



# Helmsman Insurance

Product Disclosure Statement

pleasurecraft

Preparation date: 31 December 2009

EXPERTISE • SERVICE • SECURITY

# Policy Schedule

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# Helmsman Insurance

## – Product Disclosure Statement

Associated Marine is proud to present the Helmsman Insurance product.

### Who is the insurer

Zurich Australian Insurance Ltd (Zurich) ABN 13 000 296 640 AFS licence number 232507 5 Blue Street, North Sydney NSW 2059 is the insurer.

### Who is Associated Marine

Associated Marine Insurers Agents Pty Ltd (Associated Marine) ABN 41 006 104 007 AFS licence number 235383 is agent for certain Zurich insurance products, including Helmsman. Under its arrangements with Zurich, Associated Marine provides all services in relation to Helmsman which includes dealing with and settling claims. Associated Marine is wholly owned by Zurich Financial Services Australia Ltd ABN 11 008 423 372.

In this PDS 'we', 'us' or 'our' mean Associated Marine on behalf of Zurich.

This Product Disclosure Statement (PDS) is an important document. You should read it carefully before making a decision to purchase this product.

This PDS will help you to:

- decide whether this product will meet your needs; and
- compare this product with other products you may be considering.

The information contained in this PDS is general information only. It is important you read your policy to ensure you have the cover you need.

Some words used in this PDS are abbreviations or have a particular defined meaning. You should refer to the 'Words that have a special meaning' section from page 7 to obtain the full meaning of these terms.

### How to apply for this insurance

Throughout this document when referring to your insurance broker or intermediary, we may refer to them as your intermediary.

If you are interested in buying this product or have any enquiries about it, you should contact your intermediary who should be able to provide you with all of the information and assistance you need.

If you do not have an intermediary you can contact us at the address or telephone number shown on the back cover of this document. However, we are only able to provide factual information or general advice about the product. We do not give advice on whether the product is appropriate for your personal objectives, needs or financial situation.

### Our Helmsman insurance

The Associated Marine Helmsman policy is designed for pleasurecraft owned and/or operated in Australia or New Zealand. Our policy provides extensive cover including:

- accidental damage for your boat, contents, equipment and accessories, personal effects and sporting equipment (Section 1);
- liability cover for certain loss or damage you, or certain other people, cause to third party vessels or property and bodily injury to third parties (Section 2);
- cover for bodily injury to you (Section 3).

The policy can be customised to meet your needs by the purchase of Optional additional benefits that should be considered if you intend to use your boat:

- for water skiing or aquaplaning activities (refer to page 14)
- in any yacht race over 100 nautical miles (refer to page 10).

### Our contract with you

Your policy is a contract of insurance between you and Associated Marine and contains all of the details of the cover we provide.

Your policy is made up of:

- the policy wording that begins on page 7 of this document. It tells you what is covered, sets out the claims procedure, exclusions and other terms and conditions of cover;
- the proposal - this 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, that shows your particular insurance details. It includes any changes, exclusions, terms and conditions made to suit your individual circumstances and may amend the policy; and
- any other changes advised by us in writing, such as an endorsement or supplementary PDS. These written changes vary or modify the above documents.

Please note, only those sections and optional additional extensions shown as covered in your schedule are insured.

This document is also the PDS for any offer of renewal we may make, unless we tell you otherwise. Please keep your policy in a safe place.

We reserve the right to change the terms of this product where permitted to do so by law.

## Significant issues to consider

Insurance contracts contain policy exclusions, policy terms and conditions and policy limits and sub-limits that you should be aware of when deciding to purchase our product. These things may affect the amount of the payment that we will make to you if you have a claim.

We may express some policy terms, policy limits or sub-limits as being either a dollar amount or a percentage of your sum insured shown in your schedule or some other amount, factor or item specified in the relevant clause of this document

You should be aware of the following matters when considering whether this product is suitable for your needs

### **Basis of settlement - Section 1**

Under Section 1 - 'Cover for your boat', you may choose the basis of settlement option you require unless your boat is a personal water craft. The standard options are market value and agreed value. Please refer to 'Words that have a special meaning' from page 7 which explains how we apply these types of cover. An incorrect selection of the basis of settlement may possibly leave you underinsured.

### **Basis of settlement - Section 2**

Under Section 2 - 'Cover for your legal liability', you have the option of selecting a limit under this section. Please refer to page 13 and review this section before choosing your limit to ensure it is adequate for your requirements.

### **Basis of settlement - Section 3**

Under Section 3 - 'Personal accident cover', we have automatically included the Limits of Liability within the policy. Please refer to page 14 and review these limits to ensure they are adequate for your requirements.

### **Extensions of cover**

There may be times when your boat is being used outside of the functions agreed in the proposal form. We automatically provide cover for some additional circumstances under additional benefits within the policy.

Where these extensions have limits, these limits (whilst additional to the sum insured) are sub-limited to either per event, per vessel or per period of insurance. We suggest you review these limits to see if they are adequate for your needs.

Please refer to Additional benefits - Section 1 from page 10 and Section 2 from page 13, there are no additional benefits applicable to Section 3.

### **Excesses can apply**

If you make a claim under this policy, you may be required to pay an excess. An excess is not an additional fee charged by us at the time of making a claim. Rather, it is the uninsured first portion of loss for which you are otherwise covered, i.e. the amount you must contribute towards a claim.

The amount of your excess is shown on the schedule and the circumstances in which an excess is payable is explained from page 16.

Upon acceptance of your claim, you will be required to pay the total amount of the applicable excess, either to us or to the repairer. We will advise you to whom the excess must be paid.

### **The policy does not cover every eventuality**

This policy contains a number of exclusions, some of which are common in insurance policies. For example, we may not pay for loss or damage occurring because:

- you do not keep your boat in good order, repair and in a proper seaworthy condition
- your boat is undergoing major hull repairs or alteration unless we have agreed, in writing, to cover it
- the loss or damage is intentionally caused by you or a person acting with your authority or knowledge
- the loss or damage is caused by normal wear and tear or depreciation.

Some of the exclusions may be less common. Before making a decision about whether to purchase this policy, you should read the full details of all relevant exclusions which are contained in the policy wording.

Some may not be relevant to you, however you should be aware of all the exclusions. Please refer to 'What we don't cover' - Section 1 from page 11, Section 2 from page 14, Section 3 from page 15 and Section 4 - General exclusions from page 14.

### **Terms and conditions**

Terms and conditions applicable to your policy set out the obligations you should comply with. Please refer to Section 7 - General conditions from page 17.

### **Make sure you have the cover you need**

You should discuss with your intermediary the appropriate amounts and risks you should be insured for. If you do not adequately insure for the relevant risks you may have to bear any uninsured losses yourself.

If you do not choose appropriate amounts that allow for the current value of your boat or other financial risks that your policy aims to cover, then you may be underinsured when you need to make a claim.

### **Change of circumstances**

You should also advise your intermediary, or us, as soon as possible when your circumstances change if they are relevant to your policy. For instance, if you purchase a new boat or add new accessories to your boat. If you do not advise your intermediary, or us, about these changes, in the event of a claim you may not have a sum insured adequate to cover your loss, or you may not have any cover under your policy.

### **Your duty of disclosure**

We rely on the information you provide to us when you apply for, change, or renew your Helmsman Insurance policy. You must tell us anything that you know, or should know, that could affect our decision to insure you and/or the terms on which we insure you.

#### **1 What you DO need to tell us**

When answering our questions you must be honest and you have a duty under law to tell us anything known to you and which a reasonable person in the circumstances would include in answer to the question. We will use your answers in deciding whether to insure you and on what terms.

#### **2 What you DON'T need to tell us**

You do not need to tell us anything that:

- reduces our risk
- is of common knowledge
- we know, or as an insurer should know
- we indicate that we do not want to know.

#### **3 What will happen 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 your policy. If you answer our questions fraudulently, we may refuse to pay a claim and treat the policy as never having existed.

### **Your cooling off period**

We will refund all premium paid for cover under Helmsman Insurance if you request cancellation within 21 days of the policy commencing. To do this you must notify us in writing and return the schedule to your intermediary or Associated Marine. You will not receive a refund if you have made a claim, or are entitled to make a claim within the cooling off period.

### **How we calculate your premium**

The premium is the amount we have calculated to cover the risk of insuring your boat. The premium varies depending on the information we receive from you about the risk to be covered by us. The higher the risk is, the higher the premium will be. Based on our expertise as an insurer, we decide what factors increase our risk and how they should impact on the premium. Each insurer can do this differently.

We calculate your premium on the basis of information that we receive from you when you apply for insurance. Some factors impacting the premium are:

- make, model and type of your boat
- age and condition of your boat
- your boating experience
- your previous boat insurance losses or claims experience.

Premiums are subject to Commonwealth and State taxes, charges and duty (including Goods and Services Tax). The premium payable by you and the amount of these taxes, charges and duty will be shown in the schedule.

### **How and when to pay your premium and what happens if you don't pay**

Premiums are charged and are payable on a yearly basis. Your intermediary can tell you of other payment methods that may be available.

We will send you, via your intermediary if you have one, an offer of renewal for your insurance before your current period of insurance expires. If you do not pay your premium when due, your policy may lapse and you will not be covered. You may be able to reinstate your policy after it lapses, but you must submit an application to us, which is subject to our reassessment of your personal circumstances at the time of the application.

## Taxation information

We show all taxes and charges as separate items on all policy schedules (for example, GST and stamp duty). Details about GST as it relates to claims payments are shown in the Policy Wording of this document, Section 7.1 'Goods and Services Tax'.

## How to make a claim

To make a claim, please contact Associated Marine when something happens that you believe you can make a claim for. Details about making a claim are shown in the Policy Wording of this document 'Section 6 - How to make a claim'.

## Your privacy

The National Privacy Principles, under the Privacy Act 1998, regulate the way in which private sector organisations like Associated Marine can collect, use, store and disclose your personal information.

We collect personal information from you to assess your request for insurance and to administer the policy and for processing and adjusting claims. You can choose not to provide this information, however, we may not be able to process your requests or you may breach your duty of disclosure.

We may disclose information we hold about you to other insurers, to an insurance reference service or as required by law. In the event of a claim, we may disclose information to and/or about you from investigators or legal advisers.

If you wish to update the information we hold about you, please contact Associated Marine.

## General Insurance Code of Practice

The purpose of the General Insurance Code of Practice (Code) is to raise service standards, improve claims and complaints handling and help people better understand how general insurance works.

The objectives of the Code are:

- (a) to promote better, more informed relations between insurers and their customers
- (b) to improve consumer confidence in the general insurance industry
- (c) to provide better mechanisms for the resolution of complaints and disputes between insurers and their customers  
and
- (d) to commit insurers and the professionals they rely on to higher standards of customer service.

Associated Marine supports the Code. Brochures on the Code are available from Associated Marine offices.

## What to do if you have a complaint

If you have a concern about the Helmsman Insurance policy, a decision on a claim, the service provided by Associated Marine or its agents, loss adjusters or investigators, please contact your nearest Associated Marine office and they will help you in any way they can.

If they or their manager are unable to resolve the matter, please ask to be referred to a Dispute Resolution Officer.

The Dispute Resolution Officer will investigate and try to reach a satisfactory outcome. Our Dispute Resolution process is a free service to you.

If you are still not satisfied, the matter can be reviewed by the Financial Ombudsman Service. Financial Ombudsman Service Limited is an impartial body that is independent of this company. It will investigate your matter and make its decision at no cost to you. You can contact the Financial Ombudsman Service by calling 1300 780 808.

## Headings

Headings have been included for ease of reference, but do not form part of this policy

## Updating this PDS

We may need to update this document from time to time if certain changes occur where required and permitted by law. We will issue you with a new PDS or supplementary PDS to update the relevant information.

If the updated information is not materially adverse from the point of view of a reasonable person deciding whether or not to purchase this policy, we may issue you with notice of this information in other forms or keep an internal record of such changes. A paper copy of the updated information will be available free of charge on request by contacting either your intermediary or Associated Marine using the contact details set out on the back cover of this PDS.

# Benefits of cover available

The following is a summary of the major benefits of covers available under the policy. Please refer to each cover section for full details of coverage and applicable terms and conditions.

Summary of covers available	Benefits of cover available	Page no.
Own damage	Section 1	9
Legal liability	Section 2	13
Personal accident	Section 3	14
<b>Extensions of cover - Own damage Section 1</b>		
Voluntary rescue	accidental loss or damage to your boat while being used to assist a craft in distress	10
Time trials or log events	accidental loss or damage to your boat while participating in a time trial when your boat is not travelling in excess of 25 knots	10
Yacht racing	accidental loss or damage to your boat while participating in yacht races up to 100 nautical miles	10
Lost keys	accidental loss or theft of keys up to \$500	10
Consignment	loss or damage caused to your boat while on consignment up to sum insured	10
Temporary cover	accidental loss or damage to your boat for 24 hours following expiry of period of insurance if at sea up to sum insured	10
Replacement boat	cover for a replacement boat up to 150 per cent of sum insured and for a period of 30 days	10
Precautionary measures	costs to move your boat to safety when in potential danger up to \$2000	10
<b>Optional additional benefits - Section 1</b>		
Extended yacht racing	accidental loss or damage to your boat while competing in any yacht race exceeding 100 nautical miles	10
Lay up cover	restricted cover up to the sum insured while your boat is laid up	11
Machinery breakdown	cover for the cost of repairing or replacing your boat's motors, machinery or refrigeration equipment	11
<b>Extensions of cover - Cover for your legal liability Section 2</b>		
Substitute boat	your legal liability to the policy limit while in control of a substitute boat	13
Pollution	your legal liability for: <ul style="list-style-type: none"> <li>(a) pollution damage, clean up costs and legal costs up to \$500,000;</li> <li>or</li> <li>(b) if your boat is 15 metres or more in length overall and a pollution incident causes loss or damage within Queensland waters:               <ul style="list-style-type: none"> <li>pollution damage, clean up costs, salvage charges and wreck removal up to \$10,000,000</li> </ul> </li> <li>(c) fines and/or penalties up to \$50,000</li> </ul>	13
Marina/berth occupiers	your legal liability to the policy limit under terms of any lease agreement	13
<b>Optional additional benefits - Section 2</b>		
Water skiing/aquaplaning	your legal liability to the policy limit arising out of water skiing or aquaplaning	14

# Helmsman Insurance – Policy Wording

## Our agreement

Subject to the terms and conditions contained in this policy, and after you have paid or agreed to pay us the premium, we will insure you against loss or damage or any liability incurred as described occurring within the geographical limits during the period of insurance

## Words that have a special meaning

To fully understand this policy you need to know what we mean by certain words. We explain the meaning we give to these important words or terms below:

### Accidental loss or damage

loss or damage occurring as a result of an incident that is unforeseen and unintended, this includes a series of incidents arising out of the one event or occasion

### Agreed value

the amount we have agreed to insure your boat, equipment and accessories for if the words 'agreed value' are shown in your policy schedule

### Your boat

the boat described in the schedule or a replacement boat including:

- the hull
- the motor(s)
- equipment, accessories and contents
- mast, spars, sails, standing and running rigging
- trailer (if specifically noted as covered in the schedule)
- tender
- personal water craft

### Clean up costs

your legal liability for costs associated with the clean up of a pollution incident

### Consequential loss

any financial or economic loss suffered by any person

### Contents

whilst on your boat the following items form part of your contents:

- portable household goods
- appliances
- refrigerators
- microwave ovens
- televisions
- glassware, crockery, cutlery, cooking utensils
- manchester

contents does **not** include:

- antiques, works of art
- ornaments, curios, collectibles
- jewellery, precious stones, furs, any items that contain gold and silver
- cash, credit cards, cheques, bonds and any similar financial items
- cameras, mobile phones, electronic organisers
- computers, computer software and computing equipment unless used for navigation purposes
- tools of trade
- bicycles

### 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 boat including:

- electronic navigation equipment
  - depth sounders
  - fish finders
  - GPS
  - radar
  - auto pilot
- marine radios and transceivers
- boat covers and canopies
- anchors
- air dock and/or air berth
- tools

### Excess

the proportion of risk you retain for each claim (the amount shown in the schedule and you will pay the excess before we pay the remainder of the claim)

### Fines and/or penalties

a sum payable by you to a regulatory authority by order of a court or other tribunal in respect of a pollution incident within the jurisdiction of the states, territories or Commonwealth of Australia

### Geographical limits

those waters up to 250 nautical miles off the Australian mainland and Tasmania and New Zealand unless restricted or noted on the schedule

**Hull**

the shell of your boat, deck, fixtures and fittings on or below deck that are not removable and would usually be sold with your boat

**Latent defect**

any flaw in the material used in the construction of the hull and superstructure, motors/machinery, sails, masts, spars, standing and running rigging that would not have been discoverable by a competent tradesperson

**Lay up**

restricted cover for your boat for periods nominated by you in the proposal at the situation(s) specified in the schedule

**Legal costs**

- (a) reasonable fees and expenses incurred by you after a claim under this policy has been notified to us provided that we agree in writing to the basis and the rates of the fees and expenses to be incurred
- (b) fees and expenses payable by you to another party by agreement or settlement in respect of a claim under this policy provided that we agree in writing to the amount to be paid before agreement or settlement is reached
- (c) fees and expenses payable by you to another party in respect of a claim under this policy by order of any court or other tribunal made within the jurisdiction of the states, territories or Commonwealth of Australia

**Market value**

the cash purchase price of a boat of the same age, type and condition (including non-standard accessories) as your boat at the time of loss provided that the words 'market value' are shown in your policy schedule

**Motor**

stern drive units, inboard and outboard engines described in the schedule including the propeller, shaft, gearbox, skeg, jet unit, wiring harness, instruments, portable fuel tank, battery and control cables and generator

**Permanent total disablement**

total disablement as a result of an injury that entirely prevents you from engaging in any occupation whatsoever

**Personal effects**

personal items belonging to you, or your immediate family or a passenger on your boat, limited to clothing, shoes, waterproof gear, portable music equipment and prescription glasses

**Personal watercraft**

a craft designed to be operated by a person standing, sitting astride or kneeling using waterjet propulsion and with an engine in a watertight compartment

**Pollution damage**

property damage caused by a pollution incident

**Pollution incident**

sudden, unexpected and unintended discharge, release or escape of fuel, lubricants or sewage from your boat

**Replacement boat**

a boat purchased by you to replace your boat described in the schedule which has been notified to us within 21 days of its purchase and agreed to be covered by us in accordance with your policy

**Salvage**

either:

- (a) the action of saving your boat in time of peril;  
or
- (b) recovering what remains of your boat after it has suffered loss or damage

**Salvage charges**

reasonable charges and expenses incurred in salvage or in preventing/minimising loss or damage to your boat

**Schedule**

the most recent document we give you setting out details of your insurance cover, we give you a schedule when you:

- (a) first buy the policy from us
- (b) change any part of the policy or any personal details relevant to it
- (c) renew the policy with us

**Secondary loss**

including but not limited to any emotional, psychological or sentimental loss or any loss of enjoyment due to a change in the appearance or value of your boat

**Sporting equipment**

fishing equipment (rods, reels, tackle boxes and tackle) commercially manufactured water ski equipment (water skis, toboggans and inflatable devices) and diving equipment (tanks, regulators, buoyancy devices and wet/dry suits) owned by you and used for recreational purposes on or from your boat

### **Substitute boat**

a boat that is in your control with the permission of the owner provided that it is not your boat named in the schedule or any other boat you have a proprietary interest in

### **Temporary total disablement**

injury that entirely prevents you from carrying out all of the normal duties of your usual occupation or profession

### **Tender**

an auxiliary boat that is:

- used as a means of transport between your boat and the shore, or a general service boat
- usually stowed on your boat
- is marked with the registration number of your boat

### **Total loss**

the loss of your entire boat or damage to your boat that we consider is uneconomical to repair

### **Trailer**

the trailer noted in the schedule and its winch including power winch

### **Transit**

carriage of your boat on a conveyance by road, rail or sea

### **We, Us, Our**

Associated Marine Insurers Agents Pty Ltd as agent for the insurer of this policy, Zurich Australian Insurance Limited

### **Wreck removal**

reasonable charges and expenses incurred in removing the wreck of your boat as required by law

### **Yacht racing**

racing not exceeding a distance of 100 nautical miles measured by the most direct route of the course, within the geographical limits of the policy

### **You, Your or Named Insured**

the person or persons/company named in the schedule.

## **Section 1 - Cover for your boat**

*The sections of this policy entitled 'General conditions', 'Excess' and 'General exclusions' also apply to this section of the policy*

### **1.1 What we cover**

1.1.1 we will insure your boat:

1.1.1.1 afloat within the geographical limits or

1.1.1.2 on land anywhere within Australia subject to clause 1.4.2 if lay up cover is noted in the schedule

but we will not insure your boat when it is in transit unless it is designed to be towed on a trailer and if being towed all laws regarding the towing of your boat on a trailer are complied with

1.1.2 your contents that are on board your boat

1.1.3 your personal effects that are on board your boat to a total amount of \$10,000 with a maximum any one item of \$1000

1.1.4 your equipment and accessories and sporting equipment to a total of \$10,000 with a maximum of \$1000 any one item that is:

1.1.4.1 in use on board your boat

1.1.4.2 on board your boat or stored in its usual place of storage.

### **1.2 What you are insured against**

1.2.1 accidental loss or damage to your boat, contents equipment and accessories, personal effects and sporting equipment provided that the loss or damage is not caused as a result of your failure to maintain, care for or secure your boat

1.2.2 accidental sinking or submerging of your boat, provided that your boat was seaworthy immediately prior to its sinking or submersion

1.2.3 theft:

1.2.3.1 of your boat, contents, equipment and accessories and personal effects

1.2.3.2 of your sporting equipment but only following forcible and violent entry into your boat or its usual place of storage and where all additional security measures noted in the schedule have been complied with

- 1.2.4 malicious damage to your boat, contents, equipment and accessories and personal effects except for damage occasioned by you or a person acting with your authority or knowledge
- 1.2.5 loss or damage to your boat caused by a latent defect but excluding the cost of replacing or repairing the defective part(s) provided that the loss or damage has not resulted from your failure to maintain or care for your boat
- 1.2.6 accidental loss or damage to your boat arising from mechanical, electrical or electronic failure or the overheating or seizing of motor(s) provided that the accidental loss or damage is caused by an external blockage or other accidental cause
- 1.2.7 the cost of correcting or improving any negligent work done or undertaken by a repairer engaged by you to repair or maintain your boat
- 1.2.8 lawful seizure by a government authority acting in the interests of public welfare to prevent or mitigate a pollution hazard which has arisen directly from damage to your boat, but not if such damage is a result of a lack of reasonable care in the maintenance/protection/security of your boat.

### 1.3 Additional benefits

- 1.3.1 **voluntary rescue** – we will cover accidental loss or damage to your boat incurred while being used in a voluntary capacity to assist another boat in distress
- 1.3.2 **time trials or log events (motor boats only)** – we will cover accidental loss or damage to your boat incurred while participating in a time trial or log event conducted by a boat or yacht club and where your boat is not travelling in excess of 25 knots
- 1.3.3 **yacht racing** – we will cover accidental loss or damage to your boat incurred while participating in yacht races up to 100 nautical miles in length
- 1.3.4 **lost keys** – we will cover you for the accidental loss or theft of the keys to your boat or personal watercraft including the costs associated with recoding the new keys up to a maximum of \$500 without applying an excess

- 1.3.5 **consignment** – we will extend cover under this policy to include loss or damage as described in clause 1.2 while your boat is on consignment for sale at a recognised marine dealership
- 1.3.6 **temporary cover extension** – if we have provided terms for the renewal of your policy and you have been at sea in your boat for a period of more than 24 consecutive hours and the period of insurance expiry date falls in that period, we will provide a temporary extension of the period of insurance until 24 hours after your boat has arrived at its next port
- 1.3.7 **Replacement boat** – cover is provided if you purchase another boat to replace your boat provided that:
  - (a) you advise us within 21 days of its purchase
  - (b) the value of the replacement boat does not exceed 150 per cent of the value of your boat described in the schedule
  - (c) you agree to pay us any additional premium that may be due
- 1.3.8 **precautionary measures cover** – where your boat is in actual or potential danger at a marina or at sea, we will pay the reasonable costs incurred by you to move your boat to safety up to a maximum of \$2000 without applying an excess.

### 1.4 Optional additional benefits

The optional additional benefits are only applicable if we have agreed to provide the cover to you, you have paid any additional premium applicable and the additional benefits are noted as being covered in the schedule

- 1.4.1 **extended yacht racing** – cover is extended to include loss or damage to your boat while you are competing in any yacht race, notified to and approved by us, exceeding a distance of 100 nautical miles measured by the most direct route of the course

an additional excess may be applicable to any claim for damage to your boat's hull, sails and/or rigging made under this optional benefit

- 1.4.2 **lay up cover** – cover for your boat is restricted to accidental loss or damage as described in clause 1.2 occurring while your boat is within the gates, walls or fences of your home address or at any other location agreed by us and shown in the schedule. This restriction in cover entitles you to a monthly discounted premium which applies only during the period specified and noted in the schedule

cover under this optional benefit extends to your boat while it is in transit to or from a marine dealership for servicing or maintenance

- 1.4.3 **machinery breakdown** – cover for the cost of repairing or replacing your boat's motors, machinery or refrigeration equipment when they suffer a sudden and unforeseen stoppage or breakdown that requires immediate repair or replacement.

## 1.5 Costs and expenses

Subject to a claim under clause 1.2, in addition to the sum insured, we will pay the following costs and expenses which are incurred in preventing or minimising any loss or damage under the policy:

- 1.5.1 your reasonable costs of hiring any boat or aircraft to be utilised in search of your boat presumed lost or in distress
- 1.5.2 if your boat is damaged or sinks accidentally and the law requires it must be removed, we will pay the reasonable costs of removing the wreck
- 1.5.3 your reasonable costs of towing or moving your boat in an emergency by land or sea to the nearest repairer or to another place that we nominate to a limit of \$5000
- 1.5.4 if your boat is grounded or stranded we will pay your reasonable costs to inspect the hull for damage whether a claim eventuates or not without applying the excess shown in the schedule
- 1.5.5 your reasonable costs of returning you and your immediate family to your city of residence, provided that the incident necessitates your return, to a limit of \$1000
- 1.5.6 if the motor or outboard of your boat is submerged and later recovered, we will pay your reasonable costs of dismantling, cleaning and oiling the motor or outboard and drying electrical equipment and instruments.

## 1.6 What we don't cover

We will not cover you for:

- 1.6.1 theft of your boat, or any part of your boat, by persons to whom you have entrusted it
- 1.6.2 loss of any outboard motor(s) when secured to your boat, or your boat's tender in a manner other than that specified or recommended by the manufacturer
- 1.6.3 accidental loss or damage to, or theft of, any contents, equipment and accessories, personal effects or sporting equipment other than as described in the section 'Words that have a special meaning'
- 1.6.4 accidental loss or damage to, or theft of your contents or personal effects that were not stored on or being used on your boat at the time of loss
- 1.6.5 accidental loss or damage to, or theft of your equipment and accessories or sporting equipment that were not being used on your boat or stored on your boat or their usual place of storage at the time of loss
- 1.6.6 the action of the wind or water on sails unless your boat is stranded, sunk, in a collision or suffers mast or rigging failure
- 1.6.7 wear, tear, deterioration, vermin, insects, marine growth, timber rot, osmosis, delamination, mould, corrosion, electrolysis, inherent vice, lack of maintenance or care or depreciation
- 1.6.8 intentional acts by you or a person acting with your authority or knowledge
- 1.6.9 mechanical parts that are not in accordance with the manufacturers' specifications
- 1.6.10 the cost of repairing or replacing any defective part of your boat damaged or lost, but we will pay for the damage caused by the defective part
- 1.6.11 loss or damage caused by or resulting from submersion if your boat is left unattended on a mooring or at anchor, unless your boat is fitted with an operational automatic bilge pumping device and an adequate protective storm cover

- 1.6.12 the cost of repairing damage to the tyres of your boat's trailer that occurs by applying the brakes, or by punctures, cuts or bursting of tyres
- 1.6.13 any economic or secondary loss sustained by you as a result of loss or damage to your boat or other insured property
- 1.6.14 for requisition, pre-emption or other lawful seizure, except on order or direction of a government authority acting in the public interest to prevent or mitigate a pollution hazard or threat.

## 1.7 How much we will pay you if you have a claim

When your boat or your contents, equipment and accessories or sporting equipment are accidentally damaged or stolen, we will at our option:

- 1.7.1 if your boat is a total loss either:
  - 17.1.1 pay you the amount specified if 'Agreed value' is noted in the schedule
  - or
  - 1.7.1.2 pay you the amount of loss or damage up to the sum insured or the market value of your boat if 'Market value' is noted in the schedule
  - or
  - 1.7.1.3 replace your boat with a one of the same make and specifications, model or series provided it is available in Australia, and in addition we will pay any registration and/or stamp duty costs applicable

in the event of a total loss, we will not require the payment of the excess shown in the schedule
- 1.7.2 if your boat is not a total loss and:
  - 1.7.2.1 'Agreed value' is noted in the schedule, we will pay the reasonable cost of repairs or replacement of your boat up to the agreed value specified in the policy
  - however, where the policy schedule lists a specific item with a specified value, we will pay the reasonable costs of repairing or replacing that item up to the value specified for that item in the policy schedule

- 1.7.2.2 if 'Market value' is noted in the schedule we will pay either:
  - (a) the reasonable cost of repair or replacement of your boat up to the sum insured
  - or
  - (b) the current market value of the damaged item or part up to the sum insured

if the lost or damaged item is less than one year old, we will not apply depreciation in determining the amount to be paid to you

- 1.7.3 when your mechanical and electrical components are lost or damaged:
  - 1.7.3.1 we will pay the cost of repairs to your motor, if your motor is five years old or less, we will pay for the cost of new components
  - 1.7.3.2 if your motor cannot be repaired and
    - (a) 'Agreed value' is noted in the schedule, we will pay the specified value shown
    - or
    - (b) 'Market value' is noted in the schedule, we will pay the current market value for a motor of similar age, type and condition
- 1.7.4 when your contents, equipment and accessories, personal effects or sporting equipment are lost or damaged and,
  - 1.7.4.1 'Agreed value' is noted in the Schedule, we will pay the cost of repairing or replacing the item at our option up to the amount shown in the schedule but at no time exceeding the limit any one loss or any one item in clause 1.1.2, 1.1.3 or 1.1.4 whichever shall apply
  - 1.7.4.2 'Market value' is noted in the schedule, we will pay the cost of repairing the item or at our option replacing it with an item of a similar nature with an allowance made for wear, tear and depreciation but at no time exceeding the limit for any one loss or any one item in clause 1.1.2, 1.1.3 or 1.1.4 whichever shall apply

any claims made under clause 1.7.4.1 or 1.7.4.2 are subject to an excess of \$100 for each and every loss

any recovered or damaged parts will become our property – we will acquire the sole benefit of any salvage, but excluding any liabilities attaching thereto.

## Section 2 - Cover for your legal liability

*The sections of this policy entitled 'General conditions', 'Excess' and 'General exclusions' also apply to this section of the policy.*

### 2.1 What we cover

We will cover you, or any authorised user of your boat, against legal liability as a result of an accident which results in:

- 2.1.1 death or bodily injury to a person other than you
- 2.1.2 damage to property not owned by you
- 2.1.3 death or bodily injury to you when a person authorised by you is in control of your boat
- 2.1.4 legal costs which may arise in respect of any claim under clauses 2.1.1, 2.1.2 or 2.1.3

the maximum amount we will pay under this section of the policy, including all legal costs, for all claims arising out of any one accident is the limit of liability as shown in the schedule

however, the most we will pay in respect of claims arising from any one accident including an event under clause 2.2.3 is \$10,000,000 or the limit of liability shown in the schedule whichever is the greater.

### 2.2 Additional benefits

We will cover you, at no extra cost, against legal liability for:

#### 2.2.1 substitute boat

- 2.2.1.1 accidental death or bodily injury to a person other than you caused by you using a substitute boat and/or
- 2.2.1.2 accidental damage to property not owned by you which is caused by you using a substitute boat

provided that:

- (a) you have permission from the owner to use the substitute boat
- (b) your boat is not being used at the time
- (c) you do not have any proprietary interest in the substitute boat

#### 2.2.2 pollution

##### 2.2.2.1 pollution damage

##### 2.2.2.2 clean up costs

##### 2.2.2.3 salvage charges

##### 2.2.2.4 wreck removal

##### 2.2.2.5 fines and/or penalties to a maximum of \$50,000 during the period of insurance

##### 2.2.2.6 legal costs arising in respect of any claim made under clauses 2.2.2.1 to 2.2.2.5 inclusive,

except for circumstances outlined in clause 2.2.3 below we will pay no more than \$500,000 (inclusive of legal costs and fines and/or penalties) for any one pollution incident or a series of pollution incidents arising out of the same event

#### 2.2.3 pollution in Queensland waters

if your boat is 15 metres or more in length overall and a pollution incident causes loss or damage within Queensland waters, we will pay up to \$10,000,000 (inclusive of legal costs and fines and/or penalties) for pollution damage, clean up costs, salvage charges or wreck removal in respect of any one pollution incident or a series of pollution incidents arising out of the same event

#### 2.2.4 marina/berth occupiers' liability

cover under the policy will be extended to include any contractual liability imposed on you under the terms and conditions of any lease or agreement for the provision of a berth, mooring or storage facility for your boat.

### 2.3 Optional additional benefits

The Optional additional benefits are only applicable if we have agreed to provide the cover to you, you have paid any additional premium applicable and they are noted as being covered in the schedule.

#### 2.3.1 water skiing and aquaplaning activities

this optional additional benefit extends the policy to cover you, or any person allowed by you to control your boat, and the observer (within the requirements of any law) against legal liability for:

- 2.3.1.1 accidental death or bodily injury to a water skier or aquaplaner, (including you) being towed by your boat

2.3.1.2 accidental death or bodily injury to any person caused by a water skier or aquaplaner being towed by your boat

2.3.1.3 accidental damage to third party property caused by a water skier or aquaplaner being towed by your boat

while undertaking non-competitive water skiing or aquaplaning provided the water skier or aquaplaner is using only recognised and commercially manufactured water ski or aquaplaning equipment, and no aerial device or ski ramp is being used.

## 2.4 What we don't cover

We will not pay for the costs of your liability, or of any person authorised by you to control your boat for:

- 2.4.1 death, bodily injury or property damage intentionally caused by you or any other person insured by this policy
- 2.4.2 fines and/or penalties except as otherwise specifically covered under this policy
- 2.4.3 aggravated, exemplary or punitive damages including libel, slander or defamation damages
- 2.4.4 the carrying of any infectious disease or virus
- 2.4.5 bodily injury, illness or death of any person who is covered or should have been covered by compulsory statutory insurance
- 2.4.6 a liability incurred by a service provider or tradesperson engaged by you for the repair, service, modification or maintenance of your boat unless moving your boat for the purpose of avoiding or minimising any loss or damage insured under this policy

or any liability:

- 2.4.7 arising from the attachment, detachment or towing of the trailer by a motor vehicle
- 2.4.8 arising from the activity of scuba diving
- 2.4.9 arising from the activity of water skiing and/or aquaplaning unless Optional additional benefit 2.3.1 is shown as being selected in the schedule
- 2.4.10 arising from the towing of persons or objects in the air including parasailing
- 2.4.11 arising from a contract that imposes on you a liability which you would not otherwise have unless we have specifically agreed to insure such contractual liability

2.4.12 arising directly or indirectly from pollution or contamination by any substance except as otherwise specifically covered under this policy

or for:

2.4.13 actions that are brought against you in a court or tribunal outside Australia or are governed by laws other than the law of Australia or its states and territories.

## Section 3 - Personal accident cover

*The sections of this policy entitled 'General conditions', 'Excess' and 'General exclusions' also apply to this section of the policy.*

### 3.1 What we cover

We will insure you for bodily injury caused by an accident while using your boat for private pleasure purposes or voluntary rescue work that manifests within 12 months from the date of the accident resulting in:

- 3.1.1 death
- 3.1.2 temporary total disablement
- 3.1.3 permanent total disablement
- 3.1.4 loss of limb(s)
- 3.1.5 permanent and total loss of sight in an eye
- 3.1.6 permanent and total loss of the thumb or index finger,

provided that you obtain medical attention from a qualified medical practitioner and satisfy any medical examinations by a medical practitioner appointed by us.

### 3.2 What we don't cover

We will not insure you for bodily injury or death resulting from or in any way connected with:

- 3.2.1 intentional self injury, suicide or attempted suicide
- 3.2.2 parasailing or any other airborne activity
- 3.2.3 the activity of scuba diving.

### 3.3 How much we will pay you if you have a personal accident claim

We will pay in the event of:

- 3.3.1 death - \$30,000
- 3.3.2 temporary total disablement the sum of \$300 per week up to maximum of 100 weeks
- 3.3.3 permanent total disablement - \$30,000
- 3.3.4 loss of limb(s) - \$30,000

- 3.3.5 permanent and total loss of the sight in an eye - \$15,000
- 3.3.6 permanent and total loss of the thumb or index finger - \$5000
- 3.3.7 up to \$5000 in addition to any amounts in clause 3.3.1 for funeral expenses
- 3.3.8 if more than one eligible person is injured or killed in the same incident, the maximum amount payable to an individual will be limited to the total amount claimable divided by the number of eligible persons injured or killed
- 3.3.9 the maximum amount we will pay in any one policy period is \$35,000.

4.1.4.4 under the control of a person affected by alcohol or drugs,

unless you were unaware, and could not reasonably have been aware of such circumstances existing

- 4.1.5 undergoing major repairs or alteration unless with our written consent
- 4.1.6 being operated with an engine more powerful than recommended by the hull manufacturer or carrying more than the recommended number of passengers
- 4.1.7 damaged by pollutants except for pollution damage
- 4.1.8 un-seaworthy and/or kept in an unsafe condition
- 4.1.9 damaged as a result of the mooring used for your boat not being of a suitable design and weighting for your boat or being improperly maintained and improperly sited
- 4.1.10 being used in any race, competition, speed test or time trial unless specifically provided for in the policy and noted in the schedule
- 4.1.11 subject to damage caused by ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- 4.1.12 subject to damage caused by the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor, nuclear assembly or nuclear component thereof or caused by any weapon or device using atomic or nuclear fission and/or fusion or other like reaction of radioactive force or matter
- 4.1.13 subject to damage caused by the radioactive, toxic, explosive or other contaminating properties of any radioactive matter or of any chemical bio-chemical, biological or electromagnetic weapon
- 4.1.14 subject to damage caused by war, warlike activity, hostilities, rebellion, insurrection or revolution
- 4.1.15 subject to damage caused by or related to asbestos.

## Section 4 - General exclusions

### Application of this section

These general exclusions apply to all sections of this policy and are in addition to any limit or exclusion set out in any other section.

### 4.1 When you are not covered

You are not insured when your boat is:

- 4.1.1 outside the geographical limits unless due to circumstances beyond your reasonable control
- 4.1.2 being used for charter, hire, reward or other commercial purposes unless agreed by us and noted in the schedule
- 4.1.3 being operated illegally or for any illegal or unlawful purpose or by you or an authorised user acting recklessly, fraudulently, criminally, maliciously or with intent to cause loss, damage or bodily harm
- 4.1.4 under the control of:
  - 4.1.4.1 an unlicensed person where the law requires a license  
or
  - 4.1.4.2 a person without adequate experience to control your boat  
or
  - 4.1.4.3 a person who has been refused boat or motor vehicle insurance within the last five years unless we have been notified and agreed to cover such a person

## Section 5 - Excess

- 5.1 You will *not* need to pay the excess in the following circumstances
  - 5.1.1 if your boat is damaged by any of the insured events described in clause 1.2 while moored or stored:
    - 5.1.1.1 at its usual berth (which term includes air dock/air berth) at the marina, private jetty or pontoon at the location stated in the schedule
    - 5.1.1.2 at any commercial marina
  - 5.1.2 where you can show that you were not at fault and can provide the contact details of the person who was at fault
  - 5.1.3 for any claim payable for bodily injury under 'Section 2 - Legal liability'
  - 5.1.4 for any claim under 'Section 3 - Personal accident'
  - 5.1.5 for a claim for total loss of your boat or any claim we deem to be a total loss
  - 5.1.6 in respect of any costs incurred by you in preventing or minimising any loss or damage covered under this policy.
- 5.2 If an *additional* excess is shown in the schedule you may be required to pay this excess in the following circumstances:
  - 5.2.1 if your trailerable boat is stolen, depending on the location
  - 5.2.2 for theft of your boat if your boat is a personal watercraft, depending on your location
  - 5.2.3 if damage or injury is caused while your boat is racing based on the value of your boat and the length of the race
  - 5.2.4 if you make a claim for an incident where the driver of your boat is under 25 years old at the time of the loss, damage or injury.

## Section 6 - How to make a claim

- 6.1 You must notify us or your intermediary of any incident that may give rise to a claim under this policy as soon as possible after the incident occurs.
- 6.2 You must take all reasonable steps to protect your boat and prevent any further loss or damage from occurring.  
  
If your boat has been stolen or maliciously damaged or any person is seriously injured, you must notify the police.
- 6.3 You must complete a claim form and cooperate fully with us in the management of the claim and inform us of all relevant facts, provide us with copies of all relevant documents and comply with all of our reasonable instructions and directions.
- 6.4 You must not, without our permission, make any admission of liability, repair or replace your boat or any other damaged or lost property, make or accept any offer of payment, settle or attempt to settle any claim or defend or prosecute any claim.
- 6.5 After we have paid a claim to you, we may have the right to pursue recovery against a third party. You are obliged to cooperate fully with us if we pursue a recovery. We will pay any expenses associated with an attempt at recovery and if we are successful, we will pay you any amount remaining after taking into account our costs and the amount we paid to you for the claim.

## Section 7 - General conditions

*These general conditions apply to all Sections of the policy.*

- 7.1 **Goods and Services Tax (GST)**  
  
If you are liable for GST in respect of any goods, services or other supply which are the subject of a claim under this policy we will pay you for that GST liability, however:
  - 7.1.1 where we make a payment under this policy for the acquisition of goods, services or other supply, we will reduce the amount of the payment by the amount of any input tax credit you are, will be or would have been entitled to under A New Tax System (Goods and Services Tax) Act 1999 in relation to that acquisition whether or not the acquisition is actually made

7.1.2 where we make a payment under this policy as compensation for goods, service or other supply, we will reduce the amount of the payment by the amount of any input tax credit you would have been entitled to under A New Tax System (Goods and Services Tax )Act 1999 had the payment been applied to acquire such goods, service or supply.

**7.2 Other insurance**

Provided it is permitted by law, where two or more insurance policies cover the same risk, we will only pay the amount of the claim which exceeds the amount recovered under the other policy or policies, up to the limits provided for under this policy.

**7.3 Transfer of interest**

The cover provided under this policy will cease immediately if you transfer your interest in your boat, sell your boat or gift your interest in your boat to a third party.

**7.4 Cancellation**

You may cancel this policy at any time by giving us notice in writing.

We may cancel this policy by giving you 30 days notice in writing but only in the circumstances set out in the Insurance Contracts Act 1984.

**7.5 Australian law and practice**

This policy is subject to Australian law and practice.

**Associated Marine Insurers Agents Pty Ltd** (ABN 41 006 104 007 AFSL 235383)  
as managing agent for Zurich Australian Insurance Limited (ABN 13 000 296 640 AFSL 232507)

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