SUPPLEMENTARY PRODUCT DISCLOSURE STATEMENT (SPDS)
AMENDMENT TO YOUR INSURANCE POLICY

This notice supplements and amends the Coast Pleasure Craft & Personal Water Craft Insurance Product Disclosure Statement - CI-PC-1221 dated 1 December 2021.

The information in this SPDS updates and should be read with the last Product Disclosure Statement (PDS) You received for the Policy specified in your Policy Schedule and any other applicable SPDS.

All other Policy terms and conditions remain unaltered. This notice is dated 24 December 2021 and takes effect for all policies incepting and renewing from 1 January 2022.

THE FOLLOWING AMENDMENTS HAVE BEEN MADE TO YOUR PDS

General Insurance Code of Practice in the About This Document section, on page 2, under the heading 'General Insurance Code of Practice', the entire section is deleted and replaced with:

From 1 January 2022, the Insurer is a signatory to the General Insurance Code of Practice (the Code). The Code was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry. The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code of Practice and Code Governance Committee (CGC) visit insurancecode.org.au.

Other than set out in this SPDS – Amendment to Your Insurance Policy, all other terms, conditions, exclusions and limits contained in Your Policy remain unaltered.

Supplementary Product Disclosure Statement (SPDS) prepared on 24 December 2021.

COAST INSURANCE

Pleasure Craft & Personal Water Craft

Comprehensive Insurance

POLICY WORDING AND PRODUCT DISCLOSURE STATEMENT

CI-PC-1221
1 December 2021

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1st floor, 186 Scarborough Beach Road, Mount Hawthorn WA 6016
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ABN 44 108 154 829 AFSL 268726

Coast Insurance Comprehensive Pleasure Craft and Personal Water Craft Policy Wording & PDS

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ABOUT THIS DOCUMENT

This Policy document contains a Product Disclosure Statement (PDS) and Policy Terms and Conditions. The PDS is designed to assist You to make informed choices about Your insurance needs. In this Policy document You will find information about costs of the product, Our dispute resolution process, Your cooling off rights and other relevant information, including other rights, terms, conditions, exclusions and obligations attaching to this product. Please read this document carefully to ensure You understand the terms and conditions of this product.

Other documents may form part of the PDS. Any such documents will be dated and will include a statement identifying them as part of the PDS. If any major Omissions, updates or corrections need to be made to the PDS a Supplementary PDS may be provided. In either case the relevant document will be provided to You with the PDS.

The PDS was prepared on 1 December 2021 and is issued by Coast Insurance Pty Ltd on behalf of the Insurer.

Our agreement with You

The PDS, Policy Terms and Conditions and the Policy Schedule form the legal contract between You and Us being the Policy. You pay Us the Premium, and We provide You with the cover You have chosen as set out in the Policy, during the Period of insurance shown on Your Policy Schedule or any subsequent renewal period. Please keep them in a safe place for future reference.

The exclusions in the section(s) headed "When You are not covered" and conditions in the section headed "General conditions" apply to all types of cover.

The Excesses set out in the section headed "What You must pay if You make a claim – Excess" apply to all claims except where otherwise stated. The amount of any Excess that applies to Your Policy will be shown on Your Policy Schedule.

If You require further information about this product, please contact Coast or Your Financial Services Provider.

About Coast Insurance

Coast Insurance Pty Ltd (ABN 44 108 154 829, AFSL 268726) ('Coast') acts under a binding authority given to it by Us, to administer and issue policies, alterations and renewals. In all aspects of arranging the Policy, Coast acts as an agent for the Insurer(s) and not for You.

If You have any queries in relation to this Policy, contact Coast in any of the following ways:

Street Address: 1st Floor, 186 Scarborough Beach Road, Mt Hawthorn Western Australia 6016
Postal Address: PO Box 120, Mount Hawthorn WA 6915
Phone: +61 8 6374 7000

About the Insurer

This Policy is underwritten by HDI Global Specialty SE - Australia (ABN 58 129 395 544, AFSL 458776) (`HDI Global Specialty') and its registered address is Tower 1, Level 33, 100 Barangaroo Avenue, Sydney NSW 2000, Australia. The Insurer is regulated by the Australian Prudential Regulation Authority ("APRA"). HDI Global Specialty are referred to as 'We, Us, Our, the Insurer' in this Policy.

HDI Global Specialty are authorised and regulated by the Australian Prudential Regulation Authority (`APRA') under the provisions of the Insurance Act 1973 (Cth) to conduct insurance business in Australia.

You should contact Coast Insurance in the first instance in relation to this insurance.

HDI Global Specialty SE is registered in Germany, with its registered office at Podbielskistraße 396, 30659 Hannover, Germany with registration number HRB211924 authorised by Bundesanstalt für Finanzdienstleistungsaufsicht ('BaFin'). It is authorised to carry on insurance business in Germany under the German Insurance Supervisory Act ('Versicherungsaufsichtsgesetz').

General Insurance Code of Practice

HDI are a signatory of the General Insurance Code of Practice (the Code). The objectives of the Code are to further raise standards of service and promote consumer confidence in the general insurance industry. Further information about the Code and Your rights is available at www.codeofpractice.com.au.

Our Contract with You

This Policy is a contract of insurance between You and Us and contains all the details of the cover that We provide.

The Policy consists of:

- this Policy wording which tells You what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover (this document);
- the Proposal, which is the information You provide to Us when applying for insurance cover;
- Your most current Policy Schedule issued by Us. The Schedule is a separate document unique to You, which shows the insurance details relevant to You. It includes any changes, exclusions, terms and conditions made to suit Your individual circumstances and may amend the Policy;
- any Endorsement;
- any other document We tell You forms part of the Policy which may vary or modify the above documents.

Please note, only those cover sections shown as covered in Your Schedule are insured.

These documents should be read together as they jointly form the contract of insurance between You and Us.

Duty to take reasonable care not to make a misrepresentation

Duty to take reasonable care not to make a misrepresentation (for Section 1: Loss of or damage to your vessel and Section 3: Personal accident of the Policy only)

When applying for this Policy

You must take reasonable care not to make a misrepresentation to Us. This responsibility applies until We issue You with a Policy for the first time or agree to renew, extend, vary/change, or reinstate Your Policy.

You must answer Our questions honestly, accurately and to the best of Your knowledge. A misrepresentation includes a statement that is false, partially false, or which does not fairly reflect the truth. It is not a misrepresentation if You do not answer a question or if Your answer is obviously incomplete or irrelevant to the question asked.

The responsibility to take reasonable care not to make a misrepresentation applies to everyone who will be insured under the policy. If You are answering questions on behalf of anyone, We will treat Your answers or representations as theirs.

Whether or not You have taken reasonable care not to make a misrepresentation is to be determined having regard to all relevant circumstances, including the type of insurance, who it is intended to be sold to, whether You are represented by a broker, Your particular characteristics and circumstances We are aware of.

If You do not meet the above Duty, We may reject or not fully pay Your claim and/or cancel Your Policy. If the misrepresentation was deliberate or reckless, this is an act of fraud, and We may treat Your Policy as if it never existed.

When you renew Your Policy

You must take reasonable care not to make a misrepresentation to Us. This responsibility applies until We renew Your Policy so if anything changes prior to the renewal date of Your Policy You need to tell Us.

You must answer any of Our additional questions honestly, accurately and to the best of Your knowledge.

Also, you must review Your responses to previous questions, replayed in the Renewal Invitation document, and advise Us immediately if any information is inaccurate or has changed. Amendments may impact the terms of this renewal offer.

A misrepresentation includes a statement that is false, partially false, or which does not fairly reflect the truth. It is not misrepresentation if You do not answer a question or Your answer is obviously not complete or is irrelevant to the question asked.

The responsibility to take reasonable care not to make a misrepresentation applies to everyone who will be insured under the Policy. If You are answering questions on behalf of anyone, We will treat Your answers or representations as theirs.

Whether or not You have taken reasonable care not to make a misrepresentation is to be determined having regard to all relevant circumstances, including the type of insurance, who it is intended to be sold to, whether You are represented by a broker, Your particular characteristics and circumstances We are aware of.

If You do not meet the above Duty, We may reject or not fully pay Your claim and/or cancel Your Policy. If the misrepresentation was deliberate or reckless, this is an act of fraud, and We may treat Your Policy as if it never existed.

If Our information or questions are unclear, You can contact Us or via Your broker on (08) 6374 7000 or visit www.coastins.com.au.

Duty of Disclosure – For Section 2: Legal Liability

Under the Insurance Contracts Act 1984 (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.

You have this duty until We agree to insure You.

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 Your non-disclosure is fraudulent, We may refuse to pay a claim and treat the Policy as if it never existed.

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 have this duty until We agree to renew Your Policy.

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 existed.

The cost of this Policy

The total Premium is the amount We charge You for this Policy. It includes the amount which We have calculated will cover the risk, and any taxes and government charges that apply. The Premium and any taxes and government charges will be shown on Your Policy Schedule.

When calculating Your Premium We take a range of rating factors into account. These factors, and the degree to which they affect Your Premium, will depend upon the information You provide to Us. Factors that have a significant impact on the calculation of Your Premium include, but are not limited to:

- Make, model and type of Vessel
- Construction
- Maximum speed
- Cruising range
- Vessel location and storage
- Sum Insured
- Skipper experience
- Previous loss history

Privacy Statement

In this Privacy Statement the use of "We", "Us" and "Our" means the Insurer(s) and Coast unless specified otherwise.

We are committed to the safe and careful use of Your personal information in the manner required by the *Privacy Act 1988 (Cth)* and the Australian Privacy Principles and the terms of this Policy.

We collect Your personal information in order to assess Your application for insurance and, if Your application is accepted, to administer and manage Your insurance policy and respond to any claim that You make. To do this, Your personal information may need to be disclosed to reinsurers and service providers and related entities who carry out activities on Our behalf, such as assessors and facilitators, some of whom may be located in overseas countries such as the United Kingdom and Europe.

Our contractual arrangements generally include an obligation for these reinsurers, service providers and related entities to comply with Australian privacy laws.

By providing Us with Your personal information, You consent to the disclosure of Your personal information to reinsurers, service providers and related entities in overseas countries to enable Us to assess Your application, to administer and manage Your insurance Policy and to respond to any claim that You make. If You consent to the disclosure of Your personal information to overseas recipients, and the overseas recipient handles Your personal information in a way other than in accordance with the Australian privacy laws, We may not be responsible for the handling of Your personal information by the overseas recipient.

If You choose not to provide Your personal information and/or choose not to consent and/or withdraw Your consent to the disclosure of Your personal information to overseas entities at any stage, We may not be able to assess Your application or administer and manage Your insurance policy and respond to any claim that You make.

Our privacy policies contain information on how You may access personal information that each of us hold, or seek correction of Your personal information and information on how to make a complaint about the handling of Your personal information and how complaints are handled. If You require more information, You can access HDI Global Specialty's Privacy Policy and Privacy Statement at https://www.hdi-specialty.com/int/en/legals/privacy and Coast's Privacy Policy at www.coastins.com.au

The product may not match Your expectations

This product may not match Your expectations (for example, because an exclusion applies). You should read the Policy Terms and Conditions carefully. Please ask Us or Your Financial Services Provider if You are unsure about any aspect of this product.

Cooling-Off Period

There is a twenty-one (21) day cooling-off period. If You wish to cancel the Policy, You can cancel it from its date of issue by contacting Coast in writing within twenty-one (21) days of its date of issue.

We will refund Your premium less any non-refundable government charges, taxes and levies We have paid. You cannot exercise this right if:

- You have made a claim or become entitled to make a claim under the Policy; or
- You have exercised any right or power You have in respect of the Policy or the Policy has ended.

Even after this cooling-off period ends, You still have cancellation rights.

Complaints and Disputes Resolution Process

We are dedicated to providing You with a high standard of service and We want to ensure We maintain these standards at all times. If You feel that We have not offered You a first class service, contact Us and tell Us and We will do Our best to resolve the problem.

You are entitled to make a complaint about any aspect of Your relationship with Us including the conduct of Our agents and authorised representatives. We will attempt in good faith to resolve any complaint/dispute in a fair, transparent and timely manner.

We aim to comply with the General Insurance Code of Practice and any relevant Australian Securities and Investments Commission (ASIC) guidelines.

If You have any questions or concerns about Your insurance or the handling of a claim You should, in the first instance, refer Your complaint or dispute to Coast.

You can contact Coast at:

Phone: (08) 6374 7000
Email: info@coastins.com.au
Mail: PO Box 120, Mount Hawthorn WA 6915

If We do not make a decision within the period that We tell You We will respond, We will tell You about Your right to lodge a complaint with an external dispute resolution scheme. If You are not happy with Our response, You can refer Your complaint to the Australian Financial Complaints Authority ('AFCA') subject to its rules. AFCA provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its rules.

You can contact AFCA at:

Phone: 1800 931 678
Email: info@afca.org.au
Website: www.afca.org.au
Mail: Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001

If You require further information, You can access Our Complaints and Dispute Resolution Process at Coast's website at www.coastins.com.au.

How You can pay Your Premium

You can pay Your Premium;

- in one payment by cheque, credit / debit card or bank transfer
- by monthly instalments if this option is offered

Paying Your Premium

You must pay / arrange to pay Your Premium by the due date. If We do not receive Your Premium by this date or Your payment is dishonoured this Policy will not operate and there will be no cover.

Overdue Premium

You must pay Your Premium on time otherwise Your Policy may not operate.
If You have not paid by the due date or Your payment is dishonoured, this Policy will not operate and there will be no cover.

Significant benefits and features

The following is a summary of the cover provided in this Policy. Full details of the cover, exclusions and additional cover You can arrange is provided in the Policy Terms & Conditions. There are also exclusions that limit cover in certain circumstances. Please read the full detail carefully to make sure it matches Your expectations.

DESCRIPTION OF COVER PROVIDED

Description of cover provided	Extra Covers You can obtain upon request
SECTION 1 **LOSS OF OR DAMAGE TO YOUR VESSEL** • Accidental Damage • Fire • Theft • Malicious Damage • Sinking	**Tender & Outboard cover** • Any dinghy or Tender with a speed capability of more than 20 knots or • Any dinghy or Tender registered on its own right **Yacht Racing** • Yacht racing extension to cover loss or Damage to Sail, masts spars and standing and running rigging during racing **Land Transit** • Cover whilst Your Vessel is being transported by a professional road haulier. Extra Covers may be included in Your policy providing You have advised Us beforehand and We have agreed to extend the cover in writing (We may require a variation to Your Excess and an additional Premium) Additional costs may apply.
SECTION 2 **THIRD PARTY LEGAL LIABILITY** • Accidental death or bodily injury to a person other than You • Accidental Damage to other people's property • Berth Holders Liability • Pollution Property Damage caused by or arising from sudden and Accidental discharge of pollutants arising directly out of the use of Your Vessel.	**Water skiing and / or aquaplaning – main Vessel** • Legal liability for You and the water skier in the event of Water skiing, aquaplaning, barefoot skiing • Water skiing Skiers cover – main Vessel Tender Cover for the activity of Water skiing or aquaplaning to cover You and/or any person with Your permission when using Your Vessel's Tender, in conjunction with / over the side of the mother Vessel (using only recognised and commercially manufactured Water Ski Equipment). Extra Covers may be included in Your Policy providing You have advised Us beforehand and We have agreed to extend the cover in writing (We may require a variation to Your standard Excess and an additional Premium) Additional costs may apply.
SECTION 3 **PERSONAL ACCIDENT** We will pay in the event of death or bodily injury to You arising directly out of the use of the Vessel for private pleasure purposes or voluntary rescue work.	No Additional Covers apply to this Section 3.

POLICY TERMS AND CONDITIONS

Words with special meanings

Some key words and terms used in this Policy have a special meaning as set out below:

Word or term	Meaning
Accident/Accidental	An incident that is unforeseen and unintended and that causes loss or Damage. This includes a series of Accidents arising out of the one event.
Agreed value	The amount for which We have agreed to insure Your Vessel if the words 'Agreed value' are shown in Your Policy Schedule.
Anti-Theft device	A professionally manufactured purpose designed anti-theft device which does not include chains and/or padlocks.
Damage	Any form of physical harm to the Vessel but does not include Wear and tear or anything that was present before this Policy came into force.
Excess	An Excess is the amount of any claim which must be paid by You. If an Excess is applicable to any sections of Your Policy the amount will be shown either in Your Policy Schedule or within this Policy document. This amount will be deducted from the amount payable on each claim.
Family	Includes Your spouse or partner, the children, parents of You or Your spouse or partner who live permanently with You.
Market value	The cash purchase price of a Vessel of the same age, type and condition (including non-standard accessories) at the time of loss if the words 'Market value' are shown in Your Policy Schedule.
Omission	A failure to act and includes a failure to do or say something.
Period of insurance	the period for which the cover under Your Policy is in force. You will find this Period of insurance set out in Your Policy Schedule.
Permanent total disablement	Means You have been unable to carry out any occupation for which You are fitted by reason of Your education, training or experience for a period of at least 12 consecutive months and You remain unable to do so for a continuous indefinite period solely and directly as a result of the injury.
Personal Watercraft (PWC)	A Personal Watercraft (PWC) is a Vessel designed to be operated by a person standing, sitting astride or kneeling on. It uses waterjet propulsion and has an engine in a watertight compartment
Word or term	**Meaning**

Policy Schedule	The most recent document We give You and forms part of this Policy and which shows Your Policy number together with important details of Your insurance cover with Us. We give You a Policy Schedule when You: • first buy the Policy from Us, • change any part of the Policy or any personal details relevant to it, or • renew the Policy with Us
Premium	The amount You pay for the insurance provided by this Policy, including any taxes and other government charges. (This is different from the Excess that You pay when making a claim).
Salvage	What is left of the Vessel after it has suffered loss or Damage.
Temporary disablement	Means You are unable to carry out all the normal duties of Your occupation solely and directly as a result of the injury.
Tender	An auxiliary vessel (or dinghy) capable of being and usually carried on deck or on davits on Your Vessel or which is towed behind Your Vessel, and the outboard Motor normally attached, that is used as a lifeboat or means of transportation between Your Vessel and the shore or for both purposes. A Tender must be marked with the registration number of Your Vessel and not registered in its own right. A Tender must not be capable of a speed exceeding 20 knots. Any Tender contrary to this description must be agreed and noted in Your Policy Schedule.
Theft	The event of a person taking Your Vessel and/or part of Your Vessel without Your knowledge, prior consent or agreement, with the intention of permanently depriving You of them.
Third Party/Third Parties	Any person other than You or Your Family.
Total loss	If the Vessel is Damaged beyond an amount which We consider economical to repair or the loss of the entire Vessel.
Total sum Insured	The amount We insure Your Vessel for and is the total of the Agreed value or Market value for all of the Vessel's Hull, Motors and/or Machinery, Equipment and Accessories, Sails, Masts, Spars, Standing and Running Rigging and Trailer, whether individual sums insured are specified for these items by You or not.
Unrepaired damage	Damage to the Vessel sustained during the Period of insurance of the Policy which is unrepaired at the expiry of the Policy and which You do not intend to repair.
Word or term	**Meaning**

Vessel	The Vessel described in Your Policy Schedule. Your Vessel is comprised of: • the Hull • its Motors and/or Machinery, including fuel tanks (unless they form part of the Hull) • Equipment and Accessories • its Sails, masts, spars, standing and running rigging • its Trailer.
Water skiing and/or aquaplaning	Travelling on the surface of water, either barefoot, or on water skis or similar devices designed for that purpose while being towed by Your Vessel.
We, Our, Us	Coast Insurance and/or the Insurer, HDI Global Specialty SE - Australia.
You, Your, Insured	Any of the person or persons named as the Insured in Your Policy Schedule including any person allowed by You to control Your Vessel.

SECTION 1 - LOSS OF OR DAMAGE TO YOUR VESSEL

What is insured by this Policy

We cover Your Vessel described in Your Policy Schedule while it is:

- navigating within the Geographical Limits stated in Your Policy Schedule,
- laid-up ashore,
- in transit on its own designated Trailer, or
- engaged in any voluntary rescue work.

What We cover as Your Vessel

When we refer to Your Vessel in this document, we are covering the items in the following table if:

- they apply to Your Vessel, and
- are shown as covered in Your Policy Schedule.

Word or term	Cover
Hull	The shell of the Vessel including: • the deck and superstructure, • fixtures and fittings on deck or below deck that are not normally removable and would normally be sold with the Vessel. Household contents including: • bedding and manchester, • crockery, cutlery, kitchen appliances and utensils, • unfixed furniture and furnishings permanently kept on the Vessel for Your personal use, provided they are not separately insured.
Motors and/or Machinery	Inboard motors, outboard motors, stern drive units, and jet units including: • gear boxes • propellers • shafts • skegs • portable fuel tanks and lines • wiring harness • instruments (e.g. tachometer) • control cables • generators
Equipment and Accessories	Safety equipment installed or carried in accordance with statutory requirements and any other equipment intended for the use of or with the Vessel including: • the Tender used with Your Vessel provided it does not exceed a maximum speed of 20knots. (If Your tender exceeds a maximum speed of 20 knots then We may agree to cover it on application by You to Us. If We agree to provide cover, We will show this in Your Policy Schedule.) • anchors • oars or paddles • detachable canopies • bilge pumps • life-saving equipment including life jackets • auto pilot • depth sounders • electronic navigation equipment including laptop computers that can • be clearly demonstrated are used for navigation purposes • global positioning system • EPIRB (Emergency Position Indicating Radio Beacon) • two-way radios

	• tools
Word or Term	**Cover**
Sails, Masts, Spars, Standing and Running Rigging	• Sails, masts, spars, booms and fittings • standing and running rigging • spinnaker poles.
Trailer	the trailer for Your Vessel and its winch, including power winch.

What You are covered for – Loss of or Damage to Your Vessel

We cover Your Vessel for loss or Damage from different types of events described below which happen during the Period of Insurance. There are things We do not cover, and these are set out in the events under What We do not cover. Please also refer to Section 4 – What You are not covered for – General Exclusions Applying to All Section of this Policy.

We will cover You for:

Accidental Damage to Your Vessel

What We cover

- If Your Vessel is Damaged Accidentally.
- If Your Vessel sinks Accidentally, provided it was in seaworthy condition at the time of sinking.

Excess

We may apply additional excesses for certain claims under Your policy and these will be shown in Your Policy Schedule when they apply to Your Policy. Additional Excesses may apply for:

- Submersion if Your Vessel is moored and suffers Damage as a result of sinking, immersion, or swamping at its mooring.
- Young or Inexperienced Drivers of PWCs.
- Named Cyclone in the event of loss or Damage to Your Vessel as a result of a named cyclone event.
- Other Excesses may be applied by Us for certain events and We will show these in Your Policy Schedule.

What We do not cover

Damage to non-approved parts

Damage to mechanical or electrical parts which are not approved or fitted to the Vessel by a qualified professional in accordance with the manufacturer's original specifications.

Failures without an external accidental cause

Loss or Damage to Your Vessel due to mechanical, structural, electrical or electronic failures without any external accidental cause. (See additional events for Latent Defect and Mechanical Failures.)

Motors not properly secured

Loss of any outboard Motor(s) when they are secured to Your Vessel in a manner other than that specified or recommended by the manufacturer.

Named cyclone

Loss or Damage to Your Vessel due to named cyclone event if You have not taken reasonable precautions for the safety of Your Vessel. These precautions would include, but not be limited to:

- if kept on a mooring or marina berth, moving Your Vessel to a place of safety at the first cyclone alarm or warning,
- if kept on land, ensuring that Your Vessel is adequately tied down at the first cyclone alarm or warning.

Tools while in use

Loss or Damage to tools while in use.

Water in the fuel
Damage to Motors and/or Machinery caused by water in the fuel unless there is evidence that this resulted from petrol station contamination or Malicious Damage.

Wind damage to sails
Damage to sails and protective covers caused by the force of wind unless there has also been Damage caused to the masts, spars or Your Vessel.

Latent defect

What We cover
Loss or Damage to Your Vessel caused by a defect in the construction of, or material used in the construction of, the Hull and Motors and/or Machinery which is:

- not known by You, and
- not discoverable by a competent tradesperson carrying out normal inspection.

For example, there is an undetected fault in the manufacture of the keel causing it to separate from the yacht resulting in the yacht capsizing. The fault was undiscoverable through normal due diligence. We would pay for the resultant damage to the yacht but not the cost to rectify the defect itself, being the repair or replacement of the keel in this example.

What We do not cover
Defects covered under warranty
No payment will be made where the Hull and Motors and/or Machinery are still covered under the manufacturers original warranty or if they are covered under any extended warranty.

Gradual deterioration
Loss or Damage to Your Vessel which has resulted from a lack of maintenance or gradual deterioration.

Mechanical failure
Loss or Damage to the Motors and/or Machinery caused by failure of a mechanical component. (See separate cover provided for Mechanical Failure event.)

Repairing the defective part
The cost of repairing, replacing, redesigning or modifying any defective part of the Hull and Motors and/or Machinery.

Repair or maintenance by You
Any defect which has resulted from repair or maintenance by You.

Malicious Damage

What We cover
Loss or Damage to Your Vessel caused by or arising as a result of a malicious or criminal act.

What We do not cover
Malicious acts by You
Any malicious or criminal act by You or any person acting with Your express or implied consent.

Mechanical failure

What We cover
Loss or Damage to the Vessel's Motors and/or Machinery up to 8 years of age from the date of manufacture caused by the failure of a component that results in the immediate stoppage of the Motors and/or Machinery, subject to the following condition being met:

- Proof of service records are to be supplied to evidence compliance with regular service and maintenance of the Motors and/or Machinery in accordance with manufacturers' recommendations.

Excess
We apply an additional Mechanical Failure Excess for claims under this benefit. The additional Excess will be shown in Your Policy Schedule.

What We do not cover
Failure of maintenance items
Loss or Damage which has resulted from the failure of maintenance items such as seals, gaskets and filters.

Motors and/or Machinery over 8 years of age
Breakdown of Your Motors and/or Machinery which are over 8 years of age from the date of manufacture unless this has resulted from an external accidental cause.

Motors and/or Machinery under warranty
No payment will be made where the Motors and/or Machinery are still covered under the manufacturers original warranty or if they are covered under any extended warranty.

Repairing or replacing the failed component
The cost of repairing or replacing the component that failed.

Seizure or overheating without an external blockage
Seizure or overheating of Motors unless caused by an external blockage.

Repairer's Negligence

What We cover
Loss or Damage to Your Vessel caused by the negligence of any repairer engaged by Us to repair Your Vessel in relation to a previous claim on Your Policy.

What We do not cover
Repairing the faulty work
The costs of rectifying or repairing the faulty repairs or faulty work.

Repairs by any other repairer including You
Loss or Damage to Your Vessel caused as a result of the negligence of any other repairer including You.

Theft of Your Vessel (excluding a PWC)

What We cover
Theft of Your entire Vessel including its Trailer, Motors and/or Machinery and Equipment and Accessories.

Theft of a part of Your Vessel including its Trailer, Motors and/or Machinery or Equipment and Accessories stolen from:

- Your Vessel, or
- the place of storage of Your Vessel, Trailer, Motors and/or Machinery or the Equipment and Accessories.

What We do not cover
Lack of reasonable measures to prevent theft
Theft where You have failed to take reasonable measures to prevent Theft e.g. placing Equipment and Accessories or outboard Motors temporarily removed from the Vessel in a secure place of storage out of sight.

We will require You to provide evidence that reasonable measures had been taken to prevent Theft e.g. physical evidence of visible and forced entry such as cut chains.

Theft by someone You have loaned the Vessel to
Theft of Your Vessel or any part of it by persons You have loaned Your Vessel to.

Theft of Personal Watercraft (PWC)

What We cover
Theft of Your PWC while it is moored, on its own Trailer, stored ashore in a garage or yard, or stored on a pontoon or wharf.

Excess
We apply an additional Theft of a PWC Excess for claims for Theft of a PWC. This additional Excess will be shown in Your Policy Schedule.

If Your PWC is recovered undamaged following theft, we will refund the Theft Excess to you. We recommend that You have Your PWC fitted with an electronic anti-theft identification system or a digitally encoded security system to increase Your chances of Your PWC being located.

What We do not cover
Lack of reasonable measures to prevent theft
Theft where You have failed to take reasonable measures to prevent Theft e.g. having Your PWC and Trailer immobilised by an Anti-Theft Device when unattended.

We will require You to provide evidence that reasonable measures had been taken to Prevent Theft e.g. physical evidence of visible and forced removal such as damage to an anti-theft device.

Theft by someone You have loaned Your PWC to
Theft of Your PWC or any part of it by persons You have loaned Your PWC to.

Skipper negligence

What We cover
Loss or Damage to Your Vessel caused by the negligence of any professional skipper, master and/or crew.

What We do not cover
No reasonable checks for competency
If You have not made reasonable checks to ensure that any skipper, master and/or crew engaged by You holds an appropriate licence or competency certificate.

Additional benefits

If You make a claim under Your Policy for loss or Damage to Your Vessel during the Period of Insurance You may be able to make a claim for other additional benefits We cover. These additional benefits are included within Your Vessel Total Sum Insured unless We state otherwise.

We agree to provide additional cover for:

Automatic reinstatement of Your Sum Insured

What We cover
When We pay a claim for Your Vessel or an item under this Policy, the sum Insured for Your Vessel or that item is automatically reinstated to the amount shown in Your Policy Schedule, provided You:

- give Us written details of the replacement Vessel or item(s) within 14 days of buying them, and
- pay Us any additional Premium that We ask for.

Children's toys

What We cover
Accidental Damage to toys designed to be played with by a child under the age of 10 years as a result of their use or enjoyment while on board Your Vessel.

There does not have to be an Accident to Your Vessel for You to claim under this benefit.

Limit
We will pay up to $200 to replace children's toys over and above the Excess.

Excess
An Excess of $100 is applied to all claims for children's toys.

What We do not cover

- Electric or electronic toys
- Toys which are not onboard the Vessel at the time of the Damage.

Damage caused to Your Vessel by any governmental authority

What We cover
Damage caused to Your Vessel by any governmental authority in order to prevent or minimise a pollution hazard or threat of such a hazard resulting from Damage to Your Vessel.

What We do not cover
Where the original Damage to Your Vessel has resulted from a lack of due diligence, repair or maintenance by You.

Emergency assistance

What We cover
We will pay for the following emergency costs when reasonably incurred by You following loss or Damage to Your Vessel for which We have agreed to pay a claim.

- Emergency delivery of fuel,
- Returning Your Vessel to Your home, or Your Vessel's usual berth, mooring or storage facility,
- Reasonable costs of Medical Evacuation and patient transport,
- Reasonable costs of temporary accommodation up to a maximum of 5 nights,
- Reasonable costs of transport home at economy class or equivalent.

Limit
The aggregate limit for these benefits under the policy will be $10,000 per Period of insurance.

Minimising loss / removal to safety

What We cover
If Your Vessel gets into difficulties or is Damaged as a result of an Accident, We will pay the reasonable cost of taking action to:

- minimise loss or Damage, or
- remove the Vessel to safety (including emergency towing), or
- dry all the electrical equipment in the Motor(s), or
- clean and oil the Motor(s)

We will also pay the reasonable costs of:

- land towing to take Your Vessel to the nearest repairer in an emergency following a loss (provided Your Vessel is designed to be towed by a Trailer), limited to a total amount payable of $5,000 for all claims during the Period of insurance. The Excess shown in Your Policy Schedule will not be deducted.
- inspecting the Hull to see if it is Damaged if Your Vessel is stranded. The Excess shown in Your Policy Schedule will not be deducted.

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

Limit
These costs are recoverable in addition to the Total Sum Insured of Your Vessel. The additional amount We will pay is limited to the Total Sum Insured of Your Vessel shown in Your Policy Schedule.

Personal effects

What We cover

Loss or Damage to the following personal effects belonging to You or Your Family caused by an Accident or Theft while they are stored or being used on Your Vessel or Tender at the time of loss or Damage, and only while Your Vessel or Tender is in use.

- clothing
- waterproof gear
- bags
- food or beverage coolers
- shoes
- wallets or purses, excluding cash and credit cards
- toilet articles
- hats or caps
- keys or pens
- portable MP3 players.

There does not have to be an accident to Your Vessel or Tender for You to claim under this benefit.

Limit

You are covered up to a sum of $1,000 any one item and $20,000 in total for all Personal effects.
We will at Our option:

- repair or replace the Personal effects involved, or
- pay You the reasonable cost of repairing or replacing the Personal effects involved.

Excess

An Excess of $100 is applied to all claims for personal effects.

What We do not cover

- Money, credit cards, watches, jewellery, cameras, tablets / iPads, pagers, mobile phones, sunglasses, consumable stores, compact discs, audio or video tapes or anything else not listed under What We cover.
- Theft unless there is visible evidence of forcible and violent entry into a locked part of Your Vessel.

Power Vessel association time trials

What We cover

We will provide cover if Your Vessel is participating in time trials conducted under the control or regulation of the Power Boat Association to a maximum speed of 30 knots.

The General Exclusion for Racing does not apply to this benefit.

Purchase of a replacement Vessel

What We cover

If You replace Your Vessel, or any item shown in Your Policy Schedule, and We agree to cover the replacement, We cover it:

- from the time You bought it, and
- up to the lesser of the purchase price of the replacement Vessel or item and the Total Sum Insured for the Vessel or sum insured for the item as shown on Your current Policy Schedule, and
- We no longer cover the old Vessel or item.

We will give You this cover for Your replacement vessel or item only if:

- You give Us written details of it within 14 days of buying it, and
- You pay Us any additional Premium that We ask for.

Recovery or removal of wreck

What We cover

We will pay the reasonable costs to remove or recover the wreck of Your Vessel if Your Vessel is Damaged or sinks Accidentally, and We agree to recover it or the law requires that it must be removed.

Limit

These costs are recoverable in addition to the Total Sum Insured of Your Vessel and are subject to a limit of $1,000,000.

What We do not cover

This cover will not apply if You have Section 2 Legal Liability cover in place.

Search costs

What We cover

We will pay for search costs or expenses reasonably incurred by You for hire or charter of any vessel or aircraft to be utilised in search of Your Vessel presumed lost or in distress.

Limit

The maximum amount We will pay is $10,000 for any one event.

Sporting equipment

What We cover

Loss or Damage to the following types of sporting equipment belonging to You caused by Accident or Theft while they are on Your Vessel and not in use.

- fishing equipment including rods, reels, tackle and other similar equipment,
- diving equipment including regulators, tanks and buoyancy compensation devices,
- kayaks or canoes,
- wave skis and/or water ski equipment,

Limit

The maximum amount We will pay is $2,000 on any one item with a limit of $20,000 in total.

What We do not cover

- Theft where there is no evidence of forcible and violent entry either into the Vessel or into the normal place of storage of the Vessel or equipment.
- Accidental loss or Damage to sporting equipment while it in use.

Extra Cover Options You can choose for additional Premium

The following Extra Cover options may be obtained on application for an additional Premium, and at Our discretion. The sections headed 'What We do not cover', 'What You are not covered for – Legal liability' and 'When You are not covered - General exclusions applying to all sections of this Policy' also apply to these Extra Covers.

Lay-Up Cover

What We cover

If We have agreed to offer You Lay-Up Cover it will be shown in Your Policy Schedule with a lay-up period as agreed. During this lay-up period Your Vessel must at all times be stored within the boundary of Your property behind locked gates, walls, or fences at Your nominated address and must not be used.

During the lay-up period We will limit the cover on Your Vessel to loss or Damage caused by fire and Theft

only.
If, at any stage, You wish to amend this cover please contact Us so We may arrange this. The Premium charged is reflective of this lay-up period however adjustments to Your Premium may be required to reflect any amendments to this cover.

What We do not cover

- Loss or Damage to Your Vessel other than that caused by fire or Theft during the lay-up period.
- Loss or Damage while Your Vessel is outside Your nominated address or in the water during the lay-up period specified.

Penned Vessel – Nil Excess Benefit

What We cover

If We have agreed to cover You for Penned Vessel – Nil Excess Benefit and it is shown in Your Policy Schedule, the basic Excess shown in Your Policy Schedule will not be deducted for a claim for loss or Damage which occurs when Your Vessel is penned or berthed:

- in its usual marina berth,
- at its usual private jetty or pontoon, or
- berthed in its usual air berth

at the location shown in Your Policy Schedule. Only one berth can be nominated.

What We do not cover

This benefit does not apply for loss or Damage:

- which happens during a named cyclone event
- which is caused by a lightning strike
- which happens while the Vessel is being manoeuvred

Transport Damage (Trailer Boats on their Trailer)

What We cover

If We have agreed to cover Your Vessel for transport damage (Trailer Boats on their Trailer) and it is shown in Your Policy Schedule, We will provide additional cover to You for Accidental Damage to Your Vessel during transport on its own Trailer by road, rail or sea carrier, provided Your Vessel is designed to be normally carried by the Trailer and You are complying with all statutory requirements.

Transport Damage (Trailer Boats not on their Trailer)

What We cover

If We have agreed to cover Your Vessel for transport damage (Trailer Boats not on their Trailer) and it is shown in Your Policy Schedule, We will provide additional cover to You for loss or Damage to Your Vessel being transported by road in the absence of its Trailer, and lifted for the purpose of transport by road by a professional vessel transporter.

The cover is subject to You complying with all necessary regulations and precautions.

Yacht club social racing risk extension

What We cover

If We have agreed to cover Your Vessel for yacht club social racing risks and it is shown in Your Policy Schedule, We will provide additional cover to You for loss or Damage to Your Vessel, including its' Sails, Masts, Spars, Standing and Running Rigging, while Your Vessel is being raced in yacht club social races:

- not exceeding 25 nautical miles, and
- within the geographical limits shown in Your Policy Schedule.

Excess

We apply an additional Yacht Club Social Racing Risk Excess to claims under this extension. This additional Excess is shown in Your Policy Schedule.

What We do not cover

- Races which involve the use of spinnakers and/or other extras. We will also not cover any loss or damage to spinnakers and/or other extras.
- Any yacht club social racing outside of the areas set out above unless You have Our agreement in writing.

Yacht racing risk extension

What We cover

If We have agreed to cover You for yacht racing risks and it is shown in Your Policy Schedule, We will provide additional cover to You for loss of or Damage to Your Vessel, including its' Sails, Masts, Spars, Standing and Running Rigging, while Your Vessel is being raced in yacht club or association organised races:

- not exceeding the overall distance of the yacht race noted in the Yacht Racing Endorsement shown in Your Policy Schedule, and
- within the geographical limits shown in Your Policy Schedule.

Excess

We apply an additional Yacht Racing Risk Excess for claims under this Extra Cover. This additional Excess will be shown in Your Policy Schedule.

What We do not cover

Any yacht racing outside of the areas set out above unless You have Our agreement in writing.

SECTION 2 – LEGAL LIABILITY

If You have cover under Section 2 Legal Liability it will be shown in Your Policy Schedule.

What You are covered for – Legal liability

We cover You and any person allowed by You to control Your Vessel against Your legal liability to pay compensation for:

- Accidental death or bodily injury to a Third Party,
- Accidental death or bodily injury to You when another person allowed by You is in control of Your Vessel,
- Accidental Damage to Third Party property,

occurring during the Period of Insurance and arising out of the ownership or use of Your Vessel.

How much We pay – Legal liability

We will pay the costs of:

- compensation, and
- legal fees and expenses that You are liable for.

We will only pay the costs of legal fees and expenses You incur if We consent to them in writing before You incur them. We will not withhold unreasonably our written consent to You incurring legal fees and expenses.

Limit of what We will pay – Legal liability

The maximum We will pay is the amount shown in Your Policy Schedule in total for all claims that arise from any one Accident. This maximum amount includes all legal fees and expenses.

Additional Benefits

We provide additional benefits under this policy which extend the cover provided to You. These additional benefits are included within the limit for Legal Liability that is shown in Your Policy Schedule.

We agree to provide additional cover for:

Operating a substitute Vessel

What We cover

We will cover You against Your Legal liability for:

- Accidental death or bodily injury to a Third Party,
- Accidental Damage to other people's property caused by the use of a substitute vessel provided that:
- You have permission from its owner, and
- Your Vessel is not being used at the time, and
- You or any member of Your Family do not own or have an interest in the substitute vessel.

If You are entitled to cover under any other insurance policy, We will only be liable under this Section of the Policy for the amount Your liability exceeds the limits of cover under any other insurance policy.

Sudden and Accidental Discharge, Release or Escape of Fuel or Lubricants

What We cover

We will cover You or any person allowed by You to control Your Vessel (within the requirements of any law) against Legal liability for:

- actual physical Damage to property caused by sudden and Accidental discharge, emission, spillage, or leakage upon or into waters or land of oil, petroleum products, effluent or sewage from Your Vessel provided the discharge, emission, spillage or leakage does not arise from Your wilful negligence or misconduct or wilful negligence or misconduct of any person allowed by You to control the Vessel.

Limit

Under this cover We will pay no more than $1,000,000 for any one Accident or series of Accidents caused by the one event.

What We do not cover

- Damage to Your Vessel
- death, bodily injury or illness
- contractual or assumed liability
- any loss of use or consequential loss
- fuel or lubricants not being used in connection with the operation of Your Vessel at the time of the loss
- breach of any Federal, State or Local legislation regulating or controlling the discharge, spillage, emission or leakage of oil or any other substance into navigable waters or elsewhere or removal of or liability for discharge, spillage emission or leakage.

Berth Holders liability

What We cover

We will cover You for any legal liabilities imposed upon You by the Terms and Conditions of a lease or agreement for the provision of a berth or mooring or storage facility for Your Vessel.

What You are not covered for – Legal liability

We will not pay for Your Legal liability or the Legal liability for any person allowed by You to control Your Vessel (within the requirements of any law) for:

Aerial Towing

The towing of persons or objects in the air, including parasailing.

Compulsory Insurance

Bodily injury to, or the illness or death of a person who is covered (or should have been covered) by any compulsory compensation insurance, including any compulsory third party vessel insurance.

Overseas Actions

Actions that are brought against You in a court or tribunal outside Australia or a court or tribunal that applies laws other than the law of a State or Territory of Australia.

Pollution

Any claim arising directly or indirectly from pollution or contamination by any substance except as otherwise specifically covered under the additional benefit for Sudden and Accidental Discharge, Release or Escape of Fuel or Lubricants in this section.

Property Owned by You

Loss of or damage to any property (other than that specified in this Policy) owned by You or in Your custody or control or the property of any other person covered by this Policy.

Scuba Diving

Death or bodily injury caused by the activity of scuba diving.

Tradespeople
Any claim arising as a result of work performed by any tradesperson or company engaged by You for the repair, service or maintenance of Your Vessel. We will also not cover the liability of any such tradesperson or company.

Trailer Being Towed
Loss or damage to Third Party property arising from the Trailer being towed by or breaking away from or Accidentally becoming detached from the towing vehicle.

Vessels on swing moorings
Loss or Damage to Third Party property arising from Your Vessel breaking away from a mooring not being;

- of a suitable design and weighting for the Vessel,
- appropriately sited, and
- in good order and maintained as per applicable statutory requirements at least on an annual basis.

Water Skiing
Water skiing and/or aquaplaning unless You have chosen the optional Water skiing and/or aquaplaning extension and it is shown in Your Policy Schedule.

Optional Liability cover for You can choose for additional Premium:

The following optional liability cover may be obtained on application, and for an additional Premium. This optional benefit is included within the limit for Legal Liability that is shown in Your Policy Schedule. Please also refer to 'When you are not covered for – Legal Liability' and 'When You are not covered - General exclusions applying to all sections of this Policy'.

Optional Water skiing and/or aquaplaning extension

What We cover
If We have agreed to cover You and it is shown in Your Policy Schedule and You have paid any additional Premium We ask for, We will cover:

- You, or
- any person allowed by You to control Your Vessel, and
- the person acting as an 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 Vessel,
- Accidental death or bodily injury to any person caused by a water skier or aquaplaner being towed by Your Vessel, or
- Accidental Damage to Third Party property caused by a water skier or aquaplaner being towed by Your Vessel.

We will also cover a water skier or aquaplaner towed by Your Vessel against that water skier's or aquaplaner's legal liability for:

- Accidental death or bodily injury to a person, or
- Accidental Damage to property other than Your Vessel

caused by the water skier or aquaplaner while being towed by Your Vessel.

What We do not cover
We will not pay for liability arising out of:

Breach of Regulations
Towing of any person by Your Vessel, including any tender or PWC, that breaches waterways regulations.

Competent Observer not on board
Water skiing or aquaplaning when there is not a legally competent observer in addition to the driver on board Your Vessel at the time of the Accident.

Competition Waterskiing
Competition waterskiing.

Waterskiing Equipment

- Water skiing or aquaplaning when an aerial device or ski ramp is being used.
- Water skiing or aquaplaning when a ski mast, ski pole, or ski tower are being used unless it is professionally designed, manufactured and installed.
- Towing or using air chairs.
- Towing of any device not designed and professionally manufactured for the purpose of being towed behind a vessel (e.g. surfboards or tyre tubes).

SECTION 3 – PERSONAL ACCIDENT

If You suffer bodily injury as a result of an Accident during the Period of insurance which arises directly out of the use of Your Vessel, and that results within six (6) calendar months in either Your:

- death
- temporary total disablement, or
- Permanent total disablement.

We will pay in the event of Your:

- death – the sum of $50,000 plus Funeral Expenses of $7,500
- temporary total disablement – the sum of $300 per Week, up to a maximum of 100 weeks
- Permanent total disablement – the sum of $30,000.

To qualify for payment, You must obtain and follow advice of a qualified medical practitioner (other than You or Your Family) as soon as possible after the Accident.

SECTION 4 – WHAT YOU ARE NOT COVERED FOR – GENERAL EXCLUSIONS APPLYING TO ALL SECTIONS OF THIS POLICY

What We do not cover
This Policy excludes loss, Damage, destruction, death, bodily injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

Alteration or Refit
Your Vessel undergoing major Hull repair or alteration (e.g. extending the length of the Vessel, major refurbishment of deck, cabin and Hull or replacing inboard engines) unless You tell Us beforehand in writing, and We agree in writing to cover You and it is shown in Your Policy Schedule.

Bushfires, Storms or Named Cyclones in the first 48 hours of this policy
Loss or Damage to Your Vessel caused by a bushfire, storm or a named cyclone in the first 48 hours of cover.
But We will cover these events if this Policy began on the same day:

- You bought Your Vessel, or
- Your took out Your insurance with Us immediately after another insurance policy covering Your Vessel expired without a break in cover, but not if You cancelled that policy prior to its expiry date and only up to the sums insured covered under the expired policy. Any increase in sums insured will not be covered for these events for the first 48 hours specified.

Commercial Use
Your Vessel being used for hire or charter, or for payment or reward at the time of the Accident or loss unless We specially agree to cover this use and specify the cover in Your Policy Schedule.

Depreciation
Any decrease in the value of Your Vessel due to age, wear and tear, Unrepaired Damage, market conditions or other factors.

Financial, emotional or psychological loss
Financial, emotional or psychological loss which occurs because You cannot use Your Vessel.

Fines or penalties
Any fines, penalties, aggravated, punitive or exemplary damages.

Intentional Act
Any claim caused by an intentional act by You, a person covered by this policy, or a person acting with Your express or implied consent, unless required by law.

Legal Confiscation
Any claim arising from or in connection with the lawful seizure or destruction of the Vessel, except where covered by the additional benefit for Damage caused to Your Vessel by any governmental authority.

Live-aboard
Your Vessel being used for permanent living accommodation, unless You tell Us beforehand and We agree in writing and it is shown in Your Policy Schedule.

Moorings
Loss or Damage to moorings.

Nuclear Activity
Loss, Damage, liability or expense directly or indirectly caused by or contributed to by, or arising from:

- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel,
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any

nuclear installation, reactor or other nuclear assembly or nuclear component thereof,

- any Weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes,
- any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos,
- any chemical, biological, bio-chemical, or electromagnetic Weapon.

This Policy also excludes any loss, destruction, Damage, death, bodily injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above exclusions.

Outside Geographical Limits

Your Vessel being operated outside the geographical limits shown in Your Policy Schedule.
Unless You advise Us and We agree to extend cover in writing, Your Policy will be automatically suspended when Your Vessel clears Australian Customs and Immigration for the purpose of leaving Australian waters and will recommence when it clears Australian Customs and Immigration on return.

Overloaded Vessel

Your Vessel being operated with more than the maximum number of passengers or load recommended by the Hull manufacturer.

Overpowered Vessel

Your Vessel being operated with a Motor more powerful than recommended by the Hull manufacturer for the Hull specifications.

Persons in Control

- Your Vessel being in the control of You or any person with Your express or implied consent while under the influence of alcohol or of any drug or had a percentage of alcohol or drugs in Your/their breath or blood in excess of the percentage permitted by law in the place where the loss, Damage or liability occurred.

  But We will cover You if You were not on board the Vessel at the time and can clearly demonstrate that You
  had no reason to suspect that the person in control would be under the influence of alcohol and any drug
  or had a percentage of alcohol or drugs in excess of legal limits.

- Your Vessel being under the control of a person not licensed under the applicable law:

  But We will cover You if the person:
  - was not named as one of the Insured in Your Policy Schedule, and
  - You can clearly demonstrate You had no reason to suspect that person was unlicensed.
  - Your Vessel being towed on a Trailer and the driver with Your express or implied consent was not licensed to drive a vehicle in accordance with law.

  But We will cover You if You were not in the vehicle at the time and can clearly demonstrate that You had no reason to suspect that the driver was unlicensed.

Pollution

Any claim arising directly or indirectly from pollution or contamination by any substance except for the

cover provided under Section 2 – Legal Liability for Sudden and Accidental Discharge, Release or Escape of Fuel or Lubricants.

Racing
Your Vessel being used in racing, speed tests or trials, unless You pay an additional Premium and We agree to provide the optional yacht racing risk extension or optional yacht club social racing risk extension and it is shown in Your Policy Schedule.

Sanctions Limitations and Exclusion Clause
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 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.

Speed
Your Vessel being operated at a speed greater than 60 knots.

Transport
- Your Vessel being transported on a Trailer, unless the Vessel is designed and built for that purpose.
- Your Vessel being loaded or unloaded or transported by a commercial carrier (other than incidental transport on a vehicular ferry) unless You tell Us beforehand, and We agree in writing to provide the optional Transport Damage (Trailer Boats on their Trailer) cover or the optional Transport Damage (Trailer Boats not on their Trailer) cover and it is shown in Your Policy Schedule.

Unlawful Purposes
Your Vessel being used for an unlawful purpose.

Unseaworthy Vessel
You not keeping the Vessel in good order and repair, or in a proper state of seaworthiness and in compliance with any statutory requirements (e.g. Waterways Authority Regulations).

Unsuitable Moorings
Loss or Damage to Your Vessel as a result of the mooring for Your Vessel not being:
- of a suitable design and weighting for the Vessel;
- appropriately sited; and
- in good order and maintained as per applicable statutory requirements at least on an annual basis.

Vessel Condition
Loss or Damage to Your Vessel caused by or the cost of repairing any pre-existing damage which is damage which occurred prior to the commencement of this Policy.

Wear and tear
Loss or Damage caused by:
- wear & tear
- mould, mildew, timber rot, delamination, osmosis, deterioration
- vermin and/or marine growth
- rusting or other forms of corrosion, or electrolysis
- lack of maintenance

SECTION 5 - CLAIMS

How to make a claim

Please contact Us or Your Financial Services Provider to make a claim. We will only accept responsibility for repairs or payments to third parties under a claim where You have told Us about them beforehand and We have accepted Your claim.

What You must do

For Us to consider Your claim, You must:

- promptly take all reasonable and responsible precautions to prevent any further loss or Damage to Your Vessel including electrical equipment and components which have been submerged. In the case of a Motor this means, the flushing out, oiling and drying out of the Motor and all other electrical equipment and components
- make a report to the Police if there is injury, malicious Damage and Theft or attempted Theft of Your Vessel
- contact Us and tell Us details of what has happened
- complete Our claim form and any other form We ask You to complete and submit to Our office in order for Your claim to be reviewed.

What You must NOT do

You must not authorise repairs to Your Vessel without Our consent. We will not withhold our consent unreasonably.
Only We have the right to settle or defend a claim against You by another person. If We agree You have a claim, only

We have the right to:

- make or accept any offer or payment, or in any other way admit You are liable
- settle or attempt to settle any claim, or
- defend any claim.

Providing proof

So that Your claim can be assessed quickly You should keep the following:

- Receipts or other confirmation of purchase, and
- valuations.

We may ask You for these if You make a claim. You must be able to prove to Us that You have suffered a loss that is covered by this Policy before We will pay You for it.

We may ask You for these if You make a claim.

Costs of dismantling, diagnosis and reassembly

In addition to the obligations contained in the Section 'Your duty to co-operate', where You make a claim for loss or Damage to Your Vessel, We may in some circumstances, require You to:

- dismantle Your Vessel; or
- authorise Us to dismantle Your Vessel, so We can assess Your claim to determine the relevant loss or Damage and/or decide if Your claim is valid

If You do not agree to this We may refuse to assess or pay Your claim.

Where We determine that the claimed loss or Damage to Your Vessel is:

- not covered by Your Policy, You will be responsible for the above dismantling costs as Well as any costs associated with the dismantling (including but not limited to any diagnosis, reassembly, repair and/or replacement costs).
- covered by Your Policy, We will settle Your claim in accordance with the terms and conditions of Your Policy.

When We may refuse a claim

We may refuse a claim if amongst other things:

- You do not do what Your duty to disclose facts (Duty to take reasonable care not to make a misrepresentation) requires You to do in the application or when making a claim, You:
    - are not truthful
    - have not given Us or refuse to give full and complete details, or
    - have not told Us something when You should have.
- You do not at all times take reasonable care to:
    - prevent Theft of the Vessel, outboard Motor(s) or the equipment and accessories
    - protect Your Vessel against any initial or further loss or Damage
    - keep Your Vessel in good condition
    - prevent death, bodily injury, or illness to Third Parties, or loss or Damage to their property, and
    - obey any statutory requirements that safeguard people or their property.
- You do not give Us the documents and information We may need to help Us decide on any amount that We may pay You
- You do any of the following without Our knowledge and consent:
    - make or accept any offer or payment, or in any other way admit You are liable
    - settle or attempt to settle any claim, or
    - defend any claim.
- You do not as soon as possible make a report to the Police about:
    - any injury, or
    - any malicious Damage to Your Vessel, or
    - any Theft or attempted Theft of Your Vessel.
- You must give Us a written statement from the Police saying that You reported such an event to them.
- You do not comply with the Policy conditions
- You make a fraudulent claim.

What We do

We may take over and conduct the defence or settlement of any claim or issue legal proceedings for Damages. If We do this, We will do it in Your name. We have full discretion in the conduct of any legal proceedings and in the settlement of any claim. You must co-operate by giving Us any statements, documents or assistance We require. This may include giving evidence in any legal proceedings.

What You must pay if You make a claim – Excess

For most claims You make on this Policy, You will have to pay the Excess which is shown in Your Policy Schedule or, unless specifically mentioned in Your Policy Schedule, an Excess mentioned in this Product Disclosure Statement.

When You will NOT have to pay an Excess

You will NOT have to pay an Excess for claims:

- for total and/or constructive Total loss of Your Vessel,
- arising out of death or bodily injury under the Personal Accident or Liability cover,
- for land towing or Vessel inspection costs under 'Other expenses'

You will not have to pay an Excess if You are claiming an amount which is more than the Excess for the incident that We agree was not Your fault or the fault of:

- the person in control of the Vessel,
- the driver of the vehicle towing Your Vessel, or
- any other person in or on Your Vessel

provided You give Us the name and address of the person responsible for the incident.

What can affect a claim

We will reduce the amount of a claim by the Excess shown in the Policy Terms and Conditions or in Your Policy Schedule.

We may refuse to pay a claim if You are in breach of Your Duty to take reasonable care not to make a misrepresentation or any of the conditions of this Policy, including any endorsements noted on or attached to Your Policy Schedule.

We pay only once for loss or Damage from the same event covered by this Policy even if it is covered under more than one Section of the Policy.

We may be entitled to refuse to pay or to reduce the amount of a claim if:

- it is in any way fraudulent, or
- any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain any benefits under this Policy.

The amount of any claim may be reduced

The amount of any claim made under the Policy may be reduced:

(a) where an Excess applies. Any applicable Excess will be shown in Your Policy Schedule, or in the Policy booklet,

(b) if You have understated the value of Your Vessel,

(c) where You have not requested the insured value of any item to be specifically specified in the Policy,

(d) if You do not adequately secure Your Vessel.

How Your claim may be settled

In the event of a claimable event under this policy the basis of claims settlement will be:

Total loss

In the event of a Total loss of the Vessel We will, at Our option:

- Pay the sum insured shown in Your Policy Schedule if the words 'Agreed value' are shown in Your Policy Schedule, or
- Pay the amount of loss or Damage up to the Sum Insured or Your Vessel's Market value, whichever is the lesser, if the words 'Market value' are shown in Your Policy Schedule.
- Replace Your Vessel with a new vessel of the same make, specification, model or series so long as it is available in Australia and provided that it is less than 12 months old. We will also pay any registration and/or stamp duty costs applicable.

If Your Vessel is less than one year old and is deemed a Total Loss, We will consider the value of a new vessel of the same or similar make and model available in Australia in determining the amount paid to You. If We pay for a Total Loss we will take ownership of any Salvage.

Partial Loss

Repairs:

In the event of a partial loss, where we agree that Your Vessel or part of your vessel can be repaired, We will at our Option:

- repair Your Vessel or part of Your Vessel; or

- pay you the reasonable cost of repairing Your Vessel or part of Your Vessel.

When We take the option of repairing a part or item, the amount that We pay is limited by the actual value of the part or item being repaired compared with its age and condition.

Replacement of Parts:
In the event of a partial loss, where We agree that a part or item should be replaced, We will at Our Option:

- pay the reasonable cost of replacing the part or item, or
- pay the sum insured for the part or item where there is an Agreed Value for the part or item shown in Your Schedule, or
- pay the current market value of the part or item where Market Value is shown in Your Schedule.

When We decide either to replace an item, or to pay the cost of replacing an item which has no agreed sum insured, then depreciation may apply and the amount payable is determined by:

- comparing the value of an item with an item of similar age and condition, or
- establishing the actual cost of an item of similar age and condition.

If the part or item is less than one year old, We will not apply depreciation in determining the amount paid to You.
Any lost or Damaged parts or items will become Our property.

Unavailable Parts
In the event of an incident covered under this Policy, should any part of Your Vessel and/or other Insured property become unavailable in the country of the loss, We will reimburse You, in accordance with the basis of settlement under "How Your claim may be settled" but in no circumstances will We be liable for more than the cost of the parts plus the cost of freighting such parts by sea transport.

Should the cost of these parts plus the cost of repairs exceed the sum insured or Market value, whichever is the lesser, We reserve the right to declare the Vessel a Total loss.

New for old
We may replace new for old on mechanical and electrical components of the Motor up to 5 years of age which cannot be satisfactorily repaired up to the Motor sum insured.

Matching Repairs
The reasonable cost of repairs will not include any extra costs associated purely with creating a uniform appearance to match the undamaged portion of Your Vessel.

For example, We will not pay extra to repaint any undamaged area of Your Vessel to perfectly match the repaired area. If You choose to have the whole area repainted, then You will have to contribute towards the costs.

Costs of dismantling, diagnosis and reassembly
Where You make a claim for loss or Damage to Your Vessel, We may in some circumstances, require You to:

- dismantle Your Vessel; or
- authorise Us to dismantle Your Vessel, so We can assess Your claim for the relevant loss or Damage and or decide if it is valid.

If You do not agree We may refuse to assess or pay Your claim.

Where We determine that the claimed loss or Damage to Your Vessel is:

- not covered by Your Policy, You will be responsible for the costs of the above dismantling as Well as any costs associated with the dismantling (including but not limited to any diagnosis, reassembly, repair and/or replacement costs).
- covered by Your Policy, We will settle Your claim in accordance with the terms and conditions of Your Policy.

All losses

Limit
The maximum amount payable will not exceed the Total sum insured under any circumstances.

Co-Insurance
Any amount payable will be reduced if the total Market value of the Vessel including all items covered by this policy exceeds the Total sum insured shown in Your Policy Schedule by more than 20%. The amount payable will be reduced in proportion to the difference between the Market value of the whole Vessel and

the Total sum insured.

SECTION 6 – GENERAL CONDITIONS

The following General conditions apply to all Sections of this Policy.

Changing Your Policy

If You want to make a change to this Policy, the change becomes effective when:

- We agree to it, and
- We give You a new Policy Schedule detailing the change.

How Goods and Services Tax (GST) affects any payments We make

The amount of Premium payable by You for this Policy includes an amount on account of the GST on the Premium.
When We pay a claim, Your GST status will determine the amount We pay.

When You are:

a) not registered for GST, the amount We pay is the Sum Insured/Limit of Indemnity or the other limits of insurance cover including GST;

b) registered for GST, We will pay the Sum Insured/Limit of Indemnity or the other limits of insurance and where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a Damaged item Insured under the Policy) We will pay for the GST amount.

We will reduce the GST amount We pay for by the amount of any input tax credits to which You are or would be entitled if You made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through Your Business Activity Statement (BAS).
You must advise Us of Your correct Australian Business Number & Taxable Percentage. Any GST liability arising from Your incorrect advice is payable by You.

Where the settlement of Your claim is less than the Sum Insured/Limit of Indemnity or the other limits of insurance cover, We will only pay an amount for GST (less Your entitlement for Input Tax Credit) applicable to the settlement. This means that if these amounts are not sufficient to cover Your loss, We will only pay the GST relating to Our settlement of the claim.

We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by any business of Yours which is relevant to Your claim.

GST, Input Tax Credit (ITC), Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is Your entitlement to an Input Tax Credit on Your Premium as a percentage of the total GST on that Premium.

Taxation implications

There may be other taxation implications affecting You, depending upon Your own circumstances. We recommend that You seek independent professional advice.

Cancelling Your Policy

How You may cancel this Policy

- You may cancel this Policy at any time by telling Us in writing that You want to cancel it. You can do this by giving the notice to Us or Your Financial Services Provider.
- Where 'You' involves more than one person, We will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the Insured.

How We may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing You in writing in accordance with the Insurance Contracts Act 1984 (Cth).

- We will give You this notice in person or send it to Your address last known to Us.

The Premium
Where the Policy is cancelled We will refund to You the proportion of the Premium for the remaining Period of insurance. If We have paid a claim for Total loss no refund Premium will be given.

Preventing Our right of recovery
If You have agreed not to seek compensation from another person who is liable to compensate You for any loss, Damage or liability which is covered by this Policy, We will not cover You under this Policy for that loss, Damage or liability.

If more than one person is insured by this Policy
If more than one person is insured by this Policy, an act, Omission, statement or claim by any one of the Insured people has the same effect as an act, Omission, statement or claim by all of those people.

Other party's interests
You must tell Us of the interests of all parties (e.g. financiers, owners, lessors) who will be covered under this Policy. We will protect their interests only if You have told Us about them and We have noted them on Your Policy Schedule.

If You sell or give away Your Vessel
If You sell or otherwise give away Your Vessel or part-ownership in a Vessel and do not tell Us:
- the cover under this Policy ceases immediately without any notice to You from the time of sale or You otherwise give away Your Vessel.

When You tell Us that You no longer own the Vessel, We will:
- refund to You what is left of the Premium You paid by deducting an amount which covers the period for which You have been insured with Us.

If You are giving up an interest as lessor, mortgagee or owner under a hire purchase agreement, You do not have to tell Us.

Keeping Us informed
You must tell Us as soon as possible:
- if there is any significant change in the condition or use of Your Vessel which may affect Our decision to insure it
- if any event happens that could mean You will make a claim and/or a claim may be made against You by another person, You must tell Us within 30 days of the event happening.

If You do not keep Us informed We may do the following:
- refuse to pay Your claim, or
- reduce the amount We pay You for Your claim under Your Policy, or
- cancel Your Policy.

Law & Practice
Any dispute arising from this Policy will be determined by the Courts, and in accordance with the laws of the State or Territory of Australia where Your Vessel is normally based or located.

Notices
Any notice We give You will be in writing, and it will be effective:
- if it is delivered to You personally, or
- if it is delivered or posted to Your address last known to Us.

We may agree to send Your Policy documents and Policy related communications electronically. This will be by email and/or other types of electronic communication methods. Policy documents and Policy communications will be provided to You in this way until You tell Us otherwise or We tell You it is no longer suitable. If We agree to communicate with You electronically, You will need to provide Us with Your current

email address and Your Australian mobile phone number. Each electronic communication will be deemed to be received by You at the time it leaves Our information system. You may contact Us in writing or by phone to confirm any transactions under Your insurance if Your Financial Services Adviser does not already have the required Policy confirmation details.
It is important for You to tell Us of any change of address as soon as possible.

Other insurance policies

If at the time of an Accident another Policy is in force covering the same risk, We will only pay the amount in excess of the amount that is recovered under those Policies, limited to the sum insured shown in Your Policy Schedule.

Other interests

You must not transfer any interests in this Policy without Our written consent. We will not withhold Our written consent unreasonably.

Any person whose interests You have told Us about and We have shown in Your Policy Schedule is bound by the terms of this Policy.

Your duty to co-operate

In the event of a claim, any benefits that this Policy gives You depend on You giving Us full details of Your loss and any help that We require, including further written statements and documents We consider relevant. We may also require You to attend Court to give evidence.

You must help Us even after We have paid Your claim. We may attempt to recover the amount of Our payment from the person who caused You to suffer loss or Damage, or We may want to defend You if it is alleged that You caused loss or Damage to someone else.

You must send to Us as soon as reasonably practicable any letters, demands, notices or Court documents You receive relating to an Accident that resulted or could result in a claim.