per occurrence for **water sports equipment** is \$20,000 in aggregate unless otherwise noted on the **Certificate of Insurance**.

Water Sports Equipment coverage shall only apply to **your water sports equipment** while on board **your boat**.

Proof of ownership will be required to substantiate any claims for **water sports equipment**.

The **water sports equipment** cover limits provided by the **policy** are not payable over and above the **sum insured** in the event of a total and or constructive total loss. Unless otherwise agreed in the **policy**, the **excess** for this coverage is \$200.

- **Excesses**

The **excess** shown on **your Certificate of Insurance** is the amount of a covered loss **you** will pay for each **occurrence** and for which there will be no payment under this **policy**. Unless otherwise agreed in the **policy**, the **excess** shown on **your Certificate of Insurance** will not apply in the event of a total or constructive total loss of **your boat**.

Unless otherwise agreed in the **policy**, in the event of **physical loss** or **damage to your boat** whilst berthed at its usual berth as shown on **your Certificate of Insurance** the **excess** shown on **your Certificate of Insurance** will not apply.

In the event of **physical loss** or **damage to your boat** caused by a **named cyclone**, a **named cyclone excess** of \$5,000 or 5% of the total claim, whichever is greater, will be applied. This **excess** will apply in the event of a Partial, Total and/or Constructive Total Loss. This **excess** will not apply if **your boat** is secured ashore on its own **trailer** and reasonable care has been taken to protect **your boat** from the **named cyclone**.

If **your boat** is under 10 meters in length overall and designed to be legally trailered on its own **trailer**, in the event of physical loss or damage to **your boat** caused by submersion an **excess** of \$2,000 will apply in the event of Partial, Total, and/or Constructive Total Loss. This **excess** will not apply if at the time of the **occurrence** **your boat** is either kept in a **berth**, on its own **trailer**, or has only been left unattended for less than 24 hours.

Unless otherwise agreed in the **policy**, in the event of **physical loss** or **damage to your tender** only, there shall be no **excess** applied.

In the event of direct partial **physical loss** or **damage to your boat** solely caused by the fault or neglect of a third party not insured under this **policy**, there shall be no **excess** applied to such loss provided **you** can identify the third party (name, address and telephone number and their Insurance Company(if any)) who was at fault. When one (1) **occurrence** gives rise to claims under **boat, motor, contents, equipment and accessories, watersports equipment** and/or **personal effects** coverages, the claims under those coverages shall be subject to the highest single excess applicable to any one (1) such claim.

D. Additional Property Coverage

Unless otherwise agreed in the **policy**, the following additional property coverage is provided in addition to the **sum insured**. This additional coverage is subject to all **policy** terms, conditions and exclusions.

- **Safeguarding Damaged Property**

If a covered loss occurs, every **insured person** must take all lawful and reasonable measures, including making or arranging for temporary repairs, to protect the covered property from further damage and mitigate any loss payable under this **policy**.

After a loss covered by this **policy**, we will pay the **reasonable costs** incurred by an **insured person** to protect or recover **your boat** from further loss or damage up to the **sum insured**.

We will pay the **reasonable cost** of salvage and towage services provided under a written contract which fixes the amount of compensation for such services and other related expenses necessarily incurred by an **insured person** so as to avoid or minimise a loss that would be covered under this insurance. Unless otherwise agreed in the **policy**, there is no **excess** for this coverage.

- **Precautionary Measures**

We will pay up to the precautionary measures coverage limit of \$5,000 for **reasonable costs** incurred by an **insured person** to move **your boat** to a place of safety from harm's way whilst **your boat** is under threat of windstorm, tidal surge or wave, or fire at **your boat's berth**, mooring or place of storage.

Unless otherwise agreed in the **policy**, there is no **excess** for this coverage.

- **Wreck Removal**

If **you** are legally obligated to raise, remove or destroy the wreck of **your boat**, we will pay all **reasonable costs you** incur to raise, remove or destroy the wreck.

- **Inspections**

We will pay the **reasonable costs you** incur of inspecting **your boat** for **physical loss or damage** after grounding, whether or not any damage is found. Unless otherwise agreed in the **policy**, there is no **excess** for this coverage.

- **Emergency Expenses**

We will pay for necessary and reasonable emergency expenses without **physical loss or damage to your boat** including:

Commercial towing fees to the nearest place where necessary repairs can be carried out;

Delivery costs of fuel and other essential supplies, but excluding the costs of the fuel or supplies; and

The cost of emergency parts and labour done on board **your boat** at the location of breakdown. We will pay up to the emergency expenses limit of \$5,000 for each **occurrence**.

This coverage applies only if **your boat** is disabled for any reason other than a loss covered by this **policy**.

Unless otherwise agreed in the **policy**, there is no **excess** for this coverage.

- **Trailers**

We will cover **physical loss or damage to your trailer** used with **your boat**. For a covered loss, we will pay the lesser of the **reasonable costs** to repair or its **market value**.

Unless otherwise agreed in the **policy**, this coverage is subject to the **excess** shown on **your Certificate of Insurance**. No **excess** is applicable in the event of **physical loss or damage** solely to **your trailer's tyre/s** and or rim/s due to impact which causes the tyre to puncture, burst, blow out.

- **Temporary Emergency Accommodation**

In the event of **physical loss or damage to your boat**, if **you** are more than 100kms from the mooring location shown on **your Certificate of Insurance** and we agree that **you** cannot stay on **your boat**, we will pay up to \$250 per day for temporary emergency accommodation for **Insured Persons** for up to 7 days.

Unless otherwise agreed in the **policy**, there is no **excess** for this coverage.

- **Tournament Coverage And Yacht Racing Fee Reimbursement**

We will cover **you** for the loss of entry fees paid by **you** should a claim be payable under this **policy** causing **you** to miss or withdraw from a fishing tournament or yacht race. The cover provided by this benefit will only be paid if **physical loss or damage to your boat** necessitates **your** withdrawal. The maximum we will pay is the Tournament Coverage and Yacht Racing Fee Reimbursement limit of \$2,000. Unless otherwise agreed in the **policy**, there is no **excess** for this coverage.

- **Lost Keys Coverage**

We will cover **you** for the loss or theft of the keys of **your boat** including the costs associated with recoding the new keys. The maximum we will pay is the Lost Keys Coverage limit of \$1,500. Unless otherwise agreed in the **policy**, there is no **excess** for this coverage.

- **Replacement Boat**

If **you** sell **your boat** during the **period of insurance**, we will cover any **boat** with a maximum design speed up to 60 knots that is reasonably similar to **your boat**, which **you** acquire by purchase to replace **your boat**, and used by **you** solely for private pleasure purposes during the **period of insurance**. Coverage for **your replacement boat** is up to the purchase price of the replacement **boat**. This coverage is in effect for a period of twenty one (21) days from the date of purchase, and subject to all terms, limits, **excesses**, conditions and exclusions of this **policy**. However, **you** must request coverage within twenty one (21) days of the date of purchase and **you** must pay the premium we determine.

E. Loss Payee / Interested Parties

If a person's (e.g. credit provider or other insureds) interest is named in this **policy**, any claim payable will be paid to such person and **you**, as interests appear. If more than one (1) loss payee is named, the order of payment will be the same as the order of precedence of such persons.

F. Property Exclusions

These exclusions apply to **PART III – PROPERTY COVERAGE**.

There shall be no coverage under **PART III – PROPERTY COVERAGE** for any coverage specified in PART III for loss, damage, claim or expense attributable to or resulting directly or indirectly, in whole or in part or in combination with any other cause or causes from or in respect of:

- **Gradual or Sudden Loss**

Osmosis, blistering, fiberglass or surface coat blistering, electrolysis, delamination, rust, corrosion or oxidation, marine life, marine borers, moth or vermin, rot, fungi, mould or infestation, warping or shrinkage, change of temperature or humidity, deterioration, lack of maintenance, lack of reasonable care, lack of reasonable protection and/or security, wear and tear or inherent vice.

- **Manufacturing and Design Defects**

Any faulty workmanship, defect in design or defect in manufacture of **your boat** or any additional or replacement part, component or system of **your boat**. However, **we** will cover you for professional repairer's negligence.

- **Latent Defect**

Any repair or replacement of any **latent defect** in **your boat**, however, any subsequent **physical loss or damage** to **your boat** resulting or caused directly by the **latent defect** will be covered.

- **Mechanical Breakdown**

Any physical loss or damage to your boat's motors in connection with mechanical breakdown. However this exclusion does not apply if all of the following apply:

1. **Your motors** have been manufactured within the last 5 years;
2. **Your motors** have been regularly serviced and maintained in accordance with the manufacturer's recommendations, and **you** can provide copies of records of that service;
3. **Your motors** are not covered under the manufacturer's original warranty or any extended warranty; and
4. The **physical loss or damage** did not result from the failure of maintenance items such as seals, gaskets and filters.

Any claim that **we** accept for mechanical breakdown will be subject to an excess of 10% of the total **motor** claim or the **excess** named in this **policy**, whichever is greater.

- **Motors Secured to Your Boat**

Any physical loss or damage to any motor when secured to **your boat** in a manner other than specified or recommended by the manufacturer of the motor or of **your boat**.

- **Cash or Valuable Papers**

Cash, cheques, money orders, bank drafts, travel tickets, traveller's cheques, postage stamps, certificates, bonds, negotiable instruments, or any intangible property.

- **Computer Software**

Computer software, programs or data unless this software forms part of **your marine electronics**.

- **Loss of Use or Value**

Any loss of use, including loss of profits or loss of **market value** or any other consequential loss or damage.

- **Transit**

Any item in transit on board **your boat** or being delivered to or from **your boat**, not adequately packed, stowed and secured relative to its value and the method of transportation.

- **The Weight of Your Boat**

Any loss arising out of the **boat** exceeding the rated capacity of **your trailer** or other land conveyance vehicle.

- **Cargo Vessel Transit**

The loading, unloading or transportation of **your boat** on board a cargo vessel or any other form of commercial marine carrier.

- **Provisions**

Any loss or damage to the fuel, lubricants, consumables, provisions and stores of **your boat**, except as otherwise provided for in this **policy**.

- **Sails**

Loss or damage to sails caused by normal wear and tear and/or wind or water.

- **Theft of Watersports Equipment and Personal Effects**

Any theft of **watersports equipment** and **personal effects** unless there is physical evidence of violent and forcible entry into **Your Boat** or the loss involves violent and forcible removal of the items from the place of storage of **your boat**.

PART IV – LEGAL LIABILITY COVERAGE

A. Insuring Agreement

We will pay **damages** an **insured person** is legally obligated to pay for **bodily injury** or **property damage** arising from the ownership, operation, maintenance or use of **your boat** and caused by an **occurrence** covered in this **policy** and subject to the **geographic limits**. This coverage is also subject to all **policy** terms, conditions and exclusions.

The most **we** will pay for all claims for **bodily injury** and **property damage** as a result of any one (1) **occurrence** is the Legal Liability coverage limit shown on **your Certificate of Insurance** of this **policy**. This insurance applies separately to each **insured person** against whom a claim is made or a suit is brought, but **we** will pay no more than the limit shown on **your Certificate of Insurance** for any single **occurrence** regardless of the number of **insured persons, boats** insured, claims made or persons injured under this **policy**.

Unless otherwise agreed in this **policy**, there is no excess for any coverage provided under PART IV –LEGAL LIABILITY COVERAGE.

- **Defence Coverage and Claim Expense**

We will pay the legal costs to defend an **insured person** with **our** prior written consent against any civil action, including trial and appeals against any suit seeking covered **damages for bodily injury and/or property damage** caused by an **occurrence** arising from the ownership, operation, maintenance or use of **your boat**, even if the suit is false, fraudulent or groundless. **We** reserve the right to select counsel. **We** may also investigate and settle any claim or suit at **our** sole discretion. The limit of this coverage is included within the Legal Liability limit shown on **your Certificate of Insurance**.

We will also pay:

1. All reasonable court costs and expenses awarded against an **insured person**.
2. Reasonable expenses incurred by an **insured person** at **our** request up to a total of \$10,000 for assisting **us** in the investigation or defence of a claim or suit.
3. Interest on the entire judgment, which accrues after entry of the judgment and before **we** pay or tender, or deposit in court, that part of the judgment which does not exceed the amount of coverage.
4. All prejudgment interest awarded against an **insured person** on that part of the judgment **we** pay or offer to pay. **We** will not pay any prejudgment interest based on that period of time after **we** make an offer to pay the amount of such judgement.

Our duty to defend any claim or suit arising out of a single occurrence ends when the amount **we** have paid in **damages** for that **occurrence** equals the Legal Liability coverage limit shown on **your Certificate of Insurance** of this **policy**.

B. Marine Environmental Damage Coverage

We cover **damages** an **insured person** is legally obligated to pay up to a maximum of \$500,000 inclusive of defence coverage and claim expense for **marine environmental damage** caused by an **occurrence** arising from the ownership, operation, maintenance or use of **your boat**, subject to the terms, conditions and exclusions of this **policy**. This coverage shall be included in the Legal Liability limit shown on **your Certificate of Insurance** for any one (1) **occurrence**.

We also provide fines/penalties coverage up to a limit of \$50,000 as is listed on **your Certificate of Insurance** for payment of any government fine or penalty incurred by **you** for **marine environmental damage** caused by any one (1) **occurrence** providing there was no intentional act or misconduct by **you**. The limit of this **marine environmental damage** is included within the Legal Liability limit shown on **your Certificate of Insurance**.

C. Operating Other Watercraft

When **your boat** is not in use and subject to all **policy** terms, conditions and exclusions, including the coverage limit for Legal Liability coverage shown on **your Certificate of Insurance**, we cover **damages** for **bodily injury** and/or **property damage** caused by an **occurrence** that **you** are legally obligated to pay resulting from **your** operation or use of another **boat** with a maximum design speed up to 60 knots which is neither owned nor chartered by **you**.

D. Additional Legal Liability Coverage

These additional Legal Liability coverages are provided in addition to the Legal Liability coverage limit shown on **your Certificate of Insurance**. This additional coverage is subject to all **policy** terms, conditions and exclusions. The **excesses** shown on **your Certificate of Insurance** apply to these coverages.

- **Replacement Boat**

If **you** sell **your boat** during the **period of insurance**, **we** will pay **damages** an **insured person** is legally obligated to pay for **bodily injury** and/or **property damage** caused by an **occurrence** arising from the ownership, operation, maintenance or use of any replacement **boat** with a maximum design speed up to 60 knots that is reasonably similar to **your boat**, which **you** acquire by purchase and **you** use solely for private pleasure purposes during the **period of insurance**. This additional coverage is in effect for a period of twenty one (21) days, from the date of purchase, and subject to the Legal Liability coverage limit shown on **your Certificate of Insurance** and all other terms, conditions and exclusions of this **policy**. However, **you** must request coverage within twenty one (21) days of the date of purchase and **you** must pay the premium that **we** determine.

E. Legal Liability Exclusions

The following exclusions apply to PART IV – LEGAL LIABILITY COVERAGE:

There shall be no coverage under this PART IV – LEGAL LIABILITY COVERAGE for any loss, damage, liability, claim, cost of defence or expense attributable to or resulting directly or indirectly, in whole or in part from or in respect of:

- **Care, Custody or Control**

Property damage to property owned by, or in the care, custody or control of, an **insured person**, family member or domestic partner.

- **Bodily Injury, Illness or death**

Any liability for **bodily injury** to a person who is covered or should have been covered by any compulsory insurance, including compulsory third party insurance or compulsory medical insurance.

- **Towing**

Any liability for any **occurrence** when a **trailer** is connected to a motor vehicle or any **occurrence** involving the towing of any persons or objects in the air.

- **Asbestos**

Any liability arising out of asbestos or any product containing asbestos.

- **Liability arising out of Water Skiing or Aquaplaning**

Any occurrence while **your boat** is being used for water skiing or aquaplaning. This exclusion does not apply if **your Certificate of Insurance** shows the Water Skiers Inclusion Endorsement.

- **Jurisdiction of Courts Outside of Australia**

Any actions brought against **you** in a court outside of Australia or an Australian court that applies law that is not Australian Law.

- **Employee Benefits**

Any act, error or omission in respect of the provision of employee benefits of any kind by **you**.

- **Liability to Paid Crew**

Damages (including, if applicable, maintenance and cure, repatriation and other related expenses) for which **you** and/ or any **insured person** are legally liable to pay a **crew member** under any applicable Workers Compensation scheme in Australia or other similar law of any nation in respect of **your** legal liability to any **crew member**.

- **Contractual Liability**

Any liability assumed by an **insured person** under any contract or agreement, including indemnification agreements, without **our** prior permission, except for an agreement executed between an **insured person** and **boat** club, **boat** yard, ship yard, marina or other similar facility for the exclusive purpose of slipping, hauling, mooring, storing or launching **your boat**, by such **boat** club, **boat** yard, ship yard, marina or other similar facility where the **boat(s)** is kept, except in instances of gross negligence or intentional/wilful acts.

Notwithstanding the foregoing, no cover will be provided where an **insured person** assumes liability under any contract or agreement (including indemnification agreements) with a **boat** club, **boat** yard, ship yard, marina or other similar facility if **your boat** is having repair work or alterations (other than scheduled routine maintenance), **boat** refitting or any hot work performed in connection with any repair, alteration, routine maintenance or refitting in a **boat** yard, ship yard or marina, or by any ship or marine repairer.

For the purposes of this exclusion “hot work” shall mean any operation that results in the release of sufficient heat, energy, hot particles or flames to ignite flammable materials or vapours in and/or near the area of work including, but not limited to, welding, cutting, brazing, arcing, grinding or other fire spark producing operations, which includes the use of hot rivets or other similar work.

- **Obligatory Repatriation**

Any liability for repatriation costs and expenses in respect of any **crew member** if such expense is payable by reason of (i) the end of the **crew member's** contractual term of service (whether by contract or by agreement) with **you**, (ii) the sale or disposal of **your boat**, (iii) the arrest, detainment or seizure of **your boat** or (iv) the laying up of **your boat**.

- **Unauthorised Use**

Any **occurrence** while **your boat** is being operated or used without **your** prior consent.

- **Motorised Land Vehicles**

The ownership, operation, maintenance, use, loading or unloading of any motorised land vehicle, including any such vehicle engaged in the overland transportation of **your boat**.

- **Humiliation, Harassment or False Arrest**

Any liability arising from actual, alleged or threatened humiliation, harassment, false arrest, false imprisonment, wrongful detention, libel, slander, defamation of character or invasion of rights of privacy, malicious prosecution, shock, emotional distress, mental injury, wrongful entry or eviction.

- **Discrimination**

Any liability arising out of actual, alleged or threatened discrimination or harassment due to age, race, national origin, colour, sex, creed, handicapped status, sexual preference or identity or any other discrimination.

- **Sexual Molestation or Corporal Punishment**

Any liability arising out of any actual, alleged or threatened:

1. Sexual molestation, misconduct or harassment;
2. Corporal punishment; or
3. Sexual, physical or mental abuse by any person.

- **Transmittable diseases**

Any liability from any illness, sickness or disease transmitted intentionally or unintentionally by any **insured person** to anyone. **We** also do not cover any **damages** for any threat of exposure or any consequences resulting from that illness, sickness or disease.

- **Diving Activities**

Any liability arising out of diving activities or the use or provision of diving or air compression equipment or the supply of compressed gasses.

- **Insured Person:**

Any legal liability for **bodily injury** to an **insured person**. However, this exclusion does not apply if any person, including a **crew member**, operating **your boat** with **your** permission is legally obligated to pay for **bodily injury** to an **insured person** arising from the ownership, operation, maintenance or use of **your boat** and caused by an **occurrence** covered in this **policy** and subject to the **geographic limits**. This exception is also subject to all **policy** terms, conditions and exclusions.

PART V – PERSONAL ACCIDENT COVERAGE

You are covered in the event of:

- death; or
- an injury causing permanent and total loss of:
 - sight of an eye;
 - the use of a limb; or
 - the thumb or any finger;

caused directly and solely by a violent, visible, and external **occurrence** while **you** are using **your boat** for private pleasure purposes or voluntary rescue work.

We will pay up to:

- \$50,000 or the amount shown on **your Certificate of Insurance** for Personal Accident Coverage for claims involving death, permanent and total loss of use of a limb or the permanent and total loss of sight of an eye;
- up to 20% of \$50,000 or of the amount shown on **your Certificate of Insurance** for Personal Accident Coverage for claims involving permanent and total loss of the thumb or any finger.
- **We** will also pay:
 - **Your reasonable costs** up to \$5,000 for certain emergency expenses **you** incur as a result of the **occurrence** providing that the costs are not covered by Medicare, workers compensation or another government or private scheme or arrangement. **You** must produce receipts for all costs incurred.
 - **Your funeral expenses** to a maximum benefit of \$5,000 where **your** death arises directly and solely by an **occurrence** which occurred whilst using **your boat**.

The cover under PART V – PERSONAL ACCIDENT COVERAGE only applies to **insured persons** shown on the **Certificate of Insurance**. If more than one individual is shown as an **insured person** on **your Certificate of Insurance** the amount payable to the individual claiming under PART V – PERSONAL ACCIDENT COVERAGE will be limited to the amount payable, divided by the number of individuals shown on **your Certificate of Insurance** as **insured persons**.

Our payment is subject to the individual claiming under PART V – PERSONAL ACCIDENT COVERAGE obtaining medical attention for the accidental injury from a registered medical practitioner and undergoing any medical examination requested by **us**.

We will not pay for any claims for PART V – PERSONAL ACCIDENT COVERAGE where providing such payment would result in **us** contravening the Health Insurance Act 1973 (Cth), the Private Health Insurance Act 2007 (Cth) or the National Health Act 1953 (Cth) or any applicable legislation or compulsory Workers Compensation Insurance.

We will not pay for any claims where:

- the injury or death is self-inflicted, including suicide or attempted suicide whilst sane or insane; or
- the death, permanent injury, total loss of the use of a limb, thumb or any finger, or total loss of sight of an eye occurs after 12 months of the date of the **occurrence**.

PART VI – GENERAL EXCLUSIONS AND CONDITIONS

The following general exclusions and conditions apply to all parts of this **policy**:

A. General Exclusions

There shall be no insurance under any provision of this **policy** for any loss, damage, liability, claim, cost of defence or expense resulting directly or indirectly, in whole or in part from or in respect of:

• Command and control of your boat

Any **occurrence** whilst the person in command and control of **your boat** is:

- a) unlicensed when a license is necessary;
- b) a person without adequate experience to reasonably control the **boat**;
- c) under the influence of alcohol or drugs;
- d) a person who has been refused **boat** insurance within the last five years unless **you** have advised **us** of the refusal and **we** have agreed in writing to cover that person under the **policy**.

This exclusion does not apply if **you** can prove that:

- **You** did not know or had no reason to suspect that the person in control of **your boat** fell into any of the aforementioned categories;
- It was reasonable for that person to assume control of **your boat** as a result of an unforeseen emergency.

• Nuclear Hazard

Nuclear Hazard, including the following and any consequence of the following:

- a) Ionizing radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
- c) The use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

• War

War, including the following and any consequence of the following:

- a) Undeclared war, civil war, insurrection, rebellion or revolution;
- b) Warlike acts by a military force or military personnel; or
- c) The destruction, seizure or use of property for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

- **Chemical Weapons and Cyber Attacks**

Chemical Weapons and Cyber Attacks, including the following and any consequence of the following;

The use or threatened use of:

- a) Any chemical, biological, bio-chemical, or electromagnetic weapon, device, agent or material; or
- b) Any computer, computer system, software program, virus or process, or any other electronic system, as a means for inflicting harm, or the consequence of any of these, regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss or damage. **We** also do not cover any loss, damage, liability, claim, cost of defence or expense caused by any action taken in hindering or defending against the use or threatened use of any of these.

- **Terrorism**

Terrorism, including the following and any consequence of the following:

The use or threat of force or violence, by an individual or group acting alone, on behalf of or connected to any organisation or government, which gains its motivation from political, religious or ideological beliefs with the intent to influence any government or the public by the use of fear or from an act of terrorism.

- **Confiscation**

Confiscation, including the following and any consequence of the following:

The capture, seizure, arrest, restraint, detention, confiscation, nationalisation, requisition or destruction of or damage to property by any government or under the order of any government or public or local authority of the country in which **your boat** is owned, located or registered except as otherwise provided in **PART III – PROPERTY COVERAGE – C. Payment of a Loss, Government Action.**

- **Intentional Acts**

Intentional Acts, including the following and any consequence of the following:

- any intentional act by an **insured person** who directs, permits, approves of or participates in any dishonest, criminal, wilful, intentional or malicious act or omission by any **insured person**.
- any claim arising from acts or omissions of any person which are intended to or would inevitably result in **physical loss or damage, bodily injury or property damage**. This exclusion applies even if the **physical loss or damage, bodily injury or property damage** is of a different kind or degree, or sustained by a different person than would be expected or intended by the **insured person**.

- **Fines or Punitive Damages**

Except as otherwise expressly provided in the **policy**, any fines, penalties, punitive, exemplary or non-compensatory **damages**, or any **damages** resulting from the multiplication of compensatory **damages** regardless of the cause of loss.

- **Illegal Activity**

The use of **your boat** for any illegal purpose including but not limited to the transport of any illegal substance.

- **Chartering or Commercial Use**

The use of **your boat** for any purpose other than private pleasure purposes. **Your boat** cannot be chartered, leased or used for any commercial purposes at any time. Entertaining business clients on **your boat** is not considered charter or commercial use.

- **Towing**

The towing of any other **boat** or watercraft except **your tender** by **your boat** unless previously approved by **us** in writing. This exclusion shall not apply if **you** are rendering emergency assistance to a distressed boat.

- **Racing and Competitive Use**

Any **occurrence** during instruction, testing, preparation or participation for or in any race, speed contest or similar competition unless **you** have advised **us** and **we** have agreed to cover it in writing. Notwithstanding the foregoing, **you** are covered for sailboat racing provided such races are not over 100 nautical miles in length.

- **Para-Sailing, Kite Surfing/Boarding or Teak Surfing**

Any **occurrence** while **your boat** is being used for para-sailing, kite surfing/boarding, teak surfing or similar activity.

- **Aircraft**

The ownership, maintenance, use, loading or unloading, transporting or towing of any aircraft.

- **Claims Settled Without Our Consent**

Any claim of a third party which **you** have settled or where **you** have accepted liability without **our** written consent regardless of the cause of loss. Nor do **we** cover any cost, expense or judgment for a suit brought or defended without **our** written consent.

- **Unseaworthy state**

Loss, damage or liability caused by **your boat** not being seaworthy or in defective condition. This exclusion will not apply if **you** can prove to **us** that **you** did not know, or could not reasonably have known, that **your boat** was not seaworthy or defective at the time.

- **Modifications**

The modification of **your boat** unless **you** have advised **us** and **we** have agreed to extend cover in writing.

- **Parts**

Mechanical parts that are not in accordance with the manufacturer's original specifications.

- **Engine Power**

Any **occurrence** when **your boat** or any **boat** covered by the **policy** was fitted with a **motor** more powerful than that recommended by the manufacturer of **your boat**.

- **Unsuitable Mooring**

Any **occurrence** where the mooring for **your boat** was not:

- of a suitable design and weighting for **your boat**;
- appropriately sited;
- in good order and regularly maintained on an annual basis.

- **Speed**

Your boat or any **boat** covered by the **policy** exceeding the speed limit shown on **your Certificate of Insurance**.

- **Bushfire or Named Cyclone Waiting Period**

A bushfire or **named cyclone** within the first 48 hours of the original start of the **policy** (not including a renewal) unless **you** bought **your boat** on the start date of the **policy** or **you** previously held cover for **your boat** under another insurance **policy**, with equivalent cover, with another insurance company and cover was then provided under this **policy** without interruption in cover.

- **Electronic Equipment**

Electronic or mechanical derangement of electronic equipment, data, viruses, malfunction and processing errors.

- **Overheating**

Overheating of a **motor** or seizure unless caused by a covered loss under the **policy**.

- **Sanctions**

We are not liable to make any payments for liability under any coverage sections of this **policy** or make any payments under any extension for any loss or claim arising in, or where the **insured person** or any beneficiary under the **policy** is a citizen or instrumental in the government of, any country(ies) against which any laws and/or regulations governing the **policy** and/or the insurer, its parent company or its ultimate controlling entity have established an embargo or other form of economic sanction which have the effect of prohibiting the insurer to provide insurance coverage transacting business with or otherwise offering economic benefits to the **insured person** or any other beneficiary under the **policy**.

B. General Conditions

We will not be liable to pay any claim under this insurance unless **you** and any **insured person** comply with all the requirements in the following conditions.

- **Duties after an occurrence**

In the event of an **occurrence** which may give rise to a claim under this **policy**, or if **you** and any **insured person** under this **policy** are sued in connection with an **occurrence** which may be covered under this **policy**, **you** and any **insured person** must:

- a) Give prompt notice to **us** as soon as possible of any incident that may result in any kind of claim under this **policy**. If **you** think a crime has been committed, **you** must also tell the police and, if appropriate, the coast guard or other maritime authority.

- b) Protect the property from further damage.

- c) Preserve the properties, equipment or instrumentalities involved in any accident, which might be reasonably believed to be involved in damage to property (including property covered by this insurance) or injury to persons and deliver to **us** at **our** request and expense.

- d) Keep an accurate record of all repair expenses and provide **us** with bills (quotations, invoices, etc.), receipts and related documents.

- e) As often as **we** reasonably require:

- I. Allow inspection and testing of the damaged property;

- II. Provide **us** with records and documents **we** request; and

- III. Submit to separate examination under oath.

- f) Send to **us** upon **our** request, **your** signed, sworn proof of loss that sets forth, to the best of **your** knowledge:

- I. The time, place and cause(s) of loss;

- II. The interest of all others in the property;

- III. Other insurance which may cover the loss; and

- IV. The full amount claimed under each coverage for which a claim is made.

- g) Provide **us** with the names and addresses of any known persons injured and any available witnesses.

- h) Provide **us** immediately upon receipt with any demand letters, letters of representation, suit papers and other documents that will help **us** defend any **insured person**.

- i) Assist and cooperate with **us** in the conduct of the defence by helping us:

- I. To make settlement;

- II. To enforce any right of contribution or indemnity against any person or organization who may be liable to an **insured person**;

- III. To attend hearings and trials; and

- IV. To secure and give evidence and obtain the attendance of witnesses.

- **Abandonment**

No action which either **you** or **we** take to save, protect or recover **your boat** will be regarded as a waiver or acceptance of abandonment nor will it prejudice the rights of either **you** or **us**.

- **Appraisals of Physical Loss or Damage**

If **you** and **we** fail to agree on the amount of **physical loss or damage** to property covered under PART III – PROPERTY COVER, either party may make a written demand that each selects an independent appraiser. In this event, the parties must notify each other of their selection within 20 days. The independent appraisers will select a third appraiser within 15 days. If a third appraiser is not agreed upon within that time each appraiser within seven days thereafter, shall propose to the other in writing the names of three appraisers together with their curricula vitae

for consideration as the third appraiser. Each appraiser, within seven days thereafter, shall strike two names from the other party's list; and the third appraiser shall then be selected by the drawing of lots. If either appraiser fails to propose the names of three appraisers or to strike two names as required above, the non-defaulting party will appoint the third appraiser from its list. The independent appraisers will then appraise the loss and submit any differences to the third appraiser. Each independent appraiser will be paid by the party selecting him. The expenses of the third appraiser shall be shared equally between **you** and **us**.

- **Premium Fully Earned**

If **you** have a total loss or a constructive total loss of **your boat** during the **period of insurance**, the full premium for the **policy** shall be considered fully earned and **you** shall receive no return premium on cancellation of **your policy**.

- **Co-Insureds**

Any denial, defence or avoidance of coverage for any claim based on the acts, omissions, breach of warranty or condition by one (1) **insured person** shall also apply against any claim by any other **insured person**.

- **Duplicate Coverage**

If a loss is covered under more than one (1) part of this **policy**, **we** will pay **you** under the part giving **you** the greatest amount of coverage, but not under more than one part. In no event will **we** make duplicate payments for a single loss.

- **Due Diligence**

It shall be the duty of every **insured person** to exercise due diligence to maintain all insured property in seaworthy condition and reasonably fit in all respects for the intended use of such insured property.

- **Sale, transfer or change in ownership**

If any interest in **your boat** is sold or transferred to a new owner, or any interest in the owning legal entity is changed, without **our** written consent, this insurance will be of no further force and effect and cancelled from the time of such sale, transfer or change. If **your boat** is at sea at the time of such sale, transfer or change, this insurance will continue until the **boat** arrives at a safe port, provided **you** request **us** to provide such coverage in advance.

- **Waiver or Impairment of Subrogation**

We shall acquire all **insured persons'** full rights to recovery and shall be entitled to subrogation against all parties responsible for any **occurrence** giving rise to a total, constructive total or partial loss covered by this insurance to the full extent of any payments we make under this section. **Our** rights of recovery and subrogation against all responsible parties shall be superior to any other rights of any **insured person** to recover against any responsible parties and shall supercede any **insured person's** rights to be made whole.

We shall bear all costs and expenses of **our** claims for subrogation and recovery, including attorneys' fees, and shall have full authority to compromise and release **our** claims and rights of subrogation without consultation with or agreement by any **insured person**.

All **insured persons** agree to provide their full cooperation with and assistance to **our** efforts to make recovery against responsible parties, including, but not limited to the provision of their testimony under oath at depositions and at trials (and to travel for those purposes upon **our** request and with reimbursement of reasonable expense), access to physical evidence, including the **boat** and its parts and components, for examination and testing, along with documents and electronic data, and to assist in obtaining testimony under oath at depositions and at trials of other witnesses including current and former **crew members**, vessel managers and other employees and contractors of any **insured person**.

You and any **insured person** must not do anything to impair such rights of recovery.

At **our** request, **you** or an **insured person** will bring an action at **our** expense, transfer or assign those rights to **us** and help **us** enforce them or **your** rights and cooperate with **us** in our attempt to recover **our** payment.

No one covered under this **policy** or acting on their behalf shall waive, limit or impair **our** right to recover and/or the amount to recover against a third party before or after a loss.

- **Salvage**

In the event **we** have paid **your** claim for any item that has been damaged where the amount paid has been based on the total loss of that item, **we** shall be entitled to, but not obligated to, take legal ownership of the item for which **we** have paid the claim, irrespective of its condition. **You** agree to provide to **us** all legal rights and title in the item if requested by **us**, where **we** have elected to take legal ownership of the item under this condition. This condition shall not apply where **we** have elected to pay the cost of any repair to **your** item.

When **we** pay a partial loss, **we** reserve the right to keep the remains, or the proceeds of sale, of any parts removed from **your boat** in connection with the repair of a partial loss, if any, up to the amount of **our** loss payment.

- **Assignment**

No assignment of or change of interest in this insurance or in any amount payable under it will be binding on or recognised by **us**.

No one covered under this **policy** may assign or turn over any right or interest in regard to the **policy** without **our** written consent.

- **Changes**

No change or modification of this **policy** shall be effective except when made by written endorsement issued by **us**.

- **No Benefit to Bailee**

This insurance shall not benefit any bailee.

- **Misrepresentation or Non-Disclosure**

We may decline to meet a claim and cancel the **policy** if any material information provided to **us** is inaccurate, untrue or if any material information has been withheld or omitted from disclosure, by or on behalf of the **insured person**.

Notwithstanding the foregoing, any fraudulent deliberate misrepresentation or concealment of information will void this **policy** from inception. If this happens, the **insured person** will lose any benefit that may have been due to them and must pay back any benefit that **we** have already paid them.

- **Bankruptcy or Death**

The filing of voluntary or involuntary bankruptcy proceedings by **you** (or filing for similar relief) shall not relieve **us** of any of **our** obligations. However, an **insured person** must notify us immediately upon filing or service of legal documents initiating any such proceedings. Further, if an **insured person** dies or becomes bankrupt or insolvent during the period of insurance, this **policy**, unless cancelled, will cover the **insured person's** legal representative for the remainder of the **period of insurance**.

- **Cancellation**

You may cancel this **policy** at any time by notifying **us** of the future date that the cancellation is to take effect.

We may cancel this **policy** in accordance with the Insurance Contracts Act (1984).

Subject to any term to the contrary and provided there has been no claim under the **policy** and there is no legal reason not to return the premium, then in the event of cancellation by **you** or by **us**, **we** will refund any unearned premium on the effective date of cancellation, or as soon as reasonably possible afterwards.

The unearned premium will be computed pro rata for the unexpired term of the **policy**.

- **Renewal**

All renewals of the **policy** shall be in accordance with the provisions found in the Insurance Contracts Act (1984).

- **Law**

This **policy** shall be governed by and construed in accordance with the laws of the State of New South Wales.

- **Jurisdiction**

Unless the **Certificate of Insurance** provides to the contrary this **policy** is subject to the exclusive jurisdiction of the courts Australia which shall have exclusive jurisdiction in any dispute arising hereunder.

- **Construction, Severability and Conformity to Law**

If any provision contained within this **policy** is, for any reason, held to be invalid, illegal, unenforceable in any respect, such invalid, illegal or unenforceable provision shall have no effect on any other valid, legal and enforceable provisions of this **policy**, and the valid, legal and enforceable provisions of this **policy** will continue to remain in full effect. Any invalid, illegal or unenforceable provision shall where permitted be construed by limiting it so as to be valid, legal and enforceable to the extent compatible with applicable law.

- **Fraud**

Any fraud, deliberate dishonesty, or hiding of information connected with a claim by an **insured person**, will make this **policy** invalid so far as concerns that **insured person**. If this happens, the **insured person** will lose any benefit due to them and they must pay back any benefit that **we** have already paid. If this happens, **we** will not refund any premiums.

- **Payment of premium**

You must pay the premium shown in **your Certificate of Insurance**. No cover will be provided the premium is not paid.

- **Goods and Services Tax (GST)**

Any claim payments made under this insurance will be based on GST inclusive costs, up to the relevant Sum Insured, Market Value or Agreed Value or maximum amount that **we** pay. However, if **you** are or would be entitled to claim any input tax credit for the repair or replacement of the insured property or for other things covered, **we** will reduce any claim under the **policy** by the amount of such input tax credit. **You** must advise **us** of **your** correct input tax credit percentage where **you** are registered for GST. **You** are liable to **us** for any GST liability **we** incur arising from **your** incorrect advice or inaction.

- **Claims Notification/Our Contact Details**

Either **you** or **your** Agent/Broker acting on **your** behalf must make a claim by one (1) of the following methods:

Notifying **us** directly on **our** claims contact numbers:

- Nautilus Claims Hotline: 1300 996 110
- Nautilus Marine Insurance: 1300 780 533
- Or via e-mail at claimsteam@nautilusinsurance.com.au



NM Insurance Pty Ltd
ABN 34 100 633 038 AFSL 227186
28-32 George Street, Sandringham, Victoria 3191
PHONE 03 8599 5000 FAX 03 8599 5099
www.nautilusinsurance.com.au

nminsurace

Nautilus Marine, the leading insurer for recreational boat insurance, charter vessel and insurance for the industries that support these vessels, is a brand of the NM Insurance group. Visit www.nminsurace.com.au