



Personal Watercraft Insurance

Product Disclosure Statement



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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 capitalised 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 this Personal Watercraft 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 the Personal Watercraft 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 organization 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 8599 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 has been given a binder authority by the insurers AIG Australia Limited, which allows Nautilus to enter into this Policy, to administer it and to handle and settle claims made under it within the terms of the binder authority. In doing so Nautilus acts for the insurer not You. Nautilus’ Australian Financial Services 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 Personal Watercraft Insurance has been designed by Nautilus in conjunction with Personal Watercraft owners like You, to protect You in the event of a loss such as a collision, sinking, Fire, storm or theft. Plus We also 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 Your insurance cover doesn’t meet Your needs, for whatever reason, and You have not made a claim, You can cancel 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 cover

So that You understand exactly what Your Personal Watercraft 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.

In each cover section of the Policy we set out what we cover in the left hand column of a table. In the right hand columns of the same table, under the heading (i) “Our Exclusions – You Are Not Covered For The Following” the exclusions and limitations respectively applying to each particular cover are set out in the same row as the cover. Any exclusion or imitation will therefore only apply to such cover if it corresponds or aligns with such cover.

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 Nautilus: 1300 780 533
- email customerservice@nautilusinsurance.com.au
- write to Nautilus Marine Insurance
28-32 George Street, Sandringham, Victoria 3191
- visit www.nautilusinsurance.com.au
- For claims call: 1300 996 110

A SUMMARY OF YOUR PERSONAL WATERCRAFT INSURANCE

You will only be entitled to the cover provided by this Personal Watercraft 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.

There are also exclusions and limitations which apply to certain events, as well as general exclusions which apply to all cover under this insurance.

Certain words have defined meanings You need to understand, which are found in the Definitions section of the Policy.

Please also 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 should read this PDS and Policy in full to properly understand the cover provided. You are not automatically insured under each cover.

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.

Work out what cover suits You

You need to ensure that the cover selected by You is suitable for Your needs and that the level of cover provided is adequate.

Depending on Your insurance needs You may elect to take out one of the following covers:

- **Comprehensive Cover** – This includes cover for Accidental loss or Damage to Your Personal Watercraft, the Legal Liability arising from the use of Your Personal Watercraft and Personal Accident cover;
- **Legal Liability Cover** – This cover is included when You select Comprehensive Cover. Otherwise You can choose to purchase Legal Liability cover only.

Your Personal Watercraft is comprised of the:

- Hull;
- Motors (including fuel tanks);
- Trailer;
- Equipment and Accessories.

Your Personal Watercraft includes any replacement Personal Watercraft. Personal Watercraft modifications are excluded unless We have agreed to them. If We have agreed this will be noted on Your Certificate of Insurance under 'Personal Watercraft Modifications'. It does not include contents but limited cover is provided for Personal Effects, under the Additional Benefits section of the Policy.

COMPREHENSIVE COVER

For **Comprehensive Cover** the following are some of the important things you need to consider if and when you select this coverage.

Insuring Your Personal Watercraft

You are responsible for deciding the amount of Your Sum Insured. If You are having difficulties working out the values please seek the advice or a valuation from a professional Personal Watercraft dealer.

Your Personal Watercraft can be insured on the following basis:

1. Agreed Value: Personal Watercraft up to 2 years of age

When You have purchased Your brand new Personal Watercraft through a professional dealership primarily involved in the sale of Personal Watercraft or boats, We agree to insure Your Personal Watercraft for the purchase price paid for 2 calendar years from the date You purchased Your Personal Watercraft. The purchase price and date of purchase must be advised to Us at the time of entering into the Policy.

At the end of 2 calendar years from the date You purchased Your Personal Watercraft the Policy will automatically convert to operate on a Market Value basis. You can contact Us and request that cover be amended to an Agreed Value in which case You must provide Us with details of Your requested Sum Insured. If We cannot agree on the Sum Insured value with You, Policy will be issued on a Market Value basis.

Agreed Value: Personal Watercraft over 2 years of age

If Your Personal Watercraft is older than 2 years of age, We will agree to insure Your Personal Watercraft:

- where You have owned the Personal Watercraft for less than 2 years, for the purchase price paid by You for 2 calendar years from the date You purchased Your Personal Watercraft. The purchase price and date of purchase must be advised at the time of entering into the Policy; or
- where You have owned the Personal Watercraft for more than 2 years, for a Sum Insured value that We agree will apply to Your Personal Watercraft.

If We cannot agree on the Sum Insured value with You, the Policy will be issued on a Market Value basis.

At the end of 2 calendar years from the date You purchased Your Personal Watercraft or the time We agreed to a Sum Insured value, the Policy will automatically convert to operate on a Market Value basis. You can contact Us and request that cover be amended to an Agreed Value in which case You must provide Us with details of Your requested Sum Insured. If We cannot agree on the Sum Insured value with You, Policy will be issued on a Market Value basis.

Market Value – If We cannot agree on a specified Agreed Value Sum Insured with You We will insure the Personal Watercraft on a Market Value basis. We will then pay up to the

Market Value (i.e. the cost to replace Your Personal Watercraft with a similar item of the same age and condition) of the Personal Watercraft assessed at the time of the event giving rise to the loss, or the Sum Insured shown on Your Certificate of Insurance, whichever is the lesser.

Coverages Available

With Comprehensive Cover Your Personal Watercraft is protected against Accidental loss or Damage, including the following major events:

- theft;
- Impact With a Solid Object;
- sinking;
- Fire;
- storm;
- Malicious Damage;
- transit Damage;
- water inflow.

Additional Benefits

If You have selected Comprehensive Cover You are also automatically entitled to various Additional benefits such as cover for:

- Personal Effects;
- Water Sports Equipment;
- Emergency Assistance for Your Personal Watercraft;
- Salvage Charges;
- Personal Accident cover;
- Lost Keys;
- Tyre and Rim Cover.

You may also be able to extend Your Comprehensive Personal Watercraft Cover to include the following Optional benefit (an additional premium may apply):

- Lay up cover;
- Personal Watercraft Racing cover;

A detailed explanation of this cover is provided later in this document.

LEGAL LIABILITY COVER

For **Legal Liability Cover**, We cover You for Your Legal Liability for injury to other people or Damage to their property when using Your Personal Watercraft or in certain circumstances a substitute Personal Watercraft.

Legal Liability cover includes cover for Accidental discharge, release or escape of fuel or lubricant clean up costs, and Liability cover for Waterskiing and/or Aquaplaning activities.

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.

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.

When We agree to enter into a Policy with You, 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.

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.

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 Personal Watercraft You want to insure, the limits and Excesses that will apply and 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.

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. Your premium is calculated on current rates and We then apply any no claim bonus premium discounts You may be entitled to. You will be entitled to our maximum no claim bonus premium discount if you have not experienced any pleasure craft related claims in the past 5 years.

Our no claim bonus discount works as follows:

- 30% discount if You have had no claims in the past 5 years;
- 20% discount if You have had 1 claim or less in the past 2 years;
- 10% discount if You have had 2 claims or less in the past 3 years; or
- 0% discount in all other cases.

The level of discount will be adjusted upon renewal depending on whether any claims are lodged during the previous Period of Insurance and this may either:

- increase Your discount if You have not made a claim (up to the next level or Our maximum level, whichever applies); or
- decrease Your discount (if You have made a claim); or
- remain the same.

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.

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.

If Your premium is payable in instalments, this may increase the amount of premium that You must pay. If the premium is payable in instalments, You must continue to pay the instalments to maintain cover. If You pay by 7 or more instalments each year and You fail to pay an instalment on time then, if the instalment remains unpaid for at least 14 days, We may refuse to pay any claim that arises after the unpaid instalment was due.

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.

We may deduct from any claim amount benefit payment, any unpaid premium or instalment of premium.

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 within the binder authority. 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>

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.

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 Pty Ltd,
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

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).

Distribution of this insurance by personal watercraft dealers

Pursuant to the ASIC Corporations (Basic Deposit and General Insurance Product Distribution) Instrument 2015/682 certain persons, including selected Personal Watercraft dealers, finance companies, and occasionally other persons have been authorised by Nautilus under their own AFSL as its general insurance distributors to deal in this insurance on Nautilus’ behalf.

These persons are not authorised to provide any advice on this insurance and have no binding authority to enter into any Policy or settle any claim or otherwise act on behalf of AIG Australia Limited.

Any person who provides financial services to You as Nautilus’s general insurance distributor will tell You that they are acting in that capacity.

Distributors’ remuneration

These distributors 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 Personal Watercraft 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 all Personal Watercraft Insurance policies 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 payable 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 to

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 administrating 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.

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

POLICY WORDING

Comprehensive cover

This cover will only apply if You have selected it, paid the applicable premium and it is shown as covered on Your Certificate of Insurance.

Subject to the terms, conditions limitations and exclusion of Your Policy and any other documentation provided to You, We will cover You for loss or Damage to Your Personal Watercraft caused by any of the Insured Events specified in the left hand column of the table below.

The exclusions operative and any applicable limits in relation to such specific insured events only are found in the right hand column directly adjacent to such specific insured events.

Please however note that any other exclusions, conditions and limits which are of a more general nature and detailed elsewhere in the Policy and other documentation provided to you may also be applicable to such specific insured event.

INSURED EVENT – YOU ARE COVERED FOR:	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: (See also General Exclusions)	COVER LIMIT PER CLAIM
<p>ACCIDENTAL LOSS OR DAMAGE</p> <p>We will cover You for Accidental loss or Damage to Your Personal Watercraft while it is being used by You or someone you have entrusted it to. This includes Damage caused by Fire, storm, Impact With a Solid Object, sinking and any other event not specifically excluded by the Policy.</p>	<ul style="list-style-type: none"> Loss or Damage specifically excluded under the other Insured Events listed in this table. 	<p>Sum Insured as specified on Your Certificate of Insurance.</p>
<p>THEFT</p> <p>We will cover You for the theft of Your Personal Watercraft and or/Water Sports Equipment.</p>	<ul style="list-style-type: none"> Theft by someone who is using Your Personal Watercraft with Your consent. 	<p>Sum Insured as specified on Your Certificate of Insurance.</p>
<p>MALICIOUS DAMAGE</p> <p>We will cover You for Malicious Damage to Your Personal Watercraft.</p>	<ul style="list-style-type: none"> Malicious Loss or Damage caused by You or a person acting with Your express or implied consent. 	<p>Sum Insured as specified on Your Certificate of Insurance.</p>
<p>TRANSIT DAMAGE</p> <p>We will cover You for loss or Damage sustained in an Accident which occurs while Your Personal Watercraft is being transported on its own Trailer by road, rail or ship.</p>	<p>Loss or Damage if:</p> <ul style="list-style-type: none"> Your Personal Watercraft is not designed to be normally transported on a Personal Watercraft Trailer; You have not complied with statutory requirements. 	<p>Sum Insured as specified on Your Certificate of Insurance.</p>
<p>WATER INFLOW</p> <p>We will cover You for loss or Damage sustained to Your Personal Watercraft by the entry of water into the Motor.</p>		

ADDITIONAL BENEFITS FOR PERSONAL WATERCRAFT COVER

Subject to the terms, conditions limitations and exclusion of Your Policy and any other documentation provided to You, the Policy is extended to include the following Additional Benefits when Your Personal Watercraft is lost or Damaged as a result of one of the Insured Events detailed under INSURED EVENT – YOU ARE COVERED FOR. The cover limits detail the maximum amounts that apply to each additional benefit in the event of such loss of Damage including any sub limits that may apply. The exclusions operative and any applicable limits in relation to such benefits only are found in the right hand column directly adjacent to such specific additional benefit.

Please however note that any other exclusions, conditions and limits which are of a more general nature and detailed elsewhere in the Policy and other documentation provided to you may also be applicable to such specific additional benefit.

ADDITIONAL BENEFITS	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: (See also General Exclusions)	COVER LIMIT PER CLAIM
<p>2 YEARS REPLACEMENT</p> <p>If Your Personal Watercraft is declared a Total Loss within 2 years of its original registration, We will at Our option replace Your Personal Watercraft with one of the same make, model or series. If a replacement Personal Watercraft is not currently available We will pay You either the Market Value or Agreed Value, whichever is shown on Your current Certificate of Insurance.</p> <p>Subject to the applicable exclusion, we will also pay Out of Pocket Expenses up to the limits noted in the Additional Benefits section of this Policy below.</p> <p>The cover provided will end as soon as one of the following occurs:</p> <ul style="list-style-type: none"> • The Policy is cancelled; • Two years from the original registration of Your Personal Watercraft; • Your Personal Watercraft has been sold. 		<p>Sum Insured as specified on Your Certificate of Insurance.</p>
<p>TYRE AND RIM</p> <p>We will cover You for loss or Damage to Your Personal Watercraft's Trailer tyre/s and or rim/s due to Impact which causes the tyre to puncture, burst, blow out or Damage to the rim so the tyre cannot be inflated. No Excess is applicable to a claim made under this additional benefit.</p>	<ul style="list-style-type: none"> • Failure of the tyre/s or rim/s due to wear and tear or gradual deterioration. 	<p>\$1,500 in total.</p>
<p>PERSONAL EFFECTS</p> <p>We will cover theft, loss or Damage to Personal Effects owned by You and Your passengers, which are being used or stored on Your Personal Watercraft at the time of loss or Damage. Proof of ownership will be required to substantiate any clam payable under this benefit. Unless otherwise agreed in the Policy, a \$200 Excess applies to all claims made under this additional benefit.</p>	<ul style="list-style-type: none"> • Loss or Damage to Personal Effects other than clothing, shoes, waterproof apparel, prescription glasses, prescription sunglasses, and go pro cameras. • Loss or Damage to Personal Effects unless they were on You or Your passengers or were used or stored on or in Your Personal Watercraft at the time of loss. • Theft of Personal Effects unless there is physical evidence of violent and forcible entry into Your place of storage. 	<p>\$1,500 per item, and \$10,000 in aggregate.</p>

ADDITIONAL BENEFITS	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: (See also General Exclusions)	COVER LIMIT PER CLAIM
<p>WATER SPORTS EQUIPMENT</p> <p>We will cover theft, loss or Damage to Water Sports Equipment owned by You, which is being used or stored on Your Personal Watercraft at the time of loss or Damage. Proof of ownership will be required to substantiate any claim payable under this benefit. Unless otherwise agreed in the Policy, a \$200 Excess applies to all claims made under this additional benefit.</p>	<ul style="list-style-type: none"> • Theft of Water Sport Equipment unless there is physical evidence of violent and forcible entry into the place of storage on Your Personal Water craft. • Loss or Damage to Water Sport Equipment unless the items were on or being used with Your Personal Watercraft at the time of loss. • Theft of Water Sport Equipment unless there is physical evidence of violent and forcible entry into Your place of storage. 	<p>\$1,500 per item, \$10,000 in aggregate.</p>
<p>EMERGENCY ASSISTANCE</p> <p>We will pay the cost of towing Your Personal Watercraft in an emergency to Your home or the nearest place where repairs can be made.</p> <p>No Excess is applicable to a claim made under this additional benefit.</p>		<p>\$5,000 in total.</p>
<p>LOST KEYS</p> <p>We will cover You for the loss or theft of the keys of Your Personal Watercraft including the costs associated with recoding the new keys. No Excess is applicable to a claim made under this additional benefit.</p>		<p>\$1,500 in total.</p>
<p>OUT OF POCKET EXPENSES</p> <p>We will cover You for the following in connection with replacing Your Personal Watercraft as a result of a Total Loss:</p> <ul style="list-style-type: none"> • Dealer delivery fees; • Registration costs; • Stamp duty (if applicable). 	<ul style="list-style-type: none"> • Out of Pocket Expenses unless We replace Your Personal Watercraft within 3 years of its original date of registration. 	<p>\$1,500 in total.</p>
<p>REPATRIATION COSTS</p> <p>We will pay the reasonable travel costs for You and/ or Your immediate family members to return to Your home city after an event occurs which results in a claim payable under this policy. The cover provided by this benefit will only be paid if the loss or damage sustained by Your Personal Watercraft necessitates Your immediate return home. No excess is applicable to a claim made under this additional benefit.</p>		<p>\$2,000 in total.</p>

ADDITIONAL BENEFITS	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: (See also General Exclusions)	COVER LIMIT PER CLAIM
<p>PERSONAL ACCIDENT</p> <p>You are covered in the event of</p> <ul style="list-style-type: none"> • death; or • an injury causing permanent and total loss of: <ul style="list-style-type: none"> i) sight of an eye; ii) the use of a limb; iii) the thumb or any finger; <p>caused directly and solely by a violent, visible and external Accident which occurs while You are using Your Personal Watercraft for private pleasure purposes or voluntary rescue work.</p> <p>We will pay up to:</p> <ul style="list-style-type: none"> • the Personal Accident Sum Insured of \$50,000 or the amount shown on Your Certificate of Insurance for claims involving death, permanent and total loss of use of a limb or the total loss of sight of an eye; • up to 20% of the Personal Accident Sum Insured of \$50,000 or the amount shown on Your Certificate of Insurance for claims involving permanent and total loss of the thumb or any finger. <p>We will also pay:</p> <ul style="list-style-type: none"> • Your reasonable costs up to \$5000 for certain emergency expenses You incur as a result of the personal Accident 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. • You funeral expenses to a maximum benefit of \$5,000 where Your death arises directly and solely by an Accident which occurred whilst using Your Personal Watercraft. 	<p>The cover under this additional benefit only applies to individual(s) that are listed as an insured on Your Certificate of Insurance.</p> <p>If more than one individual is listed as an insured on Your Certificate of Insurance the amount payable to the individual claiming under this additional benefit will be limited to the amount payable, divided by the number of individuals shown on Your Certificate of Insurance as insureds.</p> <p>Our payment is subject to the individual claiming under this additional benefit obtaining medical attention for the Accidental injury from a registered medical practitioner and undergoing any medical examination requested by Us.</p> <p>The cover under this additional benefit does not apply whilst racing.</p> <p>We will not pay for any claims 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, including Workers Compensation Legislation.</p> <p>We will not pay for any claims where:</p> <ul style="list-style-type: none"> • 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 loss of sight of an eye occurs after 12 months of the date of the Accident. 	

The Policy is extended to include the following Additional Benefits when Your Personal Watercraft is lost or Damaged as a result of one of the Insured Events detailed under INSURED EVENT – YOU ARE COVERED FOR. The cover limits detail the maximum amounts that apply to each additional benefit in the event of such loss of Damage including any sub limits that may apply. The exclusions operative and any applicable limits in relation to such benefits only are found in the right hand column directly adjacent to such specific additional benefit.

Subject to all applicable limitations, terms and exclusions, we Agree to provide the following covers;

ADDITIONAL BENEFITS	
<p>VOLUNTARY RESCUE WORK</p> <p>We extend cover under this Policy for loss or Damage caused by the Insured Events detailed under the INSURED EVENT – YOU ARE COVERED FOR: section where You use Your Personal Watercraft for voluntary rescue work.</p> <p>CONSIGNMENT</p> <p>We extend cover under this Policy for loss or Damage caused by the Insured Events detailed on under the INSURED EVENT – YOU ARE COVERED FOR: section while Your Personal Watercraft is on consignment for sale at a commercial marine dealership.</p> <p>Lay up cover is not available while Your Personal Watercraft is on consignment.</p>	<p>SALVAGE</p> <p>If Your Personal Watercraft is Damaged or sinks Accidentally and We agree to recover it or the law requires that it must be removed, We will pay the reasonable costs of the Salvage Charges incurred for the removal/recovery of the wreck. This cost will be paid in addition to the Sum Insured for Your Personal Watercraft noted on Your Certificate of Insurance.</p> <p>REPLACEMENT PERSONAL WATERCRAFT</p> <p>Cover is provided if You purchase another Personal Watercraft to replace Your Personal Watercraft described on Your Certificate of Insurance, and You have:</p> <ul style="list-style-type: none"> • notified Us within 21 days of its purchase; <li style="padding-left: 20px;">and • We have agreed to cover it under the Policy; and • You have agreed to pay Us the premium We require for it.

OPTIONAL BENEFITS FOR PERSONAL WATERCRAFT COVER

Subject to the terms, conditions limitations and exclusion of Your Policy and any other documentation provided to You, the following Optional Benefits can be added to Your Comprehensive cover. An additional premium may apply. If selected any benefits We agree to provide cover for will be shown on Your Certificate of Insurance. The cover limits detail the maximum amounts that apply to each additional benefit in the event of such loss of Damage including any sub limits that may apply. The exclusions operative and any applicable limits in relation to such benefits only are found in the right hand column directly adjacent to such specific additional benefit.

Please however note that any other exclusions, conditions and limits which are of a more general nature and detailed elsewhere in the Policy and other documentation provided to you may also be applicable to such specific additional benefit.

OPTIONAL BENEFITS – YOU CAN ADD TO YOUR COVER: (only applicable if We have agreed to provide the cover and if specified as covered in the Certificate of Insurance)	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: (See also General Exclusions)	COVER LIMIT PER CLAIM
<p>LAY UP COVER</p> <p>If You take this option, the cover for Your Personal Watercraft is restricted to Accidental loss or Damage caused by the Insured Events detailed on under the INSURED EVENT – YOU ARE COVERED FOR: section, occurring while Your Personal Watercraft is within the gates, walls or fence of Your home address (or at any location You have advised Us of and We have agreed to cover in writing) as shown on Your Certificate of Insurance. This restriction in cover gives You a monthly discounted premium and only applies during the period shown on Your Certificate of Insurance.</p> <p>Lay up cover is not available while Your Boat is on consignment.</p>	<p>Loss or Damage while in transit unless Your Personal Watercraft is being taken to or from a marine dealership for servicing and maintenance.</p> <p>Loss of Damage while Your Personal Watercraft is on consignment.</p>	<p>Sum Insured.</p>
<p>PERSONAL WATERCRAFT RACING</p> <p>If You have paid the additional premium required and Your Certificate of Insurance has racing cover endorsed onto Your Policy, We will cover You for loss or Damage sustained to Your Personal Watercraft whilst You are competing in any sanctioned Australian Watercraft Association race or event.</p>	<p>Your Legal Liability to pay compensation caused by Your negligence for Accidental death or bodily injury when such Accident arises directly or indirectly out of or caused by or in connection with the use of Your Personal Watercraft once the race or event has commenced. Sanctioned races or events are deemed to have commenced once the race director/race officials have active control of the race or event.</p>	<p>Sum Insured.</p>

LEGAL LIABILITY COVER

The cover provided in this section will apply if You have selected Personal Watercraft Cover or You otherwise choose just to take out Legal Liability Cover, paid the applicable premium and it is shown as covered on Your Certificate of Insurance (subject to the other terms and conditions, exclusions and limitations of the Policy).

We will cover Your Legal Liability

To pay compensation as a result of an Accident which is caused by Your negligence when:

(i) using Your own Personal Watercraft which causes:

- Accidental death or bodily injury to a person other than You;
- Accidental Damage to other people's property;
- Accidental death or bodily injury to You when another person allowed by You is in control of Your Personal Watercraft.

Cover under (i) will also cover the negligence of someone using Your Personal Water Craft with Your permission.

(ii) when using a substitute Personal Watercraft which causes:

- Accidental death or bodily injury to a person other than You;
- Accidental Damage to other people's property; provided that:
 - You have permission from the owner to use the substitute Personal Watercraft;
 - Your Personal Watercraft is not being used at the time;
 - You or any member of Your household do not own or have any interest in the substitute Personal Watercraft.

The amount We will Pay

We will pay the cost of compensation and legal fees and expenses that You or any other person covered by the Policy is legally liable for provided that We consent to the costs of any legal fees and expenses You or they incur in writing before they are incurred.

The maximum amount We will pay under this cover is the Limit of Liability amount shown on Your Certificate of Insurance in total for all claims that arise from any one Accident, during the Period of Insurance.

This maximum includes all legal fees and expenses.

Accidental discharge, release or escape of fuel or lubricants and clean up after an Accident

We will cover You for:

- property Damage caused by or arising from a sudden unexpected and unintended discharge directly or indirectly arising from the release or escape of fuel or lubricants from Your Personal Watercraft occurring at a clearly identifiable

time and place during the Period of Insurance, provided that the fuel or lubricants are being used in connection with the operation of Your Personal Watercraft at the time of Loss;

- the cost of cleaning an Accident site following the abovementioned discharge, release, or escape of fuel or lubricants provided that You are legally liable for the clean-up; and
- any fines or penalties imposed on You for a breach of any federal, state or local environmental protection legislation ("the breach") provided that the breach was not caused by gross negligence or misconduct by You or any person in possession of Your Personal Watercraft with Your permission. Cover for fines and penalties is limited to a maximum of \$50,000 during the Period of Insurance.

We will pay no more than \$500,000 (inclusive of legal costs and any fines or penalties) for any one Accident or discharge or series of accidents or discharges arising out of the same event in relation to this cover.

Water-Skiing and Aquaplaning Activities

We will cover You or any person allowed by You to control Your Personal Watercraft with Your permission and the observer (within the requirements of any law) against Legal Liability for:

- Accidental death or bodily injury to a water skier or aquaplaner (including You) towed by Your Personal Watercraft;
- Accidental death or bodily injury to any person caused by a water skier or aquaplaner being towed by Your Personal Watercraft;
- Accidental Damage to another person's property caused by a water skier or aquaplaner being towed by Your Personal Watercraft.

This benefit will also cover the water skier or aquaplaner being towed by Your Personal Watercraft for their Legal Liability to others for Accidental death or bodily injury or Damage to another person's property.

In addition to the Legal Liability exclusions specified under "exclusions to Your Legal Liability cover", the following exclusions will apply to this benefit.

Liability arising out of Waterskiing or Aquaplaning when:

- there is not a legally competent observer in addition to the driver on board Your Personal Watercraft at the time of the Accident;
- an aerial device or ski ramp is being used;
- a ski pole is being used unless it has been professionally designed, manufactured and installed.

Liability arising out of the towing of:

- any person by Your Personal Watercraft that breaches any statutory requirements;
- any device not designed and professionally manufactured for the purpose of being towed behind Your Personal Watercraft.

Exclusions to Your Legal Liability Cover

We will not pay for Legal Liability that arises:

- from bodily injury, illness or death:
 - to You or any person covered by the Policy unless specifically covered elsewhere in this Policy;
 - to any person allowed by You to control Your Personal Watercraft;
 - to a person who is covered or should have been covered by any compulsory compensation insurance, including any compulsory third party insurance;
 - either caused by, directly or indirectly from, or in any way connected to the activity of scuba diving.
- from Loss or Damage to:
 - any property owned by You or in Your physical or legal control;
 - any property owned by, or in the physical or legal control of a person allowed by You to control Your Personal Watercraft;
 - third party property arising while Your Personal Watercraft is being towed by a vehicle or from Your Personal Watercraft breaking away from or Accidentally becoming detached from the towing vehicle.
- while Your Personal Watercraft is in the charge of or physical control of Personal Watercraft repairers, yacht clubs or marina operators unless for emergency purposes to minimise any loss or Damage covered under the Policy;
- out of the towing of any persons or objects in the air;
- from the transmission of any disease;
- from asbestos or any product containing asbestos;
- from any event or liability for which You are required by law to hold an insurance Policy or otherwise covered under any compulsory insurance;
- for any penalties, fines, punitive or exemplary or aggravated damages for which You are liable;
- for actions brought against You in a court outside Australia or a court that applies law that is not Australian law;
- Your own gross negligence or misconduct;
- the gross negligence or misconduct of any person in possession of Your Personal Watercraft with Your permission.

General Exclusions operative in respect of Comprehensive Cover as well as Legal Liability Cover

You are not covered for any liability, loss or Damage or costs incurred caused by, arising or resulting from:

- the failure to maintain Your Personal Watercraft in good order and repair, or in a proper state of seaworthiness and in compliance with any statutory requirements;

- wear and tear, mould, gradual deterioration, delamination, vermin, corrosion, electrolysis, osmosis or marine growth;
- inherent defects, structural faults, faulty workmanship or faulty design;
- the use of Your Personal Watercraft covered by the Policy for hire, charter or reward of any kind unless You have advised Us and We have agreed to extend cover in writing;
- any illegal or deliberate action by You, or someone acting with Your express or implied consent;
- Your Personal Watercraft covered by the Policy having been fitted with a Motor more powerful than that recommended by the manufacturer of the Hull, unless agreed in writing;
- the lawful seizure, confiscation, nationalisation or requisition of Your Personal Watercraft covered by the Policy;
- Irrespective of whether You have given permission to a person, Your Personal Watercraft covered by the Policy being under the control of:
 - an unlicensed person when a license is necessary;
 - a person under the influence of alcohol or drugs;
 - a person who has been refused Personal Watercraft or 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.

Provided that You can show that (i) You did not know or had no reason to suspect that the person in control of Your Personal Watercraft fell into any of the aforementioned categories or (ii) it was reasonable for that person to assume control of Your Personal Watercraft as a result of an unforeseen emergency, then this exclusion shall not apply.

- Your Personal Watercraft covered by the Policy being used for Personal Watercraft racing or speed tests, unless You have advised Us and We have agreed to extend cover in writing;
- a lack of reasonable care, protection and/or security of Your Personal Watercraft covered by the Policy or other insured property;
- Your Personal Watercraft covered by the Policy exceeding the speed limit shown on Your Certificate of Insurance;
- the use of Your Personal Watercraft covered by the Policy or other insured property for any unlawful or illegal purpose;
- false or fraudulent representation by You or any person who is acting with Your express or implied consent. In addition to refusing payment of the claim, We will be entitled cancel the Policy under these circumstances;
- war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or by contamination or pollution by chemical, biological or nuclear agents which results from an act of terrorism;
- pollution or contamination except as otherwise specifically covered in the Policy;
- an incident involving Your Personal Watercraft while it is outside the Geographic Limits shown on Your Certificate of Insurance unless specified in this insurance or unless You have advised Us and We have agreed to extend cover in writing;

- a bushfire or named cyclone within the first 48 hours of the start of the Policy unless You bought Your Personal Watercraft on the original start date of the Policy (not including a renewal) or You transferred a Personal Watercraft Insurance Policy, with equivalent cover, from another insurance company without interruption in cover;
- electronic or mechanical derangement of electronic equipment, data, virus, malfunction or processing error;
- mechanical, structural, electrical or electronic breakdown or malfunction unless directly caused by one of the insured events listed earlier in this Policy;
- the modification of Your Personal Watercraft from the manufacturer's specifications unless You have advised Us and We have agreed to extend cover in writing;
- mechanical parts that are not in accordance with the manufacturer's original specifications; unless You have advised Us and We have agreed to extend in writing;
- a Motor caused by or resulting from seizure and/or overheating unless caused by an Accident which is otherwise an accepted claim under the Policy;
- radioactivity or the use, existence or escape of any nuclear fuel, nuclear material or nuclear waste.

You are also not covered for:

- loss of income or loss of profit;
- Your liability under any contract, or if You have agreed to or accepted liability without Our agreement first;
- acts or omissions by You or someone with Your consent, if the acts are unlawful or are intended to be done with reckless disregard for the consequences.

Goods and Services Tax (GST)

This insurance does not cover any amount of GST or any fine, penalty or charge that You are liable for because of a failure to disclose or a mis-statement made by You in relation to Your entitlement to an input tax credit. You must tell Us if You become aware that the extent of Your entitlement to an input tax credit for Your premium, disclosed to Us is incorrect.

GENERAL CONDITIONS APPLICABLE TO ALL COVERAGES UNDER THE POLICY

Keep Insured Property in good condition and Repair and always protected

Irrespective of whether Your cover is Comprehensive or Legal Liability only, You must maintain Your Personal Watercraft, 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 Personal Watercraft, 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 We may reduce or refuse to pay a claim. If You

do suffer loss or Damage to Your Personal Watercraft, Trailer, Equipment and Accessories 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.

The easiest way to do this is by keeping receipts, valuations and other forms of purchase confirmation such as model and serial numbers.

Current colour photos of Your Personal Watercraft and Equipment and Accessories are another means proof of ownership can be substantiated.

Tell us if you modify your Personal Watercraft or change its use

We allow modifications to Your Personal Watercraft that You have told Us about, providing they have been fitted by a professional Personal Watercraft dealer and We have agreed to cover them in writing.

It is important to note that adding modifications to Your Personal Watercraft can change the Excess as well as Your Policy premium. Alternatively We may cancel the Policy or decide not to offer renewal.

Please be aware that some modifications We don't know about or don't agree to insure may entitle Us to refuse or reduce a claim payment. Therefore always answer any questions We ask You about Your Personal Watercraft accurately and honestly and tell Us about any modifications you make to Your Personal Watercraft.

Transfer of Interest

If Your Personal Watercraft is sold or transferred to a new owner, or there is a change in any interest in the ownership of Your Personal Watercraft, the Policy will no longer cover Your Personal Watercraft from the time of such sale, transfer or change of ownership. We will cover Your replacement Personal Watercraft in accordance with the replacement Personal Watercraft benefit in the Additional Benefits section 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 to the extent permitted by law.

Applicable Excess

An Excess is the amount You contribute when a claim is accepted under this insurance. The Excess applicable to Your cover may depend on the type of claim You make and is shown on Your Certificate of Insurance and/or Your PDS/Policy.

Specific Excess Details

There is however some Excesses which may apply irrespective of whether they are reflected on the Certificate of Insurance. These are:

- A \$2,000 Excess will be applied to any claim for theft when You store Your Personal Watercraft within a complex that has shared parking arrangements and there are no signs of visible and forcible removal of Your Personal Watercraft.
- A \$1,000 Excess will be applied to any claim for theft where there is no physical evidence of violent and forcible removal of Your Personal Watercraft.
- the Excess noted on the Certificate of Insurance will be applied to any claim for loss or Damage to Your Personal Watercraft's Motor caused by water inflow where the Hull has had an Impact With a Solid Object that has caused a break in the Hull.
- A \$5,000 Excess will be applied to any claim for loss or Damage to Your Personal Watercraft's Motor caused by water inflow where there has been no Impact With a Solid Object and no break in the Hull.
- A \$5,000 Excess applies if Your Personal Watercraft is uneconomical to repair due to water inflow Damage and Your Personal Watercraft is declared a Total Loss.

The Personal Watercraft's seat detaching from the Hull is not considered a "break in the Hull" for the purpose of applying some of these Excesses.

Age/Experience Excess

An additional Excess of \$500 will apply in addition to the basic Excess noted on Your Certificate of Insurance for any claim for loss or Damage caused to, or by, Your Personal Watercraft whilst it is being operated by any person:

- Who is 25 years of age or younger, or;
- Who has held an approved licence or licence endorsement issued by the respective State or Territory for the use of Personal Watercraft for less than 2 years.

This additional Excess does not apply to Theft or Water Inflow claims.

Racing Excess

If Your Policy covers You for racing an Excess of \$1,000 will apply to all claims for loss or Damage caused to, or by, Your Personal Watercraft whilst it is being raced.

Nil Excess

No Excess is payable for claims relating to:

- death or bodily injury under the Personal Accident and or Legal Liability cover provided by the Policy;
- loss of Damage to Your Personal Watercraft which is caused by a third party providing You can identify the third party at fault and provide their name, address, phone number and insurance company details. This waiver of the Excess does not apply to any claims whilst racing Your Personal Watercraft;
- theft if Your Personal Watercraft was fitted with an Australian supplied and monitored Microdot Identification system or GPS/ GSM Tracking device and there is evidence of violent and forcible removal of Your Personal Watercraft.
- Lost Keys; or
- Emergency Assistance.

Other Party's Interests

We only cover Your interest in the insured property, unless We specifically include cover for the interest of another party.

You must tell Us of the interests of all parties (e.g. credit providers or other owners) whose interests You want covered by the Policy. We will cover their interests only if You have told Us about them and We have shown them on Your Certificate of Insurance.

If You Have Borrowed Money To Buy Your Personal Watercraft

If a credit provider is shown as having an interest in Your Personal Watercraft on Your Certificate of Insurance and, if You have a claim and We agree to settle on a cash basis, We have the option of making this payment to the credit provider in full or part settlement of Your claim.

In this situation, We will pay the credit provider the amount We agree to settle the claim, up to the amount outstanding under Your finance contract.

Reinstatement of Sum Insured For Certain Claims

When We pay a claim for Your Personal Watercraft that is not a Total Loss, or repair an item, the relevant Sum Insured for Your Personal Watercraft or item will be automatically reinstated to the same amount shown on Your Certificate of Insurance unless We tell You otherwise in writing.

If Your Personal Watercraft is a Total Loss

If there has been a Total Loss payout made by Ourselves, Your Personal Watercraft, Trailer and/ or any item/s will become Our property and We will keep the proceeds of any Salvage sold.

There is no premium refund payable if We settle a claim for Your Personal Watercraft on a Total Loss basis.

CLAIMS

If an event occurs that is likely to result in a claim, you will need to do the following. Please note all items may be applicable to Your claim.

- report the Accident to the appropriate Maritime Authority;
- do what You can to prevent any further loss, Damage, cost or liability;
- tell the police if the event involves theft, attempted theft, Malicious Damage or impact;
- contact Nautilus as soon as possible;
 - call 1300 780 533 or the claims hotline 1300 996 110; or
 - email: claimsteam@nautilusinsurance.com.au

You must never, without Our consent:

- admit guilt, fault or liability or take any action which may be construed as such (except where required by law);
- offer or negotiate to pay a claim;
- approve any repairs or arrange replacements (other than emergency repairs necessary to minimise or prevent further loss or Damage);
- dispose of any Damaged property.

We will also require You to:

- provide Us with the proof that We require regarding lost or Damaged items or Out of Pocket Expenses;
- help Us manage the claim, which may include Us inspecting Your Personal Watercraft or asking You questions, or You providing written statements to Us under oath;
- keep items that have been Damaged and allow Us to inspect them or assess repair costs;
- allow Us to take possession of Damaged property that is the subject of a claim;
- send Us any communication You receive relating to the claim (including telling Us of pending court proceedings or offers of settlement);
- help Us as We work to negotiate, defend or settle any claim made under the Policy and to exercise for Our benefit Your legal right of recovery against any other party;
- tell Us about any other insurance that may be relevant to the claim.

What happens after you make a claim?

If Your Personal Watercraft is covered under the Policy We will at Our discretion:

- repair or replace Your Personal Watercraft, Trailer or Personal Effects, or Equipment and Accessories; or
- pay You the reasonable cost of repairing or replacing Your Personal Watercraft, Trailer or Personal Effects, or Equipment and Accessories less any depreciation and/ or contribution that may apply; or
- pay You the Agreed Value or Market Value of Your Personal Watercraft or Personal Effects or Equipment and Accessories (whichever is applicable).

Costs of dismantling, diagnosis and reassembly

If You make a claim for loss or Damage to Your Personal Watercraft, We may require You to dismantle it or authorise Us to dismantle it, so We can assess Your claim and/or decide if it is valid. We may refuse to assess or pay Your claim if You do not agree to this.

If We determine that the claimed loss or Damage is not covered, You will be responsible for the costs of the above dismantling as well as any costs associated with it (including but not limited to any diagnosis, reassembly, repair, and/or replacement costs).

If We determine that the claimed loss or Damage is covered, We will settle Your claim in accordance with the terms and conditions of the Policy (including the operation of any Excess).

However, We will never pay more than the relevant Sum Insured or limit specified in this document or on Your Certificate of Insurance, less any applicable Excess.

If We pay You the reasonable cost of repairing or replacing Your Personal Watercraft, Trailer or Personal Effects or Equipment and Accessories Our payment will be based on the cost required to repair or replace it as near as possible to its appearance and condition immediately prior to the claimed loss or Damage.

If Your claim involves loss or Damage to the mechanical and electrical components of the Motor and We decide to repair or replace the Motor then We will only use, genuine parts subject to the availability of such parts.

Expenses to avoid or minimise loss

If Your Personal Watercraft sustains Damage or gets into difficulties in an Accident, We will pay the reasonable cost to minimise loss or Damage such as:

- removing Your Personal Watercraft to safety (including emergency towing);
- drying all the electrical equipment on the Personal Watercraft and Motor;
- cleaning and oiling of the Motor by a qualified mechanic.

You do not need Our authority to take such action if it is an emergency and You are unable to contact Us to obtain Our authority. You must however advise Us as soon as possible after the action has been taken.

Such costs incurred in such an emergency situation is in addition to the Sum Insured shown on Your Certificate of Insurance for Your Personal Watercraft.

Geographic limits and Period of Insurance

Cover is only provided under the Policy in relation to events causing loss, Damage or liability which occur:

- during the Period of Insurance; and
- within the Geographic Limits shown on Your Certificate of Insurance. All cover provided by the Policy will be automatically suspended when Your Personal Watercraft clears Australian Customs and Immigration for the purpose of leaving Australian waters and will recommence when it clears Australian Customs and Immigration on return.

However We will provide cover in the following circumstances:

- if Your Personal Watercraft goes beyond the Geographic Limits to reasonably respond to an unforeseen emergency;
- if Your Personal Watercraft goes beyond the Geographic Limits because of circumstances beyond Your control or the reasonable control of the person in charge or control of Your Personal Watercraft;
- if You advise Us You will go beyond the Geographic Limits and We agree to extend cover in writing.

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.

DEFINITIONS

Accident/Accidental/Accidentally

means an event that occurred during the Period of Insurance that You did not expect or intend to happen. It also includes a series of accidents arising out of the one event.

Agreed Value

means the amount(s) We agree to insure Your Personal Watercraft as shown on Your Certificate of Insurance. If We have issued an Agreed Value Policy Your Certificate of Insurance will show Agreed Value.

Certificate of Insurance

means the relevant Certificate of Insurance We give You when You first buy the Policy or whenever any part of the Policy is changed or when the Policy is renewed. You should always check to ensure the information shown on Your Certificate of Insurance is correct. If anything is incorrect please contact Us immediately.

Damage/Damaged

means any form of physical harm that occurs to Your Personal Watercraft during the Period of Insurance, excluding any normal wear and tear or any evident prior to this Policy being incepted.

Equipment and Accessories

means items manufactured and intended for use on Your Personal Watercraft which are portable or not permanently attached to the Hull.

Equipment includes depth sounders, marine radios/transceivers, navigation equipment, fish finders, tools.

Accessories include Personal Watercraft covers, portable fuel tanks (fuel bladders), anchors and safety equipment as required by law.

Excess

means the amount You must contribute when a claim is accepted under the Policy as shown on Your Certificate of Insurance or detailed further within this Your Policy.

Finance Contract

means the finance arrangement with the credit provider for Your Personal Watercraft which provider and the amount financed shown on Your Certificate of Insurance.

Fire

means Accidental Damage caused to the Personal Watercraft from combustion of materials.

Geographic Limit(s)

means all waters within Australia and those waters off the coast of Australia as shown on Your Certificate of Insurance and/or other Policy documents.

Hull

means the shell of the Personal Watercraft, deck, fixtures and fittings that are not normally removable and would normally be sold with the Personal Watercraft.

Impact With A Solid Object

means hitting or coming into contact with a non liquid substance (e.g. wave).

Lay up

means the period nominated by You during which You do not use Your Personal Watercraft and You keep it on its Trailer at the address shown on Your Certificate of Insurance.

Loss

means any Damage, destruction, death, injury, illness, liability, cost or expense resulting from the use of Your Personal Watercraft during the Period of Insurance.

Limit of Liability

means the amount shown on Your Certificate of Insurance which is maximum amount We will pay for all claims that arise from one Accident under the Legal Liability cover. This maximum includes all legal fees and expenses.

Malicious Damage

means intentional Damage to Your Personal Watercraft by someone other than You and without Your consent.

Market Value

means the retail value of items of a similar type, age and condition, with adjustment for special features if any. We may use recognised industry publications to calculate the value of Your Personal Watercraft. If We have issued a Market Value Policy Your Certificate of Insurance will show Market Value.

Motor

means the engine as described on Your Certificate of Insurance and include the gearbox, jet unit, wiring harness, instruments and control cables.

Out of Pocket Expenses

means any of the following in connection with replacing Your Personal Watercraft as a result of a Total Loss:

- delivery charges;
- registration costs;
- stamp duty.

Period of Insurance

means the period of time that You are covered by the Policy. It commences at the time We agree to insure You and finishes at 4.00pm on the date of expiry of the Policy. This period is shown on Your Certificate of Insurance.

Personal Effects

means clothing, shoes, waterproof apparel, prescription glasses, prescription sunglasses, belonging to You or any passenger which are being used or stored on Your Personal Water Craft at the time of loss.

Unless otherwise agreed in the policy, the cover limit provided under Personal Effects is not payable over and above the Sum Insured in the event of a Total Loss.

Personal Watercraft

means the Personal Watercraft described on Your Certificate of Insurance, including its Hull, Motor/s (including fuel tanks), Trailer, Equipment and Accessories. A Personal Watercraft (PWC) is a craft propelled by an inboard motor powering a water jet pump. The operator sits, stands or kneels on the craft and uses handle bars to steer the craft.

Personal Watercraft modifications are excluded unless We have agreed to them. If We have agreed this will be noted on Your Certificate of Insurance under 'Personal Watercraft Modifications'. It includes any replacement Personal Watercraft.

Policy

means Your insurance contract with Us. It includes;

- the PDS,
- the Policy Wording document,
- the Certificate of Insurance, and

any other document We tell You forms part of the terms and conditions of Your cover, including any endorsement is issued by Us.

Salvage

means either the action of saving Your Personal Watercraft in a time of peril or what is left of Your Personal Watercraft after it has suffered loss or Damage.

Salvage Charges

means reasonable charges and expenses which are incurred in Salvage or in preventing or minimising loss or Damage to Your Personal Watercraft.

Sum Insured

- means for an Agreed Value Policy the sum(s) insured shown on Your Certificate of Insurance for any item(s). This is the maximum amount We will pay in relation to the relevant item(s).
- means for a Market Value Policy the maximum amount We will pay for any item(s), which will be the lesser of either the Sum.

Insured shown on Your Certificate of Insurance or the Market Value of the lost or Damaged property.

Tools

means those tools used for the normal operation of Your Personal Watercraft.

Total Loss

means;

- the loss of Your entire Personal Watercraft for a period We determine is reasonable in the circumstances; or
- Damage to Your Personal Watercraft which We consider to be uneconomical to repair.

Trailer

means a roadworthy vehicle in a condition that complies with registration requirements and is designed to be towed by a motor vehicle and used in transporting Your Personal Watercraft as shown on Your Certificate of Insurance.

Waterskiing or Aquaplaning

Means a person or persons being towed across the surface of the water either barefoot, or on waterskis or other similar equipment professionally designed and manufactured for the purpose of being towed by Your Personal Watercraft.

Water Sports Equipment

means Water Sports Equipment owned by You, such as 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 Waterskiing or Aquaplaning equipment (i.e. waterskis, wakeboards, kneeboards, vests, ropes and other professionally designed and manufactured equipment for the purpose of Waterskiing, Aquaplaning or wakeboarding behind Your Personal Watercraft.

Watersports Equipment does not include flyboards and any other aerial devices. Proof of ownership will be required to substantiate any claims for Water Sports Equipment.

Unless otherwise agreed in the policy, the cover limit provided under Watersports Equipment is not payable over and above the Sum Insured in the event of a Total Loss.

We, Us, Our

means AIG Australia Limited acting through their agent NM Insurance Limited (ABN 34 100 633 038) (AFSL 227186).

You, Your

means the person or persons named as the insured on Your Certificate of Insurance. If more than one person is named as the insured, We will treat a statement, act, omission or claim of any one of those people as a statement, act, omission or claim by all those people.

OUR OBLIGATIONS TO YOU

RENEWING THE POLICY

At least 14 days before the Policy expires We will send You a renewal notice, outlining Our renewal terms, if any. You are not obliged to renew the Policy with Us.

If You pay Your Policy in monthly instalments then unless You are otherwise notified by Us, We will automatically renew Your Policy each year on the terms contained in the renewal invitation We send You, unless You tell Us otherwise prior to the expiry date. This Policy (together with any amendments, updates or endorsements that We give You in writing) also applies for any offer of renewal We make, unless We tell You otherwise or issue You with a new updated Policy.

Your cooling off period continues to apply on each renewal. Each renewal is a separate contract and not an extension of the prior contract.

CANCELLING YOUR INSURANCE

You can cancel the Policy at any time by calling Us. We will explain the cancellation process to You. We will refund any premium You have paid, less an amount that covers the period for which You were insured, unless there has been a Total Loss in which case there is no premium refund.

We can cancel Your insurance to the extent permitted by law, for example if You do not comply with the Policy terms and conditions, fail to pay Your premium, make a fraudulent claim or if You did not comply with Your Duty of Disclosure or misrepresented information when You entered into the Policy. If We cancel the Policy We will send You a cancellation letter.

CONFIRMING TRANSACTIONS

You may contact Us in writing or by phone to confirm any transactions under Your insurance if You or Your adviser do not already have the required Policy confirmation details.



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

nminsurance

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