



This Product Disclosure Statement is issued by:
QBE Insurance (Australia) Limited
ABN 78 003 191 035 AFS Licence 239545

82 Pitt Street
Sydney NSW 2000
Telephone 1800 730 121

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MemberCare[®] Boat Insure Policy

Product Disclosure Statement
incorporating the Policy Wording

QIM3046-03.13



MEMBERcare

Introduction & Welcome

We understand how important it is to be comfortable with your cover so we're glad you chose QBE to take care of your insurance. As the largest Australian owned general insurer and reinsurer, we've been taking care of the insurance needs of Australians since 1886. Safe, strong and secure, you can be confident you've made a great choice.

Inside, you'll find the information you need to know about your Policy. We explain what your Policy covers, information about discounts and excesses and importantly, how to make a claim. Remember, whether you call us for a quote, or to report a claim, or to change your details, you can rely on our friendly team to help you.

Please take the time to read through this booklet and if you have any questions or need more information, call us on 1300 133 024 or the phone number at the top of your Policy Schedule.

Thank you for making QBE your first choice.

About P&N Bank

P&N Bank is a different kind of bank; a member-owned bank. Our main point of difference is that we are a mutual organisation, which means all profits we make are reinvested back into the business for the benefit of our members. This enables us to bring you friendly, personalised service with banking products designed to put your interests first, as well as lower fees and competitive rates.

As Western Australia's only locally owned and managed bank, we put our members first. We offer convenient banking access via internet, phone and mobile. We also have 17 branches located throughout WA and a network of over 3,500 ATMs Australia-wide.

To find out more, please contact us on 13 25 77, visit pnbank.com.au or drop into your local branch.

Police & Nurses Limited ABN 69 087 651 876 AFSL/Australian Credit Licence 240701 can issue, vary, renew and cancel this insurance policy under a 'binder' provided by the Insurer. A 'binder' is an agreement that allows P&N Bank, as an agent of the Insurer, to enter into contracts of insurance on behalf of the Insurer. This means that the insurance policy issued to you by P&N Bank is binding on the Insurer just as if it had issued the policy itself.

Product Disclosure Statement

This Product Disclosure Statement (PDS) which incorporates your Policy wording is designed to help you understand the Policy and to decide whether to purchase this insurance product. To assist with your decision we have divided this PDS into two (2) sections:

1. The first section highlights important information about this insurance Policy including its significant features and benefits, the risks and some information about how the premium is calculated.
2. The second section is the Policy wording and sets out all the terms, conditions and limitations of this insurance Policy.

It is important that you read both of these sections carefully before you apply for this insurance, to make sure you understand the insurance cover provided and the policy's limitations.

For future reference, you should retain this PDS in a safe place.

Confirmation Facility

You may obtain confirmation of any policy transaction by calling 1800 730 121 or emailing info@pnbank.com.au

Section 1 – Significant Policy Information

How you can contact us	5
The General Insurance Code of Practice	5
How to apply for this insurance	5
Your Duty of Disclosure	6
Privacy	7
Financial Claims Scheme	8
Significant features and benefits of this insurance	8
Significant risks of this insurance	9
Payments	9
General exclusions of this insurance	10
Taxation information about this insurance	11
How we price this insurance product	11
Dispute resolution	11
Your Cooling-off period	12
Making a claim	12

Section 2 – The Policy Wording

Our agreement with you	15
Words that have special meanings	15
Explanation of excesses	18
Section 2A – Damage to Your Property	19
Section 2B – Extra benefits	21
Section 2C – Legal liability	23
Section 2D – Exclusions	25
Section 2E – General conditions	26
Section 2F – What to do in the event of a claim	29
Section 2G – No claim bonus	30
Endorsements	31
Section 2H – Racing extension – Sail craft only	31
Section 2I – Waterskiers extension – Motorised boats only	32

Section 1

Significant Policy Information

Who is the insurer of this Policy?

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFS Licence 239545 is the insurer of the policy.

How you can contact us

You may contact us by phone or by writing to us at:

QBE Insurance (Australia) Limited
82 Pitt Street
Sydney NSW 2000

Policy enquiries: 1800 730 121

Claims enquiries: 1300 660 727

The General Insurance Code of Practice

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice.

The Code aims to:

- promote more informed relations between insurers and their customers;
- improve consumer confidence in the general insurance industry;
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and
- commit insurers and the professionals they rely upon to higher standards of customer service.

How to apply for this insurance

Before you apply for this insurance it is important that you read, understand and accept your duty of disclosure and our privacy promise. You can apply for this insurance by completing our application process that is administered by the Direct Insurance Network (DIN) located at your financial institution.

If we accept your application, you will receive a Policy Schedule that identifies the insured, the insurer, the period of insurance, the premium, the taxes and stamp duty paid in the premium, the cover(s) selected, the limits of liability, any excesses and other important information.

Your Duty of Disclosure

Under the *Insurance Contracts Act 1984* (Cth) (the Act), you have a duty of disclosure. The Act requires that before a Policy is entered into, you must give us certain information we need to decide whether to insure you and anyone else to be insured under the Policy, and on what terms. Your duty of disclosure is different, depending on whether this is a new Policy or not.

New business

Where you are entering into this Policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) you must tell us everything you know and that a reasonable person in the circumstances could be expected to tell us, in answer to the specific questions we ask.

When answering our questions you must be honest.

- **Who needs to tell us**

It is important that you understand you are answering our questions in this way for yourself and anyone else whom you want to be covered by the Policy.

- **If you do not tell us**

If you do not answer our questions in this way, we may reduce or refuse to pay a claim, or cancel the Policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the Policy as never having worked.

Renewals, variations, extensions and reinstatements

Once your Policy is entered into and is no longer new business then your duty to us changes. You are required before you renew, vary, extend or reinstate your Policy, to tell us everything you know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to our decision whether to insure you, and anyone else to be insured under the Policy, and if so, on what terms.

- **You do not have to tell us about any matter**
 - that diminishes the risk,
 - that is of common knowledge,
 - that we know or should know in the ordinary course of our business as an insurer, or
 - which we indicate we do not want to know.
- **If you do not tell us**

If you do not comply with your duty of disclosure we may reduce or refuse to pay a claim or cancel your Policy. If your non-disclosure is fraudulent we may treat this Policy as never having worked.

Privacy

Privacy legislation regulates the way private sector organisations can collect, use, keep secure and disclose personal information. We are bound by the *Privacy Act 1988* (Cth) (the Privacy Act), when collecting and handling your personal information. QBE has developed a privacy policy which explains what sort of personal information we hold about you and what we do with it.

We will only collect personal information from or about you for the purpose of assessing your application for insurance and administering your Policy, including any claims you make or claims made against you. We will only use and disclose your personal information for a purpose you would reasonably expect.

We may need to disclose personal information to our reinsurers (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims handling process (including assessors, investigators and other insurers), for the purposes of assisting us and them in providing relevant services and products, or for the purposes of recovery or litigation. We may disclose personal information to people listed as co-insured on your Policy and to family members or agents authorised by you. Computer systems and support services may be provided to us by related companies within the QBE Group that may be located overseas. We may also disclose information to organisations which conduct customer service surveys on our behalf. We will request your consent to any other purpose.

By providing your personal information to us, you consent to us making these disclosures. Without your personal information we may not be able to issue insurance cover to you or process your claim.

You also have the opportunity to find out what personal information we hold about you and, when necessary, correct any errors in this information. Generally we will do this without restriction or charge. For further information about our Privacy Policy or to access or correct your personal information, please contact The Compliance Manager, QBE Insurance (Australia) Limited, GPO Box 82 Sydney NSW 2001 or email: compliance.manager@qbe.com.

Financial Claims Scheme

This Policy is a protected Policy under the Financial Claims Scheme (FCS), which protects certain insureds and claimants in the event of an insurer becoming insolvent. In the unlikely event of QBE becoming insolvent you may be entitled to access the FCS, provided you meet the eligibility criteria.

More information may be obtained from APRA – www.apra.gov.au or 1300 55 88 49.

Significant features and benefits of this insurance

The following information lists some of the significant features and benefits available under our policy. For full details of the features and benefits of this insurance cover you need to take the time to read the Policy wording.

Your Boat Insure cover:

- Accidental loss or damage to your boat up to the sum insured or the market value of your boat whichever is the lesser.
- New replacement boat if a total loss occurs and your boat is less than twelve (12) months old.
- Cover for towing or transport costs and emergency expenses.
- Protected no claim bonus.
- Cover for your legal liability arising out of the use of your boat for loss or damage to someone else's property and for bodily injury or death directly caused by an accident involving the use of your boat up to the value of \$10 million.
- Cover for salvage and recovery costs.

Significant risks of this insurance

The following information lists some of the significant risks arising under your Policy. It is important that you take the time to carefully read the Policy wording in full before applying for this insurance. If you breach or do not comply with the terms of this Policy, subject to the *Insurance Contracts Act 1984*, we may refuse to pay your claim or reduce any payment.

Under-insurance

It is important that the sum insured you select for your boat reflects its true value. If you select a figure that is too low you may not be able to replace your boat in the event of a total loss. If you select a figure that is too high you may be paying unnecessary additional premium.

Policy limits

Limits apply for some items. e.g. cover for emergency expenses is limited to \$500. Refer to Section 2B – Extra Benefits on pages 21–22.

Excesses

An excess is the amount you have to pay in the event of a claim under your Policy. You may be subject to one or more excesses under this Policy. A full description of all the excesses that may apply can be found on page 18 of the Policy wording. The actual excess amount you have to pay is displayed on your Policy Schedule.

Disclosure

You have disclosure obligations under this contract of insurance, which are set out on page 6 of this PDS. Failure to comply with these obligations can have serious consequences in terms of your insurance cover or in the event of a claim being made by you.

Payments

Through your financial institution, we offer you various ways in which you can pay for your premium. If you fail to pay the premium for this Policy, subject to the *Insurance Contracts Act 1984* we have the right to cancel your Policy. See General Conditions on pages 26–27 for full details and consequences if you elect to pay by instalments.

Automatic Renewal of Policy

If you choose to pay your premium by direct debit or credit card we will automatically renew your Policy on an ongoing basis, unless you tell us otherwise, on the terms of:

- a. the relevant Renewal Schedule sent by us to you at least fourteen (14) days before expiry of your current period of insurance; and
- b. this PDS or any other PDS we tell you replaces or amends this PDS.

We are authorised to debit your account to renew your Policy with the amount due and payable to us by you as described in the relevant Renewal Schedule.

You can choose to cancel the policy or elect not to proceed with automatic renewal as at expiry by notifying us in writing or by calling us during normal office hours.

We can change terms offered on renewal or choose not to offer renewal by providing you with written notice at least fourteen (14) days before expiry of your Policy.

General exclusions of this insurance

The insurance we offer to you under this Policy provides cover for certain events. There will be situations where this Policy provides no cover at all. Those situations are set out in the Policy wording. For full particulars of all these exclusions, you must take the time to read this in detail. The following information lists some of the general exclusions of this Policy:

- amounts in excess of the lesser of the sum insured or the market value of your boat;
- any intentional acts by you or your family or with your consent;
- any loss, damage or liability which occurs outside the geographic limit;
- your boat or a substitute boat being used with your knowledge either illegally or for a purpose that is not an acceptable use;
- using your boat, or any substitute boat, whilst it is in an unsafe, unseaworthy or damaged condition.

Taxation information about this insurance

We list all taxes and charges individually on all schedules (e.g. Stamp Duty, Goods and Services Tax). Details on how the Goods and Services Tax affects your claim is included in the Policy wording on page 28.

How we price this insurance product

Our product pricing philosophy is based on a number of risk factors relating to the type of boat insured and any accessories, where the boat is located and how it will be used. The premium we charge is subject to Commonwealth and State taxes and/or charges. These may include Stamp Duty, Fire Services Levy and the Goods and Services Tax. The premium charged together with the actual amount of these individual taxes and/or charges will be displayed in your Policy Schedule.

Dispute resolution

We will do everything possible to provide a quality service to you. However, we recognise that occasionally there may be some aspect of our service or a decision we have made that you wish to query or draw to our attention.

We have a complaints and dispute resolution procedure which undertakes to provide an answer to your complaint within fifteen (15) working days.

If you would like to make a complaint or access our internal dispute resolution service please contact your nearest QBE office and ask to speak to a dispute resolution specialist.

If you are not happy with our answer, or we have taken more than fifteen (15) working days to respond, you may take your complaint to the Financial Ombudsman Service (FOS), an ASIC approved external dispute resolution body.

FOS resolves certain insurance disputes between consumers and insurers and will provide an independent review at no cost to you. QBE is bound by the determination of FOS but the determination is not binding on you.

We will provide the contact telephone number and address of the FOS office upon request.

Your Cooling-off period

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this you may notify your financial services provider electronically or in writing within twenty one (21) days from the date the Policy commenced.

This cooling-off right does not apply if you have made or are entitled to make a claim. Even after the cooling-off period ends, you still have cancellation rights, however your financial services provider may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

Making a claim

Full details of what to do in the event of making a claim can be found on page 29 in the Policy wording. Our contact details are on page 5.

It is important that you understand and follow our instructions on what to do in the event of making a claim. Failure to comply with these obligations can have serious consequences in the event of a claim being made by you, including us reducing the amount we pay you by an amount to take account of the prejudice we suffer by you not following our instructions.

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Section 2

The Policy Wording

Our agreement with you

If we accept your application, we agree to provide you with the cover as set out in the Policy Schedule and the Policy wording during the period of insurance. In return you agree to pay us your premium which includes any relevant government charges.

Words that have special meanings

Some of the words that appear throughout the PDS have special meanings, which are set out below.

Acceptable use means the use of your boat or a substitute boat for social, domestic and pleasure purposes and for voluntary marine sea search and rescue operations but does not include using your boat:

1. for hire;
2. in connection with an occupation or business;
3. in connection with any racing event social or otherwise, speed test or trial.

Accessory, accessories means an item which is located on your boat and intended for use on your boat, whether or not it was fitted by the manufacturer and that is portable and is not permanently attached to the hull consisting of:

1. safety equipment;
2. detachable boat canopies;
3. tools;
4. anchors, oars, paddles;
5. depth sounders, two way radios, fish finders, marine radios and transceivers; and
6. tender and motor (if applicable).

Accident/accidental/accidentally means an event which occurs and is unintended by you.

Excess means the amount you must pay towards the claim. The amount of any excess payable is shown in your Policy Schedule. The categories of excess that may apply are explained on page 18.

Geographic limit means all waters within Australia and all waters up to 200 nautical miles off the coastline of the Australian mainland including Tasmania.

Market value means the amount of money it would cost us to replace your property in your local area. We take into account the condition of your boat, your trailer or your contents.

Modification(s) means an alteration to your property which may affect its performance, appearance, value or safety.

Period of insurance means the period stated as the period of insurance in the Policy Schedule.

Person insured means the person or persons named in the Policy Schedule as the insured.

Policy Schedule means your most recent schedule. We give you your schedule when you first buy a policy from us, change any part of the Policy or renew any policy with us.

Policy wording means this Section 2 of the PDS which sets out details of your cover and the circumstances under which you will not be covered.

Specified contents means any item of your contents that has a value in excess of \$500 per item, set, or collection and is shown in your Policy Schedule as specified contents.

Substitute boat means a boat similar to your boat, which has been borrowed or hired because your boat is being repaired, serviced and is unable to be used.

Sum insured means the amount specified as the sum insured in your Policy Schedule for the type of cover selected.

Theft/stolen means stealing without forcible or violent entry.

Total loss means your property has been stolen and not recovered or is damaged to such an extent that in our opinion it cannot be economically or safely repaired.

Water skier(s) means a person being towed behind your boat or a substitute boat on water skis (using only recognised or commercially manufactured equipment) and/or a person being towed behind your boat who is engaged in barefoot water skiing but does not include a person being towed behind your boat on any other equipment.

We, our, us means QBE Insurance (Australia) Limited ABN 78 003 191 035 AFS Licence 239545 of 82 Pitt Street, Sydney, NSW 2000.

You, your, yourself means the person insured and any person who is in charge or control of your boat with your permission.

Your boat means the boat described in your Policy Schedule. Your boat includes:

1. hull;
2. accessories;
3. masts, sails and rigging, spars;
4. motors including control equipment;
5. standard tools provided by the manufacturer supplied with your boat.

Your contents means the property which belongs to you or for which you are legally responsible located on your boat consisting of:

1. household appliances that are not permanently installed;
2. sporting and camping equipment;
3. bedding and clothing;
4. utensils, crockery and food;
5. fishing and diving equipment; and
6. clothing and waterproof gear.

Your property means your boat, your trailer and your contents.

Your trailer means the trailer described in your Policy Schedule designed to transport your boat.

Explanation of excesses

As explained in 'Words that have special meanings' on page 15, excess means the amount you must pay towards the claim. The amount of any excess payable is shown in your Policy Schedule.

Depending on the circumstances of your claim you may be required or directed by us to either:

1. pay the excess to a repairer before you take delivery of your boat; or
2. have the excess deducted from any cash settlement paid by us to you; or
3. pay the excess directly to us.

If you make a claim under Section 2C – Legal Liability, you may be required or directed by us to pay the excess directly to us as soon as we receive notification of your claim.

Which excess applies to your claim?

There are three (3) types of excess:

1. Standard excess – we have priced this Policy on the basis that a standard excess will apply. This is the minimum excess that will apply unless the Policy wording indicates otherwise.
2. Imposed excess – we may consider it necessary to impose an additional excess due to a higher degree of risk that may exist. If the imposed excess applies, the amount payable will be the total of the standard excess plus the imposed excess.
3. Theft excess – in addition to the other excesses you must pay under this Policy, we may apply an additional excess for theft claims. If the theft excess applies, the amount payable will be the total of the standard excess, any imposed excess, and the theft excess.

These excesses are cumulative and will apply to any claim made under this Policy, unless indicated otherwise. If you make a claim for more than one (1) property item arising from or in connection with the one accident or event, you will only have to pay each applicable excess once for any individual claim. You must pay any excess before we pay your claim.

When will you not be required to pay an excess?

When the accident is not your fault and you can supply us with the name and current address of the person responsible for the accident, you will not be required to pay any excess. In all cases we will determine who was at fault in the accident.

Section 2A – Damage to Your Property

What we will pay for

If during the period of insurance your property is accidentally lost or damaged or stolen we will pay for the loss or damage to your property as follows:

1. if your boat is a total loss we will pay you the lesser of the sum insured or the market value of your boat;
2. if your boat is not a total loss, we will at our option:
 - (a) repair or replace your boat; or
 - (b) pay you the lesser of the sum insured or the market value of your boat;
3. for your trailer and/or your contents, we will at our option:
 - (a) repair or replace your trailer and/or your contents; or
 - (b) pay you the lesser of the sum insured or the market value of your trailer and/or your contents;
4. for your specified contents we will at our option:
 - (a) repair or replace your specified contents; or
 - (b) pay you the sum insured noted on your Policy Schedule.

Following settlement of a claim on a total loss basis your property becomes our property and we will keep the proceeds of any sale.

What we will not pay for

1. Any amount in excess of the sum insured specified in your Policy Schedule;
2. Any amount in excess of \$500 for any one item of your contents not noted as specified contents in your Policy Schedule;
3. Reduction in the value of your property due to its age or condition;
4. Damage that occurred before you insured your property with us;
5. Loss or damage resulting from loss of use of your property;
6. Loss or damage from wear and tear, rust, corrosion, mechanical, electrical or electronic breakdown, failure or malfunction;
7. Damage to tyres of your trailer caused by application of brakes or by punctures, cuts or bursting;
8. Loss or damage where you have not taken reasonable steps to ensure the safety of your property;
9. Events or circumstances detailed in Section 2D – Exclusions on page 25;
10. Loss or damage to a substitute boat;
11. Loss or damage to sails caused by the wind or water;
12. Loss or damage to motors as a result of overheating or seizing up;
13. Loss or damage to paintwork that does not meet manufacturers specifications;
14. Loss or damage to signwriting, artwork or graphics;
15. Loss or damage to accessories and motors including control equipment caused by theft.

Section 2B – Extra benefits

These Extra Benefits only apply if a claim is payable under Section 2A – ‘Damage to your property’ on page 18.

What we will pay for

1. Total loss within one year of original registration.

If your boat is declared to be a total loss within the first twelve (12) months of its original purchase or registration, we will replace your boat with a new boat of the same make, model or series (provided one is locally available). We will also pay the stamp duties and delivery charges. Additionally we will reinstate the policy for the remainder of the current period of insurance.

2. Emergency expenses.

If your boat or your trailer cannot be used either as a result of loss or damage to your boat or your trailer or injury to the person insured as a result of an incident covered by your Policy and you are more than 100 kilometres from your home we will reimburse your reasonable travel and accommodation expenses.

3. Towing or transport costs.

If your boat or your trailer cannot be used either as a result of damage to your boat or your trailer or injury to the person insured, as a result of an incident covered by your Policy we will pay the reasonable cost to transport your boat or your trailer to the nearest repairer or place of safety.

4. Loss prevention.

We will reimburse the reasonable cost of protecting your boat from further loss or damage following loss or damage covered by your Policy.

5. Recovery costs.

We will reimburse the reasonable cost for salvage and recovery costs that you have incurred with your boat following loss or damage covered by your Policy.

6. Transit cover.

We will pay for loss or damage to your boat or your trailer whilst being transported by road, rail or sea within Australia to the extent that it is not covered by a policy of insurance taken out by a carrier of your boat or your trailer.

7. Cover for your replacement boat.

We will provide cover for your replacement boat under this Policy up to a period of fourteen (14) days from the date that you sell or otherwise dispose of your boat. You must advise us within the fourteen (14) day period that you have replaced your boat. We will advise you at that time whether we wish to continue to provide cover for your replacement boat. If we agree to provide cover, we will advise you of any change to the premium and/or the level of cover.

What we will not pay for

1. Emergency expenses.

We will not pay for any amount in excess of \$500.

2. Towing or transport costs.

We will not pay for any amount in excess of \$500.

Section 2C – Legal liability

What we will pay for

1. We will indemnify you for your legal liability for damage to someone else's property directly caused by an accident during the period of insurance, involving:
 - (a) your property; or
 - (b) a substitute boat, except to the extent that your legal liability is covered under any policy of liability insurance not taken out by you attaching to the substitute boat.
2. We will indemnify you for your legal liability for bodily injury or death directly caused by an accident during the period of insurance involving:
 - (a) your property; or
 - (b) a substitute boat except to the extent that your legal liability is covered under any policy of liability insurance not taken out by you attaching to the substitute boat.
3. We will pay legal fees incurred with our written consent in the defence of any legal actions brought against you in respect of which you are entitled to indemnity under your Policy.

What we will not pay for

We will not pay any amount:

1. under this and any other policy we have issued to you covering legal liability in excess of the limit specified for legal liability in the Policy Schedule (inclusive of legal costs and expenses) for any one occurrence or series of occurrences arising out of one event;
2. for your legal liability for damage to someone else's property, bodily injury or death caused by an accident involving your property which occurred outside the geographic limit;
3. for your legal liability for death or bodily injury which is covered by, or is coverable by, any statutory compulsory insurance scheme;
4. if at the time of the accident your trailer was attached to:
 - (a) a registered motor vehicle;
 - (b) an unregistered motor vehicle on a public roadway;
5. for your legal liability arising from or in connection with:
 - (a) penalties, fines or awards of aggravated, punitive or exemplary damages;
 - (b) loss or damage to a substitute boat;
 - (c) the use of a substitute boat if you are entitled to indemnity under another contract of insurance not entered into by you;
 - (d) bodily injury or death caused to you, the person insured's spouse or de-facto or any person who ordinarily resides with the person insured;
 - (e) water skiers towed by your boat or a substitute boat;
 - (f) any claims in connection with the contamination or pollution of the land, air or water from your boat or substitute boat;
 - (g) any disease that is transmitted by you;
 - (h) events or circumstances detailed in Section 2D – 'Exclusions' on pages 25–26.

Section 2D – Exclusions

These exclusions apply to all sections of this Policy.

We will not pay claims for loss, damage or liability arising from:

1. Any intentional act by you, any person who normally resides with you, or a person who is acting with your consent;
2. Your boat or a substitute boat being used with your knowledge either illegally or for a purpose that is not an acceptable use;
3. War, whether war be declared or not, hostilities or rebellion or war-like activities;
4. Any event which occurs outside the geographic limit;
5. The use of nuclear weapons or material or ionising radiation from or contamination by radioactivity from any nuclear fuel or waste or from the combustion of nuclear fuel;
6. Any act of terrorism which means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with political, religious, ideological, ethnic or similar purpose or reasons;
7. The lawful repossession, confiscation, destruction, detention or seizure of your property;
8. Using your boat, or any substitute boat, whilst it is in an unsafe, unseaworthy or damaged condition or using your trailer whilst it is in an unsafe, unroadworthy or damaged condition;
9. Your liability or your acceptance of liability arising out of any contract, unless liability would have attached in the absence of the contract;
10. Any equipment or machinery which is a computer, containing or comprising any computer technology (including a computer chip or control logic) that fails to perform or function in the precise manner for which it was designed or for any reason arising from the performance or functionality of such computer technology;
11. The towing behind your boat of any people and/or objects:
 - (a) on water (except water skiers if your Policy includes the water skiers extension);
 - (b) in the air;
12. Your property whilst entrusted to another person for sale;
13. Faulty design or workmanship or structural defects.

14. You are not insured under any section of this policy where a claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

We will not pay claims for loss, damage or liability if the following circumstances existed at the time of the incident giving rise to the claim. You:

1. were under the influence of alcohol or drugs; or
2. had a blood alcohol level higher than the level allowed by the law in the place where the accident or event occurred; or
3. refused a test to determine alcohol or drug levels present in the blood; or
4. did not hold the appropriate license required by law.

Section 2E – General conditions

The following are important conditions you must comply with and apply to all sections of your Policy.

1. Legal representation.

We have the right at our discretion to represent or defend you or any person who may be entitled to cover under this Policy, in respect of any legal liability as we see fit.

2. Taking precautions.

You must take all reasonable precautions to safeguard your property from loss or damage.

3. Cancelling this Policy.

You may cancel this Policy at any time by advising us in writing or by phone. We will refund you the unexpired portion of the premium less any administration cost.

We may have the right to cancel your Policy if you have:

- (a) failed to comply with your duty of disclosure; or
- (b) failed to comply with a condition of the Policy; or
- (c) have made a fraudulent claim under this or any other policy of insurance; or
- (d) not paid the premium for this Policy.

We may only cancel this Policy under the provisions of the *Insurance Contracts Act*. We will provide you with written notice of the cancellation date, and will refund to you the unexpired portion of the premium from the date of the cancellation.

If a claim is settled on a total loss basis your Policy comes to an end and there is no refund of premium as the Policy has been paid out in full. This does not apply if the total loss claim is settled under 'Extra benefit 1 in Section 2B – Extra benefits' on page 21.

4. Paying by instalments.

If you are paying your premium by instalments:

- (a) if an instalment remains unpaid for a period of fourteen (14) days or longer, any claim arising from an event occurring after the due date of the instalment may be refused;
- (b) if an instalment remains unpaid for a period of one (1) month or longer, we will cancel this Policy from when the instalment was due for payment;
- (c) if a claim is settled on a total loss basis, any outstanding instalments will be deducted from the amount we pay you.

5. Notification of change of risk.

You must notify us in writing or by phone as soon as possible if, during the current period of insurance:

- (a) a modification is made to your property;
- (b) the place where your boat is regularly housed or moored changes;
- (c) the purpose for which you use your boat changes.

You must notify us in writing or by phone as soon as possible but no later than at renewal if, during the current period of insurance you:

- (a) are involved in a claim on any boat insurance policy, other than this Policy;
- (b) are issued with an infringement notice or charged with or convicted of any offence relating to the use of a boat;
- (c) have your boat licence cancelled, suspended or lapsed;
- (d) are charged with or convicted of any criminal offence.

We may charge extra premium, add special conditions or cancel your Policy if any of these changes occur.

Section 2E – General conditions (cont.)

6. Persons bound.

Any person who may be entitled to make a claim under your Policy is bound by these terms and conditions.

Any statement, act, omission or claim by any of you is a statement, act, omission or claim by all of you.

We shall be entitled to raise against any of you and against any other person or entity entitled to make a claim under this Policy any defence available against any of you.

7. Goods and Services Tax (GST).

If you make a claim under this Policy and a payment is to be made by us which results in an acquisition of goods or services or some other supply, whether or not the acquisition is made, we will reduce any payment to be made by the amount of any input tax credit to which you would or will be entitled if you were to purchase replacement goods or services.

If you make any claim under this Policy, you must inform us of any entitlement you may have to claim an input tax credit for the GST amount charged on your Policy, and the proportion of the GST that you can claim as an input tax credit.

If you make a claim under this Policy where a payment is to be made by us and instead of making a payment for the acquisition of goods, services or other supply, we make a payment as compensation, we will reduce the amount of any payment by an amount equal to any input tax credit to which you would or will be entitled as if the payment had been made to acquire any such goods, services or other supply.

8. Breach of Policy.

If you are in breach of or do not comply with the terms of your Policy, subject to the *Insurance Contracts Act*, we may refuse to pay your claim, in whole or in part.

9. Right of recovery (Subrogation).

We have the right, subject to the *Insurance Contracts Act*, to instigate recovery proceedings in your name against any person who we believe is responsible for the loss or damage to your property, and you must give us any information and help that we may reasonably require.

We will include any excess you have paid in this recovery action, but your excess will not be refunded to you until we have recovered the full amount of the claim plus any costs we incur in the recovery action.

Section 2F – What to do in the event of a claim

The following conditions apply to all sections of your Policy.

1. Do not admit liability.

Whatever the circumstances you may encounter, you, or any person who may be entitled to make a claim under your Policy, must not:

- (a) make any admissions;
- (b) offer to negotiate to settle or pay a claim;
- (c) admit liability.

2. Prevent further damage.

You must take all reasonable steps to reduce the loss or damage, and to prevent further loss or damage.

3. Authorising repairs.

You must not undertake or authorise repairs without our prior written consent.

4. Contact the police.

You must inform the police as soon as possible following discovery of theft or malicious damage or any other crime relating to your property.

5. Notification of an incident.

You must advise us as soon as possible of any incident that may give rise to a claim under this Policy.

6. Co-operation and retention of evidence.

You or any person who may be entitled to make a claim under your Policy must:

- (a) furnish us with all information and assistance we request in relation to the claim;
- (b) retain any evidence of any loss or damage including receipts and make this evidence available to our representative for inspection.

7. Quotes and inspections.

You will need to obtain at least one quotation from a repairer nominated by us. We will in most instances need to inspect your property before repairs can be authorised.

Section 2G – No claim bonus

- You will be eligible under your boat Policy for a no claim bonus if you are eligible for a no claim bonus under a motor vehicle policy or boat policy either insured with us or with another insurer.
- Your Policy Schedule reflects the level of no claim bonus you have achieved, and this directly affects the amount of premium that you have to pay to us. We offer a protected no claims bonus benefit which means that even if you have one or more at fault claims during the period of insurance, your no claim bonus will not change on renewal.
- If you have no at fault claims during the period of insurance, your no claim bonus will increase on renewal by one level up to a maximum of 30%.

The following table illustrates how our no claim bonus system works:

We consider an accident not to be your fault if we agree that you did not contribute to the cause of the accident, or you can prove that another person was completely responsible and you can provide the person's name, current address and their boat registration number.

Current level of no claim bonus	One or more at fault claims during the period of insurance	No at fault claims during the period of insurance	No claim bonus on renewal
0%	Yes	–	0%
0%	–	Yes	10%
10%	Yes	–	10%
10%	–	Yes	20%
20%	Yes	–	20%
20%	–	Yes	30%
30%	Yes	–	30%

Endorsements

All endorsements are, if applicable, part of and subject to all of the terms and conditions of the Policy wording.

Section 2H – Racing extension – Sail craft only

The following racing extension endorsement will apply only when indicated on your Policy Schedule.

Page 15 of your PDS, **Words that have special meanings**

Acceptable use is replaced by:

Acceptable use means the use of your boat or a substitute boat for social, domestic and pleasure purposes and for voluntary marine sea search and rescue operations but does not include using your boat:

1. for hire;
2. in connection with an occupation or business.

Pages 19–20 of your PDS, **Section 2A – Damage to your property** will be amended to include the following additional provisions:

What we will not pay for

Number 11 is replaced by:

11. Loss or damage to sails caused by the wind or water except loss or damage which occurs whilst engaged in racing events (whether those racing events are social or otherwise).
16. Any loss or damage to your boat or your contents which occurs whilst engaged in racing events, social or otherwise covering a total distance of 100 or more nautical miles;
17. More than 75% of the cost to replace or repair any sails, masts, spars or rigging, due to loss or damage which occurs whilst engaged in racing events (whether those racing events are social or otherwise).

Section 2I – Waterskiers extension – Motorised boats only

The following waterskiers extension endorsement will apply only when indicated on your Policy Schedule. 'Section 2C – Legal liability' will be amended to include the following additional provisions:

Waterskiers extension (Motorised boats only)

What we will not pay for

Number 5. is replaced by:

5. for your legal liability arising from or in connection with:
 - (a) penalties, fines or awards of aggravated, punitive or exemplary damages;
 - (b) loss or damage to a substitute boat;
 - (c) the use of a substitute boat if you are entitled to indemnity under another contract of insurance not entered into by you;
 - (d) bodily injury or death caused to you, the person insured's spouse or de-facto or any person who ordinarily resides with the person insured;
 - (e) any claims in connection with the contamination or pollution of the land, air or water from your boat or substitute boat;
 - (f) any disease that is transmitted by you;
 - (g) events or circumstances detailed in Section 2D – 'Exclusions' on pages 25–26.

End of Policy Wording