

COMMERCIAL VESSEL INSURANCE



POLICY DOCUMENT AUSTRALIAN MARKET

The BOAT COVER underwriter is a specialist in Marine Insurance

THIS DOCUMENT HAS BEEN PREPARED BY BOOK MY BOAT FOR CUSTOMERS. PUBLICATION DATE SEPTEMBER 2023



COMMERCIAL VESSEL INSURANCE – BOAT COVER POLICY

TABLE OF CONTENTS

Introduction	3
Introduction.....	3
About THE UNDERWRITER AND BOAT COVER.....	3
Our contract with You.....	3
Summary of the available covers.....	4
No Workers Compensation cover.....	4
Understanding Your Policy and its.....	4
Applying for cover.....	5
Renewal procedure.....	5
Contact for assistance or	5
confirmation of cover	5
Your Duty of Disclosure	5
Alteration of risk	6
Where the Marine Insurance Act applies	6
Premium	6
Non Payment of Premium by Instalments.....	7
How to make a claim	7
Cancellation	7
General Insurance Code of Practice	9
Words with Special Meaning.....	9
Section 1 – Loss or Damage	13
The cover	13
Accidental Damage.....	13
Accidental sinking	13
Latent Defect.....	13
Negligent repairs	13
Negligent/wrongful act by skipper, Crew, hirers	13
Theft	13
Malicious Damage	14
Strikers.....	14
Deliberate Damage.....	14
War	14
Additional benefits	14
Arrest or detention.....	14
Recovery or removal of wreck/clean-up.....	14
Salvage.....	14
Grounding.....	14
Submersion.....	15
Return to home port.....	15
Fixed Fire Appliance Discharge Clause.....	15
Personal and Crew property	15
Shore cover.....	15
Leased Equipment Clause	15
Loss of hire.....	15
Loss of hire claims provisions	16
Sports, Fishing and Diving Equipment	17
Specific exclusions applicable to Section 1.....	17
Vessel condition.....	17
Intentional or wilful misconduct.....	17
Normal losses etc	17

Consequential loss	17	General Policy conditions applicable to both Sections...	23
Section 2 – Legal Liability to Third Parties	19	Applicable law.....	24
Optional benefits	19	Automatic Reinstatement Clause	24
Passenger liability	19	Authority.....	24
Pollution liability	19	Breach of condition or Warranty.....	24
Specific exclusions applicable to Section 2	20	Where the Marine Insurance Act 1909 applies	24
Other excluded parties	20	Cross liability.....	24
Motor vehicle/towing risks	20	Due Care	24
Deliberate acts/assumed risks	20	Fraudulent claims	24
Sports participation/in water activities.....	20	GST notice.....	24
Communicable disease exclusion (liability)	21	Sums Insured	25
General Policy Exclusions applicable to both Sections...	21	Claim settlements – Where We agree to pay.....	25
Outside agreed limits.....	21	Disclosure – Input tax credit entitlement	25
Overpowered, overloaded etc.....	22	Licensing/Registration Warranty	25
Illegal operation.....	22	LP gas installations.....	25
Due Care	22	Other insurance.....	25
Usage	22	Prohibited cover or payments	25
Transport	22	Subrogation/Rights of Recovery Clause.....	26
Major repairs	23	Third party interests	26
Radioactive, nuclear, asbestos.....	23	Underinsurance	26
Cyber.....	23	Waiver of subrogation rights	26
Terrorism	23	Claims	26
		Notification.....	26
		How much We pay	27
		Legal liability.....	27



INTRODUCTION AND IMPORTANT NOTICES

INTRODUCTION

Please note that any recommendation or opinion in this document is of a general nature only and does not take into account Your objectives, financial situation or needs. You need to decide if this insurance is right for You and You should read all of the documents that make up the Policy to ensure You have the cover You need.

ABOUT THE UNDERWRITER AND BOAT COVER

The underwriter is one of Australia's largest general insurers. We utilise years of local expertise, combined with global experience to offer a wide range of products and services to Our customers. We are committed to continuous improvement of Our products and services and strive to achieve this through knowledge transfer within the Group, dedicated technical research units, sharing new product developments and a wide range of risk management services globally.

In the Policy document We refer to underwriter as "We", "Us", "Our" and BOAT COVER

OUR CONTRACT WITH YOU

Where We agree to enter into a Policy with You it is a contract of insurance between Us and You (see the definition of "You" for details of who is covered by this term). We only cover those parties shown in the Schedule unless otherwise stated in the Policy as being a person or entity entitled to cover. If more than one person is insured under the Policy, a failure or wrongful action by one of those persons may adversely affect the rights of any other person insured under the Policy. We cover You in accordance with the insurance as described in this Policy, for the Period of Insurance shown on the Schedule and for any subsequent period where renewal may be agreed. The maximum amount We will pay under the Policy will not exceed the Sum Insured shown on the Schedule unless otherwise specified herein. You are required to comply with the terms and conditions of the Policy. Please remember that if You do not comply with any term or condition, We may (to the extent permitted by law) decline or reduce any claim payment to the extent We are prejudiced by Your noncompliance and/or cancel Your Policy.

The Policy consists of:

- *this document which sets out the standard terms of Your cover and its limitations;*
- *Your current Schedule issued by Us. The Schedule is a separate document, which shows the insurance details relevant to You. It may include additional terms, conditions and exclusions relevant to You that amend the standard terms of this document; and*
- *any other change to the terms of the Policy otherwise advised by Us in writing (such as an*

Endorsement) specified before entry into the contract. These written changes may vary or modify the above documents where required or permitted by law. These are all important documents and should be carefully read together and kept in a safe place for future reference. When You enter into the Policy You confirm and warrant that You have read or will read the Policy documents when provided to You. Any new or replacement Schedule We may send You, detailing changes to Your insurance or the Period Of Insurance, will become the current Schedule, which You should carefully read and retain. We reserve the right to change the terms of this insurance where permitted to do so by law.

SUMMARY OF THE AVAILABLE COVERS

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

Section 1 – Loss or Damage to Hull, Machinery

and Equipment

This section covers You for loss of, or Damage to, the Vessel caused by any of the events listed in the Policy including Accidental loss or Damage. If You obtain an Agreed Value Policy rather than a Market Value Policy, We will pay You up to the amount We agree with You for Your Vessel. If You obtain a Market Value Policy We will pay You up to the sale value of Your Vessel.

Section 2 – Legal Liability to third parties

This section covers You for amounts You are Legally Liable to pay as compensation for Accidental death or bodily injury to any person other than You or Your Crew including paying passengers and/or Accidental loss or Damage to other people's property. It also covers You for certain legal costs and expenses. Each section (comprising the information contained in the Schedule, in the Policy wording and in any Endorsement) must be read in conjunction with the

General Policy Conditions and General Policy Exclusions and other documents setting out the terms of the Policy, as though it were a separate Policy. You are not automatically insured under each section. You are only covered for the sections that are specified as applicable in the Schedule. We will only cover Your interest in the insured property unless We specifically include cover for the interest of a third party. Cover is only provided where the relevant event incident or event that results in a claim under the Policy occurs during the Period of Insurance and within the Geographic Limits (where applicable). The maximum amount We will pay under the Policy will not exceed the Sum Insured or the Limit of Indemnity shown on the Schedule.

NO WORKERS COMPENSATION COVER

This Policy does not include workers compensation cover. Such cover is compulsory for employers and You should arrange separate insurance.

UNDERSTANDING YOUR POLICY AND ITS IMPORTANT TERMS AND CONDITIONS

To properly understand the significant features, benefits and risks of this insurance You need to carefully read:

- about each of the available types of cover and benefits and exclusions in Sections One and Two (the standard cover provided under each section can be affected by the following);
- the rest of this "Introduction" section – this sets out how You apply for cover, the basis on which We insure You, the duty of disclosure You need to meet before We insure You, Our privacy information, Our dispute resolution procedures and other important information;
- the "Words with special meaning" section – this sets out what We mean by certain words used in the Policy. These words begin with a capital letter throughout this document. Each coverage section may also contain definitions relevant to that section;

- the “General Policy exclusions applicable to all sections” section – this sets out the general exclusions and limitations that apply to all covers and benefits;
- the “General Policy conditions applicable to all sections” and “Claims” sections – these set out certain general rights and obligations that You and We have and other cover restrictions;
- all of the documents that make up the Policy, including the Policy Schedule and any Endorsements or other written changes to the cover We issue You with specified before entry into the contract or issued where required or permitted by law – these contain specific details relevant to You and can affect the cover. Headings are provided for reference only and do not form part of Your Policy for interpretation purposes.

APPLYING FOR COVER

When You apply by completing Our application process You need to provide the information We require to determine whether to issue a Policy and if so, on what terms, including (to the extent they are optional):

- the covers and benefits You want (including the property You wish to cover);
- the limits You want;
- the period of cover You want;
- whether You want any third parties to be noted as having an interest;
- the Deductible that You agree to contribute for certain claims;
- whether any standard terms need to be varied (this may be by way of an Endorsement).

Where We agree to issue a Policy, cover is provided on the basis:

- that You have paid or agreed to pay Us the Premium for the cover provided;
- of the verbal and/or written information provided by You which must have given in accordance with Your Duty of Disclosure. Your Duty of Disclosure, and the

consequences of nondisclosure, are provided under the heading ‘Your Duty of Disclosure’ on page 5.

RENEWAL PROCEDURE

Before Your Policy expires, We will advise You whether We intend to offer renewal and if so on what terms. This document also applies for any other renewal We make, unless We tell You otherwise. It is important that You check the terms of any renewal before renewing to satisfy Yourself that the details are correct. In particular check the sum insured amounts to ensure that the levels of cover are appropriate for You or if You are insuring for Agreed value, the full replacement value of Your Vessel, to ensure that You are properly covered in the event of a major loss. Please note that You need to comply with Your Duty of Disclosure before each renewal (see below).

CONTACT FOR ASSISTANCE OR CONFIRMATION OF COVER

If You need to confirm any Policy transaction or clarify any of the information contained in this Policy or, if You have any other queries, please contact Us via the details on the back cover.

YOUR DUTY OF DISCLOSURE

Before entering into a contract of general insurance with Us, You have a duty, under the Insurance Contracts Act 1984 and the Marine Insurance Act 1909 (as applicable) to disclose to Us every matter which:

- You know; or
- a reasonable person in the circumstances could be expected to know, is relevant to Our decision whether to accept the risk of the insurance and, if so, on what terms. You have the same duty to disclose those matters to Us before You renew, extend, vary or reinstate a contract of general insurance. This duty of disclosure applies until the contract is entered into (or renewed, extended, varied or reinstated as applicable). Your duty however does not require disclosure of any matter:

- *that diminishes the risk to be undertaken by Us; or*
- *that is of common knowledge; or*
- *that We know or, in the ordinary course of Our business as an insurer, ought to know; or*
- *as to which compliance with Your duty is waived by Us.*

Non-disclosure

Where the Insurance Contracts Act applies Where the Insurance Contracts Act applies, if:

- *You fail to comply with Your duty of disclosure, We may be entitled to reduce Our liability under the contract in respect of a claim to the extent Our interests are prejudiced by Your failure to comply with the duty of disclosure, cancel the contract or both;*
- *Your non-disclosure is fraudulent, We may also have the option of avoiding the contract from its beginning. Where the Marine Insurance Act 1909 applies Where the Marine Insurance Act 1909 applies, if You fail to comply with Your duty of disclosure, We may avoid the contract from its beginning.*

Who must tell Us?

Everyone who is insured under the Policy must answer the question in this way.

ALTERATION OF RISK

Where the Insurance Contracts Act applies

If You become aware of any changes to the facts or circumstances which existed when this insurance commenced that You know or ought reasonably to have known is relevant to Our decision to insure You and the terms on which We will insure You (for example, the nature of Your Commercial Vessel operations or way Your Vessel is moored) You must notify Us as soon as reasonably possible in writing. If We agree to the change We will do so in writing and You must pay Us any additional Premium We require. We may cancel Your policy if there is a change and We can't reach an agreement with You on altered

terms and conditions or Premium; or We are no longer prepared to insure You because there has been a material change to the risk.

WHERE THE MARINE INSURANCE ACT APPLIES

You must give Us notice as soon as reasonably possible in writing if there is any material change in the circumstances or nature of the risks covered by this Policy that You know, or ought reasonably to have known, is relevant to Our decision to insure You and the terms on which We will insure You. If you do not, We may refuse or reduce a claim to the extent We are prejudiced by that non-disclosure.

PREMIUM

The amount of Your Premium is determined by taking a number of different matters into account including Your risk profile. It is important for You to know that the Premium varies depending on the information that We receive from You about the risk to be covered by Us. Based on Our experience and expertise as an insurer, We decide what factors increase Our risk and how they should impact on the Premium. Your risk profile is based on a combination of factors that assist in determining the likelihood of a claim occurring in the Policy year and the amount that the claim is likely to cost Us. The factors that make up Your risk profile include:

- *Your past loss history, experience in commercial Vessel operations, and the claims history and experience of Your employees or persons who are allowed to use the Vessel;*
- *the type, age, area of operation, storage location and Usage of the Vessel;*
- *the Insured Value of the Vessel including Equipment and Accessories;*
- *the cover required and Deductible applicable; and*
- *whether You pay Your Premium annually or by instalments, and whether Your Vessel is financed and*

under what type of finance and relevant insurance, criminal and bankruptcy history. Factors that increase the risk to Us may result in a higher base Premium whilst factors that decrease Our risk may result in a lower base Premium. Your Premium also includes amounts that take into account Our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty, GST, Emergency and Fire Services Levy) in relation to the Policy.

These amounts will be set out separately on Your Schedule as part of the total Premium payable. When You apply for this insurance, You will be advised of the total Premium amount payable, when it needs to be paid and how it can be paid. This amount will be set out in the Schedule, which will be sent to You after the commencement of the Policy. If You fail to pay We may reduce any claim payment by the amount of Premium owing and/or cancel the Policy in accordance with the "Cancellation" section below. Special rights and obligations apply to instalment Premium payments as set out below.

NON PAYMENT OF PREMIUM BY INSTALMENTS – RIGHT TO REFUSE A CLAIM AND/OR CANCEL YOUR POLICY

Where You pay Your Premium by instalments, You must ensure that they are paid on time. We will notify You if an instalment has not been paid and We will try to deduct the overdue amount along with your next regular payment. If the next attempt to deduct the outstanding amount fails, We will cancel your policy for non-payment. We will send You a notice advising You of cancellation, and cancellation will be effective 14 days from the date on this notice.

INSTALMENT PREMIUM SERVICE FEE

In some cases a service fee will apply where You select to pay Your Premium by instalments. We tell You the total amount payable when You apply and when and how it can be paid. This is confirmed in the Schedule We issue to You.

HOW TO MAKE A CLAIM

If You need to make a claim under the Policy, please refer to the Claims Section on page 25. In order to be sure that You are covered under this policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for expenses incurred up to the amount We would have authorised had You asked Us first.

CANCELLATION

a) You may cancel the Policy at any time by notifying Us in writing;

b) We have the right to cancel the Policy where permitted by law.

WHERE THE INSURANCE CONTRACTS ACT 1984 APPLIES

We can cancel the Policy:

- if You failed to comply with Your Duty of Disclosure; or*
- where You have made a misrepresentation to Us during negotiations prior to the issue of the Policy; or*
- where You have failed to comply with a provision of the Policy, including payment of Premium; or*
- where You have made a fraudulent claim under Your Policy or under some other contract of insurance that provides cover during the same period of time that Our Policy covers You.*

WHERE THE MARINE INSURANCE ACT 1909 APPLIES

Where the Marine Insurance Act 1909 applies, We may cancel this Policy in the event of non-payment of the Premium or for any other reason available at law.

c) If We decide to cancel Your Policy We will give written notice to You personally or by post to Your last known address or, Your intermediary as may be appropriate. Such notice will be effective from 4pm on the third business day after the day it is given to You, unless it specifies a later date. A posted notice is deemed given to You at the time it would have been delivered in the normal course of the postal service.

d) In the event that You or We cancel the Policy, We may elect to apply a minimum Premium provision advised to You at the time You took out the Policy with Us, or deduct a pro rata proportion of the Premium for time on risk and any government taxes or duties We cannot recover. In the event that You have made a claim under the Policy and We have agreed to pay the full Sum Insured, no return of Premium will be made.

e) If the Premium has been funded by a Premium funding company which holds a legal right over the Policy by virtue of a notice of assignment and/or irrevocable power of attorney, a refund will be made to the Premium funding company in accordance with the provisions set out above.

PRIVACY NOTICE

The underwriter gives priority to protecting the privacy of Your personal information. We do this by handling personal information in a responsible manner and in accordance with the Privacy Act 1988 (Cth).

How We collect Your personal information

We usually collect Your personal information from You or Your agents. We may also collect it from Our agents and service providers; other insurers and insurance reference bureaus; people who are involved in a claim or assist Us in investigating or processing claims, including third parties claiming under Your Policy, witnesses and medical practitioners; third parties who may be arranging insurance cover for a group that You are a part of; law enforcement, dispute resolution, statutory and regulatory bodies; marketing lists and industry databases; and publicly available sources.

Why We collect Your personal information

We collect Your personal information to enable Us to provide Our products and services, including to process and settle claims; make offers of products and services provided by Us, Our related companies, brokers, intermediaries, business partners and others

that We have an association with that may interest You; and conduct market or customer research to determine those products or services that may suit You.. If You do not provide Your personal information We require, We may not be able to provide You with Our services, including settlement of claims.

Who We disclose Your personal information to

We may disclose Your personal information to others with whom We have business arrangements for the purposes listed in the paragraph above or to enable them to offer their products and services to You. These parties may include insurers, intermediaries, reinsurers, insurance reference bureaus, related companies, our advisers, persons involved in claims, external claims data collectors and verifiers, parties that We have an insurance scheme in place with under which you purchased your policy (such as a financier or motor vehicle manufacturer and/or dealer). Disclosure may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law.

DISCLOSURE OVERSEAS

Your personal information may be disclosed to other companies in the underwriters group, business partners, reinsurers and service providers that may be located in Australia or overseas. The countries this information may be disclosed to will vary from time to time, but may include around the world Any information disclosed may only be used for the purposes of collection detailed above and system administration.

ACCESS TO YOUR PERSONAL INFORMATION AND COMPLAINTS

You may ask for access to the personal information We hold about You and seek correction by calling Book My Boat EST 8am–6pm, Monday to Friday. Our Privacy Policy contains details about how You may make a complaint about a breach of the privacy principles contained in the Privacy Act 1988 (Cth) and how We deal with complaints. Our Privacy Policy is available at www.bookmyboat.com.au

TELEPHONE CALL RECORDING

We may record incoming and/or outgoing telephone calls for training or verification purposes. Where We have recorded a telephone call, We can provide You with a copy at Your request, where it is reasonable to do so.

YOUR CONSENT

By providing Us with personal information You and any other person You provide personal information for, consent to these uses and disclosures until You tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us or persons We have an association with, please contact Us.

GENERAL INSURANCE CODE OF PRACTICE

The General Insurance Code of Practice 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. You can obtain more information on the Code of Practice and how it assists You by contacting Us via Our website: bookmyboat.com.au

For more information on the Code Governance Committee

(CGC) go to <https://insurancecode.org.au/>

DISPUTE RESOLUTION PROCESS – HELPING YOU SOLVE ANY PROBLEMS

If you are dissatisfied with our service in any way, please contact us and we will attempt to resolve the matter in accordance with our internal dispute resolution procedures.

Here is what to do if a complaint or dispute arises

Regardless of whether the complaint or dispute involves Our staff, an agent, loss adjuster, assessor, investigator or the service We provide, simply contact Us at Book My Boat , speak to one of Our operators

and provide them with the details of the issue concerning You. They will attempt to resolve the complaint or dispute; if they are unable to do so they will log it and refer it to the appropriate business unit for resolution. Within Our organisation We the underwriter have established a complaints and disputes resolution process. This is a free service. It is a system designed to log, track, escalate and monitor complaints received from clients and customers about Our services and products. A staff member involved in the complaints and disputes resolution process will write to You within 15 working days advising the outcome of the review and reasons for their decision. We do not consider a complaint or dispute to be resolved until a proposed resolution or solution has been communicated to You and You have accepted the resolution or solution.

If You are not satisfied with the outcome of this process

If We are unable to resolve the complaint or dispute, We will advise You about any external dispute resolution options that are available or advise You to seek independent legal advice.

If this insurance has been issued through an insurance intermediary

If Your Policy has been issued through Our agent, or a broker who is acting under an agency arrangement such as a binder with Us, then they are acting as Our agent and not as Your agent. If Your Policy has been issued by a broker, other than a broker acting under such an agency arrangement with Us, then the broker is acting as Your agent. Where this Policy has been arranged through an intermediary a commission is payable by Us to them for arranging the insurance.

WORDS WITH SPECIAL MEANING

Accident or Accidental means an event that is not intended or expected to happen. Accidental Damage does not include any Damage or loss deliberately caused by You, the Vessel owners or managers or with the knowledge of the Vessel owners or managers.

Agreed Value means the amount specified in the Schedule as the value of the Vessel(s) insured. This amount is agreed by both You and Us in writing and valid until the next renewal date. In the event of a Total Loss We reserve the right to replace the Vessel at Our option.

Crew means any person including the skipper working on board the Vessel as an employee.

Damage means any form of physical harm to the Vessel.

Deductible/Excess means the amount payable by You for each and every loss recoverable under this Policy as specified in the Schedule, this Policy or any Endorsement to this Policy which We will deduct from the claim settlement.

Where an Excess is expressed as a specified sum it means the amount specified. Where the Excess is expressed as a percentage it means the monetary equivalent of such percentage of each loss. Where a claim is made in respect of more than one occurrence, the Excess will apply as though a claim was made for each separate occurrence.

Diving Equipment means masks, snorkels, tanks, regulators, buoyancy compensation devices, fins and flippers, wet and dry suits, pumps, compressors and other similar equipment used for the purpose of recreational/ sport diving owned by You.

Endorsement means documentary evidence of an amendment to this Policy or the Schedule which forms part of the Policy.

Equipment and Accessories means items manufactured and intended for use on Your Vessel which are portable or

not permanently attached to the Hull. Equipment includes: equipment fitted or carried on the Vessel in accordance with statutory/safety requirements and/or as

used with the navigation and operation of the Vessel including:

- lifesaving equipment;
- auto pilots;
- navigation equipment;
- depth sounders;
- global positioning systems;
- marine radios/transceivers;
- Tools;

but excluding Sports, Fishing or Diving Equipment unless agreed and specified in the Schedule.

Accessories includes:

- anchors;
- batteries;
- paddles and oars;
- portable fuel containers;
- Vessel covers and canopies.

Personal Effects/Property as defined below are excluded

from this definition of Equipment and Accessories.

Family means:

1. Your spouse, Your partner or Your de facto who lives

with You;

2. Your parents or parents-in-law who live with You;

3. Your children and children of Your spouse, partner or

de facto (not being Your children) who live with You;

4. Your brothers or sisters who live with You.

Fishing Equipment means rods, reels, tackle and other similar equipment used for the purpose of recreational/ sport fishing owned by You.

Geographical Area/Limits means the geographical area of operation specified in the Schedule, but not exceeding the lesser of:

- *those limits as defined in Your licence to operate;*
- *250 nautical miles off the Australian mainland and Tasmania*

Hull means the structure of the Vessel including deck, cabin, superstructure, fixtures and fittings that are not normally removable and normally sold with the Vessel.

Insured Value means the amount specified in the most recently dated Schedule as being the value of the Vessel(s) insured.

Latent Defect means any flaw in the material used in the construction of the Hull and superstructure, Motor(s)/ Machinery, sails, masts, spars, standing and running rigging of the Vessel that is not known to You and is not discoverable by a competent tradesperson carrying out a normal inspection.

Legal Liability/Legally Liable means Your responsibility in law arising out of the use of the Vessel to pay compensation for death or injury or Damage to the property of other people, excluding any property owned by You or in Your physical or legal control.

Limit of Indemnity means the monetary limits specified in the Schedule. The Limit of Indemnity is inclusive of and not additional to any applicable Deductible.

Limit of Liability means the amount stated in the Schedule. This is the maximum amount We will pay for any one loss or series of losses arising from the one event for all Legal Liability directly or indirectly. Our total aggregate liability during any one Period of Insurance will not exceed the Limit of Liability stated in the Schedule.

Market Value means the sale value of the Vessel immediately prior to the claimed loss or Damage taking into account the condition and location of the Vessel. Your Vessel is insured on a Market Value basis unless We have agreed to insure it for Agreed Value.

Motor(s)/Machinery means inboard and/or outboard motors, stern drive units, jet units, gear boxes, propellers, shafts, skegs, fuel tanks and lines, wiring harness and instruments, fixed generators and refrigeration machinery including ancillaries necessary for the operation of the refrigeration machinery.

Net Income means Your total earnings reflecting gross revenue less average Running Costs, depreciation, interest, taxes and other expenses during the previous 12 months for the period during which the gross revenue accrued.

Period of Insurance means the period commencing on the effective date and ending at 4pm in the State or Territory of Australia in which the Policy is issued on the expiry date as shown in the Schedule.

Personal Effects/Property means clothing and personal accessories, waterproof gear, shoes, hygiene items, food and drink and its containers (including thermos flasks, eskies and mobile fridges), cameras and personal entertainment equipment (e.g. DVD/CD players, iPods or MP3 players).

Personal Effects/Property does not include: money or any negotiable documents/documents that represent money, credit cards, watches and jewellery, spectacles, sunglasses, mobile phones, pagers, laptop computers or PDAs/tablets, mobile GPS units, compact discs, audio or video tapes, precious metals or stones.

Policy means this document and any Endorsement, specification, attachment or memoranda affixed to it, the Schedule and the Proposal specified before entry into the contract or issued where required or permitted by law.

Premium means the Premium specified in the current Schedule and any Endorsement Premium plus any applicable government charges.

Proposal means the application form completed by You or the quotation slip submitted on Your behalf in which You provided the information upon which We relied to enter into the Policy.

Running Costs means direct costs related to keeping the Vessel operating, based on the average direct costs during the 12 months prior to the loss or Damage to the Vessel.

Salvage has a dual meaning which is either what is left of the Vessel after it has suffered loss or Damage, or the physical act of recovering a Vessel which has been lost or Damaged, but where it has a residual commercial value. Salvage costs are the costs associated with recovering the Vessel (Salvage operations).

Schedule means the most recently dated schedule We have provided to You which specifies important information such as the Policy number, Geographical Area of operations, the details of the Vessel(s), the Insured Value, Limit of Liability and any Deductible payable.

Seaworthy means the Vessel is reasonably fit in all respects, including the Hull, Motor(s)/Machinery, Equipment and Accessories during operation or at mooring to encounter the ordinary perils of protected waters, inland waters, rivers or lakes, the sea and ports.

Sports Equipment means water-skiing and aquaplaning equipment together with associated equipment.

Tender means an auxiliary boat or dinghy (including Motor) which is carried on deck or towed behind Your Vessel that is used as a lifeboat or by way of transportation to Your Vessel, excluding personal watercraft (jet skis) unless agreed and extended in writing.

Tools means tools kept permanently on Your Vessel for emergency, breakdown and maintenance purposes.

Trailer means the Trailer noted as covered in the Schedule and its winch including power winch.

Usage means the commercial operations which the Vessel is normally engaged in as You have declared to

Us. This automatically includes voluntary rescue work and incidental private use by You or Your authorised employees. Regardless of declared Usage, We do not cover You under this Policy in respect of any liability associated with business activities other than the operation of the Vessel itself including:

- any underwater activity (diving);
- any construction activity (e.g. pile driving/dredging);
- sports participation (skiing, aquaplaning etc) or tourist in water activities.

Vessel means the craft named in the Schedule with a maximum designed speed not exceeding 50 knots (unless otherwise agreed and specified in the Schedule) which is used for payment or reward and includes:

- its Hull, Motors and Machinery;
- Equipment and Accessories (excluding Sports, Fishing and Diving Equipment, unless agreed and specified in the Schedule);
- sails, masts, spars, booms and fittings, standing and running rigging;
- Trailer (if specifically noted as covered on the Schedule);
- Tender or life boats (up to a maximum designed speed not exceeding 50 knots). In the case of two or more crafts being named in the Schedule, each craft is deemed to be separately insured.

Warranty(ies) means You will undertake that some particular thing shall or shall not be done or that some conditions shall be fulfilled or that You affirm or negative the existence of a particular state of facts. The Warranty may be express or implied.

We, Us or Our, or the Insurer means the underwriter

You or Your, Insured means any party specified in the Schedule.

Where the Insured is comprised of more than one entity, the term "You" will be considered as applying to each entity in the same manner as though a separate Policy had been issued to each entity,

however, Our Limit Of Liability shall not exceed the Sum Insured specified in the Schedule and Our liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

SECTION 1 – LOSS OR DAMAGE TO HULL, MACHINERY AND EQUIPMENT

THE COVER

Subject to the terms, conditions and exceptions contained in this Policy We will indemnify You for loss of or Damage to the Vessel as described in the Schedule whilst:

- operating within the Geographical Area specified in the Schedule including while the Vessel is at any marina, slipway or location when laid-up ashore;
- occurring during the Period of Insurance; and
- caused by any of the following events:

ACCIDENTAL DAMAGE

Accidental Damage including:

- whilst in transit on the Vessel's own Trailer provided the Vessel is designed to be normally trailered and You take reasonable steps to comply with all statutory requirements; or
- whilst being transported by a professional road haulier providing You have advised Us beforehand and We have agreed to extend the cover in writing. Cover is extended provided that You agree to a variation to your standard Excess and pay any additional Premium required by Us for the extended cover.

ACCIDENTAL SINKING

Accidental sinking, provided the Vessel was in a Seaworthy condition at the time the Vessel left the port, berth or mooring immediately prior to the sinking.

LATENT DEFECT

A Latent Defect within the Hull or Motor (excluding the cost and expense of repairing and/or replacing the defective part) causing the loss or Damage to Your Vessel.

NEGLIGENT REPAIRS

Negligent act or breach of contract of any repairer in respect of any repair, alteration or maintenance of Your Vessel, provided You are not the repairer.

NEGLIGENT/WRONGFUL ACT BY SKIPPER, CREW, HIRERS

Provided the loss or Damage has not resulted from lack of due diligence by You or the Vessel owners or managers:

- negligence or wrongful act or misconduct of skipper, charterers and/or Crew, contrary to any duty owed by

them to You; or

- wrongful act or misconduct of a hirer or member of a managed recreational boating group who is using the Vessel.

THEFT

Theft of:

- the entire Vessel, Motor(s)/Machinery, Trailer, Equipment and Accessories; or
- part of the Vessel, Motor(s)/Machinery, Trailer, Equipment and Accessories from the place of storage of the Vessel, Motor(s)/Machinery, Trailer, Equipment and Accessories provided there is visible evidence of forcible and violent removal and/or entry into the Vessel and/or place of storage as applicable.

MALICIOUS DAMAGE

Malicious Damage committed without Your knowledge or collusion by a third party.

STRIKERS

Strikers, locked out workers or persons taking part in labour disturbances, riots or civil commotions.

DELIBERATE DAMAGE

Deliberate Damage by Federal, State or Local authorities exercising their rights under current legislation in order to prevent or minimise an environmental hazard/pollution resulting from an insured event provided this has not resulted from lack of due diligence by You, owners or managers.

WAR

Acts of war, civil war, revolution, rebellion, insurrection, civil strife or hostile acts by or against a belligerent power which result in loss or Damage to Your Vessel whilst afloat.

ADDITIONAL BENEFITS

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You asked Us first.

ARREST OR DETENTION

We will pay for:

- *loss or Damage to Your Vessel;*
- *reasonable legal costs and legal expenses incurred by You with Our prior approval to obtain the release of Your Vessel. Please contact Us to confirm approval for these costs; following impounding, arrest, detention, confiscation or any similar action by governmental authorities as a result of an act committed by any charterer, skipper or Crew, provided the act of the charterer, skipper or Crew was*

carried out without Your knowledge or the knowledge of the Vessel owners or managers.

RECOVERY OR REMOVAL OF WRECK/CLEAN-UP

If Your Vessel is damaged or sinks Accidentally and We decide to recover it or You become Legally Liable to remove the wreck, We will pay the reasonable costs of the removal/ recovery of the wreck and/or in cleaning up the debris or spillage of fuel or other liquids on the Vessel as a result of the Accident provided the Vessel was in a Seaworthy condition at the time of sinking. These costs are recoverable in addition to the total Insured Value of Your Vessel specified in the Schedule up to a limit of \$500,000 each and every loss or series of losses caused by the one insured event.

SALVAGE

If Your Vessel gets into difficulties or is Accidentally Damaged, We will pay the reasonable costs to:

- *minimise the loss or Damage; or*
- *remove the Vessel to safety; or*
- *other actions taken to safeguard the Vessel and reduce any possible Damage.*

You do not need Our authority to take such action if it is an emergency and You are unable to contact Us to obtain Our authority except where the Loss of Hire optional benefit applies, We must be notified before any repairs are carried out. However, You must advise Us as soon as reasonably possible after You have taken any of these actions. Please contact Us to confirm approval for these costs. These costs are recoverable in addition to the Insured Value of the Vessel specified in the Schedule. The additional amount We will pay is limited to the Insured Value of Your Vessel.

GROUNDING

If Your Vessel is grounded We will pay the cost of inspecting the Hull to ascertain the extent of Damage, if any, provided that:

- the grounding was Accidental; or
- the Vessel was deliberately grounded for the purposes of avoiding or minimising further Damage to the Vessel following an Accident.

SUBMERSION

If Your Motor(s) is Accidentally submerged We will pay the reasonable costs to:

- dismantle, clean and oil the Motor(s); and
- dry all electrical Equipment and instruments

RETURN TO HOME PORT

We will pay up to \$2,500 towards the cost of returning Your Vessel from:

- the site of the Accident; or
- port/place of refuge; or
- the place of repairs,

to its normal place of storage following an insured event causing loss or Damage rendering the Vessel not Seaworthy. This amount is in addition to the Salvage costs incurred to move the Vessel to safety.

FIXED FIRE APPLIANCE DISCHARGE CLAUSE

The Policy is extended to cover cleanup costs up to \$5,000 each claim any one Accident or occurrence during the currency of the Policy arising from and/or loss or Damage caused by sudden, spontaneous and complete discharge of any permanently fixed fire suppression appliance fitted on board the Vessel(s) in the absence of any fire, explosion or other event deemed to be a fire appliance system trigger, but excluding where the fire suppression appliance is being tested, fitted, maintained, recharged or otherwise in use or being worked upon.

PERSONAL AND CREW PROPERTY

If a claim is paid under this Policy for loss or Damage to Your Vessel, We will also cover You for loss or Damage to Your Personal Property or Personal Property belonging to Your Crew which was on-board Your Vessel at the time of such loss. We will pay up to \$1,000 for each claimant up to a maximum of \$5,000 in the aggregate, each and every loss or series of losses caused by the one insured event.

SHORE COVER

We will cover loss or Damage to parts of the Vessel removed for the purposes of repair, overhaul or servicing whilst they are ashore and during transit from and to the Vessel for that purpose.

LEASED EQUIPMENT CLAUSE (EXCLUDING FISHING, DIVING AND RECREATIONAL EQUIPMENT)

This insurance is extended to cover Equipment, Machinery and apparatus not owned by You but installed for use on the Vessel and for which You have assumed liability but Our liability under this Policy will not exceed the contractual liability You have for such equipment, Machinery or apparatus. All equipment, Machinery or apparatus installed on the Vessel and not owned by You shall be included in the Agreed Value of the Vessel(s).

OPTIONAL BENEFITS

These optional benefits are subject to the terms, conditions and exceptions contained in this Policy and are not covered unless agreed to in writing by Us and specified in the Schedule.

LOSS OF HIRE

Specific exclusion m) will not operate in respect of this optional benefit. We will indemnify You for Your loss of Net Income where Your Vessel is partially or totally prevented from earning income as a result of loss or Damage to the Vessel caused by an insured event under Section 1 occurring during the Period of Insurance other than:

- loss, Damage or expense caused by war, governmental acts, requisition or seizure by legal process;

- loss, Damage or expense caused by strikers, locked out workers or persons taking part in labour disturbances, riots or civil commotions or sabotage;

but always excluding loss of income arising from:

- delay;
- insolvency, or Your or Your clients' inability to pay;
- the Specific exclusions applicable to Section 1; and
- any fine or penalty.

Unless otherwise specified in the Schedule:

- the maximum period of indemnity is 30 consecutive calendar days after the application of the Deductible;

- the maximum amounts We will pay will be:

(i) up to \$1,000 per day.

(ii) up to \$30,000 in the aggregate any one loss or series of losses caused by an insured event;

- the Deductible applicable shall be the first 30 days that the Vessel is prevented from earning Net Income as a result of an insured event. This Deductible shall not apply in the event of a total or constructive total loss of the Vessel.

The limits expressed in (i) and (ii) above or as may be otherwise agreed and shown in the Schedule will be reduced in the event of a claim. However, the limits will be automatically reinstated in the event of a partial loss, provided You pay Us any appropriate additional Premium plus government charges (where applicable). The limits in (i) and (ii) will not be reinstated in the event of total or constructive total loss.

If You sell the Vessel, this optional benefit is automatically cancelled but We will return a pro-rata net monthly Premium, provided there are no claims on this Policy prior to cancellation.

LOSS OF HIRE CLAIMS PROVISIONS

- *Notification* – All possible claims are to be reported to Us as soon as possible and We are to be notified before any repairs are carried out. Please contact Us to confirm approval for these costs.

- *Claim Calculation* – The gross revenue for a claim under this Policy shall be supported by booking schedules for the corresponding period for the previous year. If no evidence can be provided to substantiate that the Vessel would have earned any income during the period of indemnity, the daily indemnity shall be limited to the Running Costs of the Vessel for that period.

- *Recoveries* – Where a recovery for loss of Net Income is obtained from a third party and You have been indemnified under the Policy for loss of Net Income, We are entitled to this recovery to the extent of the amount recovered.

- *Promptness of Repairs* – All repairs shall be arranged with due diligence and promptness. We have the right to request You to incur any expenses that would reduce Our liability under this Policy provided We shall pay for these expenses.

- *Concurrent Repairs* – Where Damage repairs are carried out at the same time as other repairs which are immediately necessary for the safety of the Vessel or to allow the Vessel to earn Net Income and which are not claimable under this Policy, the Net Income lost during such time as is common to both types of work in excess of the Deductible shall be divided equally between You and Us. If the time necessary to effect Damage repairs is extended by any other repairs which are immediately necessary for the safety of the Vessel or to allow the Vessel to earn Net Income, the period of indemnity is limited to the time that would have been taken to effect Damage repairs caused by the Insured Event had they been effected without the said other repairs.

- *Separate Repair Period* – Where due to a single insured event, the Vessel is prevented from earning Net Income during repairs for up to three separate occasions, these separate occasions may be aggregated, provided that the repairs are completed within 12 months of the expiry of this Policy.

SPORTS, FISHING AND DIVING EQUIPMENT

Specific exclusion b) will not operate in respect of this optional benefit. When specified in the Schedule, this section is extended to indemnify You for:

a) Accidental Damage to Your Sports, Fishing and Diving Equipment whilst on Your Vessel (excluding Accidental Damage occurring during use); and

b) theft of Your Sports, Fishing and Diving Equipment provided there is visible evidence of forcible and violent entry into the securely locked Vessel or a securely locked compartment within the Vessel in which the Sports, Fishing and Diving Equipment is stored; occurring during the Period of Insurance.

The maximum amount We will pay is the \$25,000 in total with a limit of \$2,500 for any one item.

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 1

We will not cover You for:

UNDECLARED RISKS

a) any Vessels not listed on the Schedule;

b) loss or Damage to Sports, Fishing, Diving Equipment, (other than if agreed to and specified in the Schedule);

VESSEL CONDITION

c) pre-existing Damage (i.e. occurring prior to commencement of this Policy);

d) loss or Damage caused by the Vessel being Unseaworthy or arising from lack of maintenance;

e) any reduction in value of Your Vessel due to the Vessel's age, condition or because of repairs or unrepaired Damage if damage or liability incurred is contributed to by such non-compliance;

f) loss or Damage to Motor(s) when secured to Your Vessel in a manner other than that specified or

recommended by the manufacturer of the Motor(s) or the Vessel;

g) the cost of repairing or replacing any part of the Vessel defective by reason of fault or error in design or construction;

INTENTIONAL OR WILFUL MISCONDUCT

h) loss or Damage or sinking intentionally caused by You or a person acting with Your knowledge unless the loss or Damage occurred as a result of complying with any law;

i) loss, Damage or expense caused by Your wilful misconduct;

NORMAL LOSSES ETC

j) loss or Damage caused by ordinary wear and tear, deterioration, vermin, corrosion, electrolysis, delamination, mould, rusting, wet or dry rot, marine growth;

k) mechanical, structural, electrical or electronic failures unless caused by an Accident covered by this Policy;

l) loss or Damage to tyres or wheel rims of Your Trailer caused by braking, punctures, cuts or bursts;

CONSEQUENTIAL LOSS

m) delay, loss of market, financial or consequential loss or any other secondary financial loss of any description sustained by You other than financial loss which occurs because You cannot use Your Vessel following loss or Damage where You have requested and We have agreed to provide the optional Loss of Hire extension;

n) loss of data from any computer hardware or software unless there is visible external physical Damage;

OTHER

o) the cost of improving or altering the Vessel;

p) theft by a person to whom You have permitted to use Your Vessel;

q) loss or Damage to sails and protective covers caused by the wind while set unless there has also been Damage to the masts and spars or the Vessel has been stranded or in collision or contact with any external substance other than water;

r) loss, Damage or expense caused directly or indirectly by radiation, radioactive material, nuclear process or from nuclear weapons or material;

s) loss, Damage or liability arising directly or indirectly from capture, seizure, arrest, restraint, detention or attempted threat or any consequences thereof except as provided in the Additional Benefits for Section 1

above;

t) emotional, psychological or sentimental loss which occurs due to loss or Damage sustained to Your Vessel.

The General Policy Exclusions applicable to both Sections

on page 18 also apply to claims under this section.

COMMUNICABLE DISEASE EXCLUSION (HULL)

u) Notwithstanding any provision to the contrary in this insurance, it is hereby agreed that this insurance excludes absolutely all communicable disease loss, save where the conditions of the Infected Individual Exception are met.

1) Communicable disease loss shall mean all loss, damage, liability, or expense of whatsoever nature, proximately caused by or significantly caused by or contributed to by or resulting from or arising out of or in connection with any of the excluded circumstances, those circumstances being;

a) a communicable disease, and / or

b) the fear or threat, whether actual or perceived, of a communicable disease, and / or

c) any recommendation, decision or measure, made or taken to restrict prevent, reduce or slow the spread of infection of a communicable disease or to remove or minimise legal liability in respect of such a disease, whether made or taken by a public authority or a private entity and / or

d) any recommendation, decision or measure made or taken to alter, reverse or remove any circumstance falling within (c) above, whether made or taken by a public authority or a private entity regardless of any other cause or circumstance contributing concurrently or in any other sequence thereto.

2) Without prejudice to the effect of clauses 1 (a), (b) and (d), recommendations, decisions and measures by whomsoever taken to tie-up, lay-up or maintain at anchor, in port or elsewhere, any vessel, conveyance, rig or platform pending resumption of cruising, operation, trading, cargo loading or discharge or other customary use shall not constitute excluded circumstances, notwithstanding they or any of them may have been taken for the reasons set out in 1 (c)

3) Communicable disease shall mean any disease, known or unknown, which can be transmitted by means of any substance or agent from one organism to another where:

a) the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not; and

b) the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas; and

c) the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

4) The Infected Individual Exception shall apply where:

a) the actions or decisions of any individual infected or allegedly infected with a communicable disease cause or contribute to an alleged loss event; and

b) neither such action nor decision nor the alleged cause of the loss event itself was a recommendation, decision or measure as defined in 1 (c) or 1 (d) above.

5) where those conditions are met, the fact or possibility that the individual's alleged or actual infection shall not exclude recovery of a loss otherwise recoverable hereon provided always that there shall be no cover for loss, damage, liability, or expense arising from any increase in the spread, incidence, severity or recurrence of a communicable disease consequent on that individual's actions or decisions.

SECTION 2 – LEGAL LIABILITY TO THIRD PARTIES

In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for costs incurred up to the amount We would have authorised had You asked Us first. We will pay all amounts which You become Legally Liable to pay as compensation for:

- Accidental death or bodily injury to any person other than You or Your Crew including paying passengers (where You have requested passenger liability cover and We have agreed and it is specified in the Schedule); and/or
- Accidental loss or Damage to other people's property including paying passengers (where You have requested passenger liability cover and We have agreed and it is specified in the Schedule); caused by the use of Your Vessel including any liability arising from neglect or failure to raise, remove or destroy the wreck of the Vessel following a loss insured under Section 1 first happening during the Period of Insurance, up to the Limit of Liability shown in the Schedule. We will also pay for all costs that We incur, or that You incur with Our prior permission, in defending any claim for compensation against You for which You are entitled to cover under this Section.

Please contact Us to confirm approval for these costs. We will not pay for any legal costs and expenses relating to any criminal, maritime or traffic proceedings. We will also cover Your Legal Liability under this section whilst You are using a substitute Vessel not owned by You whilst Your Vessel is undergoing unscheduled repairs or maintenance until such time as Your Vessel is Seaworthy.

OPTIONAL BENEFITS

These optional benefits are subject to the terms, conditions and exceptions contained in this Policy and are not covered unless agreed to in writing by Us and shown in the Schedule. In order to be sure that You are covered under this policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for expenses incurred up to the amount We would have authorised had You asked us first.

PASSENGER LIABILITY

Specific exclusion f) will not operate in respect of this optional benefit. When specified in the Schedule, this section is extended to indemnify You or any person permitted by You to control Your Vessel against Legal Liability for:

- Accidental death or bodily injury to a passenger while being carried by Your Vessel, entering or leaving Your Vessel including a jetty, pontoon or wharf operated or maintained by You;
- Accidental death or bodily injury to a passenger caused by food and drink prepared and/or served by You;
- Accidental Damage to Personal Effects of a passenger while on Your Vessel.

POLLUTION LIABILITY

Specific exclusion l) will not operate in respect of this optional benefit. When specified in the Schedule, this section is extended to indemnify You or any person permitted by You to control

Your Vessel against Legal Liability for:

- *Damage to property caused by Accidental discharge, emission, spillage or leakage upon or into waters or land of oil, petroleum products, effluent or sewage from Your Vessel;*

- *any costs associated with the cleaning up of an Accident site following an insured event provided that You are Legally Liable for the clean-up and the discharge, emission, spillage or leakage, subject to a limit of \$500,000 each and every loss or series of losses caused by the one insured event; provided the discharge, emission, spillage or leakage did not arise from Your wilful negligence or wilful misconduct or with Your knowledge.*

This optional benefit excludes:

a) death, bodily injury or illness;

b) contractual or assumed liability;

c) any loss of use or consequential loss. This means We don't cover You for anything not expressly described in the cover sections of this policy. Some examples of what We won't pay for include loss of use of third party property during clean-up operations and loss of contract;

d) 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.

SPECIFIC EXCLUSIONS APPLICABLE TO SECTION 2

We will not cover any Legal Liability for:

Crew, employees and Family Members

a) death or bodily injury to You or Your Crew;

b) loss or Damage occurring to property owned by You or Your Crew or in Your/their physical or legal control except as provided under Section 1, Personal and Crew property;

c) 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 insurance and workers compensation insurance;

OTHER EXCLUDED PARTIES

d) personal injury or property Damage caused by or to any tradesperson or company engaged in repair, service or maintenance of Your Vessel;

e) personal injury or property Damage caused by/to marina operators, port authorities and the like in charge of Your Vessel at the time of the accident;

f) death or bodily injury to paying passengers unless Section 2 has been extended to include optional benefit Passenger Liability;

MOTOR VEHICLE/TOWING RISKS

g) death, bodily injury or Damage occurring to property while the Vessel is attached to, or when it breaks away from or accidentally detaches from a motor vehicle;

DELIBERATE ACTS/ASSUMED RISKS

h) death or bodily injury or property Damage intentionally caused by You or with Your knowledge;

i) a contract that imposes on You a liability which You would not otherwise have unless this has been declared to Us and We have specifically agreed to extend cover for liability under that contract. However, this exclusion

(i) will not apply to contracts for the provision of a berth, mooring or storage facility for Your Vessel;

SPORTS PARTICIPATION/IN WATER ACTIVITIES

j) the use of any Diving, Fishing, Sports, waterskiing or aquaplaning equipment;

k) death or bodily injury caused by the activity of:

- *scuba diving, diving or diving operations, or in connection with the supplying, usage and/or instructions in the use of Diving Equipment, diving accessories and similar equipment,*

- boom netting, waterskiing or aquaplaning,
- snorkelling or tunnel diving,
- towing of persons or objects in the air including parasailing,
- any other activity involving swimming by persons carried by the Vessel;

OTHER

l) any claim arising directly or indirectly from pollution or contamination by any substance unless Section 2 has been extended to include optional benefit Pollution Liability;

m) fines or penalties;

n) aggravated, exemplary or punitive damages;

o) Actions 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.

COMMUNICABLE DISEASE EXCLUSION (LIABILITY)

p) this insurance excludes coverage for:

1) any loss, damage, liability, cost, or expense directly arising from the transmission or alleged transmission of a communicable disease or from any fear or threat of a communicable disease;

2) any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for a communicable disease;

3) any liability for loss, cost or expense arising out of, any loss of revenue, loss of hire, business interruption, loss of market, delay, or any indirect financial loss, howsoever described, as a result of a communicable disease or the fear or the threat of a communicable disease as used in this endorsement, a communicable disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

(i) the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any

variation or mutation of any of the foregoing, whether deemed living or not; and

(ii) the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas; and

(iii) the disease, substance or agent may, acting alone or in conjunction with other comorbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind. All other terms, conditions and limitations of the insurance remain the same.

GENERAL POLICY EXCLUSIONS APPLICABLE TO BOTH SECTIONS

This Policy does not cover any loss, Damage, destruction, liability, cost or expense of any nature whatsoever that is directly or indirectly caused by or contributed to by or arising when:

OUTSIDE AGREED LIMITS

a) Your Vessel is outside the Geographical Area specified in the Schedule unless You have advised Us and We have agreed to extend cover in writing. This exclusion will not apply where Your Vessel goes beyond the Geographical Area specified in the Schedule:

- as a result of circumstances beyond the reasonable control of the person in charge or control of it; or
- to reasonably respond to an unforeseen emergency. We will continue to provide cover, provided that as soon as possible:
- Your Vessel returns within the Geographic Limits (except in the case of Total Loss); and

• You notify Us of the circumstances taking it beyond the Geographic Limits. Your Policy will be automatically suspended when Your Vessel clears Australian or New Zealand Customs and Immigration for the purpose of leaving Australian or New Zealand waters and will recommence when it clears Australian or New Zealand Customs and Immigration on return (unless You advise Us and We agree to extend cover in writing.)

OVERPOWERED, OVERLOADED ETC

b) Your Vessel was being operated:

(i) at a speed greater than its maximum designed speed,

(ii) with a Motor(s) more powerful than recommended by the manufacturer,

(iii) with more than the maximum number of passengers or load greater than that recommended by the manufacturer or You are licensed to carry,

(iv) outside the limits imposed by any certificate of construction and performance, licence, registration or similar document; unless the circumstances did not contribute to the loss and/or You were unaware of them and in the ordinary course of business they could not be reasonably known, detected and prevented by You.

ILLEGAL OPERATION

c) Your Vessel was:

(i) being used for an unlawful purpose and the use for the unlawful or illegal purpose contributed to or caused the loss;

(ii) being used without commercial licensing, registration, classification or survey requirements being complied with;

(iii) under the control of a person not licensed under the applicable law, unless You did not know or suspect or could not reasonably have known or suspected that the person was unlicensed;

(iv) under the control of a person (including You) under the influence of alcohol or of any drug or with a

percentage of alcohol or drugs in Your/ their breath or blood in excess of the percentage permitted by law. This exclusion will not apply where You are able to demonstrate that in the ordinary course of business, the circumstances could not be reasonably known, detected and prevented by You or to the extent that there are any statutory provisions to the contrary;

(v) being towed on a Trailer and the driver with Your express or implied consent was not licensed to drive a vehicle in accordance with the law, unless You did not know or suspect or could not reasonably have known or suspected that the driver was unlicensed;

DUE CARE

d) You do not keep the Vessel in good order and repair, or in a proper state of Seaworthiness and in compliance with any statutory/licensing requirements or legislation in the State or Territory the Vessel is registered;

e) where these matters are within Your control, if the mooring of Your Vessel is not:

(i) of a suitable design and weighting for Your Vessel;

(ii) appropriately sited;

(iii) in good order and undergoes regular maintenance on an annual basis;

USAGE

f) Your Vessel operations are materially different to those originally declared to Us unless We have agreed to extend cover to such operations;

g) Your Vessel was being used in racing, speed tests or trials;

h) Your Vessel is towing another Vessel(s) for hire or reward, unless the circumstances were declared to and agreed by Us;

TRANSPORT

i) Your Vessel is being loaded, unloaded or transported by a commercial carrier unless You

advise Us beforehand in writing, and We agree in writing to cover You;

MAJOR REPAIRS

j) Your Vessel is undergoing major Hull repair or undergoing alteration to the Hull unless You tell Us beforehand in writing and We agree in writing to insure You;

RADIOACTIVE, NUCLEAR, ASBESTOS

k) This Policy excludes any loss, Damage, destruction, death, injury, illness, liability, cost or expense of any nature whatsoever that is directly or indirectly caused by or contributed to or by, resulting from, arising out of or in connection with from any of the following:

(i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

(ii) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

(iii) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

(iv) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this clause

(iv) 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;

(v) any chemical, biological, bio-chemical or electromagnetic weapon;

(vi) 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, or in any way involving, asbestos, or any materials containing asbestos in whatever form or quantity. This Policy also excludes any loss, Damage, destruction, death, injury, illness, liability, cost or

expense of any nature whatsoever that is directly or indirectly caused by or contributed to or by, resulting from, 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 exclusions i) to vi).

CYBER

l) liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system. However, in respect of war perils covered by the Policy, this exclusion does not apply to the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile;

TERRORISM

m) any act of terrorism arising directly or indirectly out of or in any way connected with biological, chemical, radioactive, or nuclear pollution or contamination or explosion; or

n) any action controlling, preventing, suppressing, retaliating against or responding to any act referred to in (m) above. An act of terrorism includes, but is not limited to, any act, preparation in respect of action or threat of action, designed to:

(i) influence a government or any political division within it for any purpose; and/or

(ii) influence or intimidate the public or any section of the public with the intention of advancing a political, religious, ideological or similar purpose.

GENERAL POLICY

CONDITIONS APPLICABLE TO BOTH SECTIONS

APPLICABLE LAW

This Policy is governed by and shall be construed in accordance with the laws of Australia. Any dispute relating to the Policy shall be submitted to the exclusive jurisdiction of a competent Court within the State or Territory of Australia in which the Policy was issued.

AUTOMATIC REINSTATEMENT CLAUSE

When We pay a claim under this Policy, the Limit of Indemnity will be automatically reinstated subject to the payment of an additional Premium and government charges (where applicable).

AUTHORITY

We may give to and obtain from any other insurers, insurance reference bureaus and credit reporting agencies any information relating to Your credit or insurance history as well as insurance claims information.

BREACH OF CONDITION OR WARRANTY

Where the Insurance Contracts Act 1984 applies

The law gives Us a number of rights if You do not comply with the conditions of this Policy. In particular cases We may be able to:

- *cancel the Policy;*
- *avoid the Policy from the commencement date of the Period of Insurance;*
- *refuse or reduce the amount to be paid out on a claim to the extent We are prejudiced by Your noncompliance.*

WHERE THE MARINE INSURANCE ACT 1909 APPLIES

Warranties are conditions which must be exactly complied with, whether material to the risk or not. Under the Marine Insurance Act 1909, where applicable, if they are not complied with, then, subject to any express provisions in the Policy, We are discharged from liability as from the date of the breach of the Warranty, but without prejudice to any liability incurred by Us before that date.

CROSS LIABILITY

Where You are comprised of more than one entity, the term "You" will apply to each entity in the same manner as though a separate Policy had been issued to each entity, however, Our Limit of Indemnity shall not exceed the sum specified in the Schedule for the Section(s) selected and Our liability to make supplementary payments will apply as though there were not separate policies issued to each entity.

DUE CARE

At all times You must take appropriate care in Your Vessel operations and the operation and maintenance of the Vessel(s) in Your care, custody or control.

FRAUDULENT CLAIMS

In no case shall this Policy cover physical loss, destruction, deterioration, Damage or expense occasioned by or happening through fraudulent or dishonest acts by You or any other party with Your knowledge. We may refuse to pay the whole or part of the claim and to the extent permitted by law, may also cancel the Policy.

GST NOTICE

This Policy has a GST provision in relation to Premium and Our payment to You for claims. It may have an impact on how You determine the amount of insurance You need. Please read it carefully. Seek professional advice if You have any queries about GST and Your insurance.

SUMS INSURED

All monetary limits in the Policy may be adjusted for GST in some circumstances (see below).

CLAIM SETTLEMENTS – WHERE WE AGREE TO PAY

When We calculate the amount We will pay, We will at Your request either pay You or any other party agreed with You and We will have regard to the items below: Acquisition of goods, services and repairs

- *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 pay the GST amount in addition to the Limit of Indemnity or other limits shown in the Policy or in Your Schedule (unless We state GST is included in Sum insured or Limit of Indemnity). If Your Limit of Indemnity is not sufficient to cover Your loss, We will only pay the GST amount that relates to Our settlement of Your claim. 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.

Payment as compensation

- *Where We make a payment under the Policy as compensation instead of payment for a relevant acquisition, We will reduce the amount of the payment by the amount of any input tax credit that You would have been entitled to had the payment been applied to a relevant acquisition. Where the Policy insures business interruption, We will (where relevant) pay You on Your claim by reference to the GST exclusive amount of any supply made by Your Business that is relevant to Your claim.*

DISCLOSURE – INPUT TAX CREDIT ENTITLEMENT

If You register, or are registered, for GST You are required to tell Us Your entitlement to an input tax credit on Your Premium. If You fail to disclose or understate Your entitlement, You may be liable for GST on a claim We may pay. The Policy does not

cover You for this GST liability, or for any fine, penalty or charge for which You may be liable.

LICENSING/REGISTRATION WARRANTY

You must:

a) comply at all times with the licensing and registration requirements of the governing legislation for the Crewing, operation and safety of the Vessel according to the type and class of operation and ensure that its type and class are maintained;

b) ensure the Vessel is operated by a master or any other person in charge of the Vessel who is the holder of a certificate of competency issued by the appropriate governmental authority;

c) obey any conditions attaching or imposed by the registration of the Vessel and ensure these conditions are complied with by the dates stipulated in those conditions. No liability shall attach to Us when the Vessel at the time of an Accident does not have a current certificate of seaworthiness issued by the appropriate government authority at the port of registry.

LP GAS INSTALLATIONS

It is warranted that LP gas installations are fitted, approved and serviced by licensed or authorised LP Gas installers and compliance plates affixed as required.

OTHER INSURANCE

If at the time of the loss another policy is in force covering the same risk, We will only pay the amount in excess of the amount that is recovered under that other policy, limited to the Insured Value.

PROHIBITED COVER OR PAYMENTS

Irrespective of any other provision of the Policy, We shall not be deemed to provide cover or be liable to pay any claim or provide any benefit (including a refund a Premium) hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would contravene or otherwise expose Us to any penalty, sanction,

prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, New Zealand, the European Union, United Kingdom or United States of America.

SUBROGATION/RIGHTS OF RECOVERY CLAUSE

We have the right to take action or institute legal proceedings, in Your name, for the recovery of payments made and expenses incurred in relation to any claim covered by this Policy, against any person, company or entity legally liable to You in respect of that claim. You must take reasonable steps to provide Us with full information and all reasonable assistance We reasonably require in the recovery of those payments or expenses.

THIRD PARTY INTERESTS

You must inform Us of the interests of all third parties (e.g. financiers or lessors) to be covered by this Policy. We protect the interests of third parties only if You have informed them and such interest(s) are noted in the Schedule. Where the interest of the third party exceeds 50% of the Insured Value of the Vessel this is a material fact which You must declare to Us.

UNDERINSURANCE

We require You to insure the Vessel for the full value. If You do not and the actual value of the Vessel or Equipment insured under this Policy is higher than the Sum Insured You have advised and We have specified in the Schedule (at the time of loss or Damage), We shall only pay You the proportional amount that the total value of the loss bears to the Sum Insured specified in the Schedule wording.

WAIVER OF SUBROGATION RIGHTS

We may not be liable to pay any benefits under this Policy for loss or Damage if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that Damage to the extent that Your loss would have been recoverable from that person but for the agreement.

CLAIMS

These procedures are important. Failure to follow them might jeopardise a claim under this Policy. In order to be sure that You are covered under this Policy You should always contact Us for approval before You incur costs You wish to claim. If You do not, We will pay for expenses incurred up to the amount We would have authorised had You asked us first.

NOTIFICATION

A. You MUST:

As soon as You become aware of any, or any potential loss or Damage which may result in a claim under the Policy, at Your own expense act as if You are not insured. You must take reasonable steps to:

(i) take all measures as may be reasonable for the purpose of averting or minimising loss or Damage that would be covered under this Policy. Such measures or precautions include when the Vessel has been submerged the flushing out and oiling of the Motor(s)/Machinery and the drying out of its and all other electrical Equipment and components;

(ii) We will reimburse You for any charges properly and reasonably incurred in pursuance of these duties;

(iii) if there is injury, malicious Damage, theft or attempted theft of Your Vessel make a report to the police;

(iv) as soon as reasonably possible advise Us of the loss or Damage, and if You do not We may reduce or deny Your claim to the extent We are prejudiced by Your delay. We may decide to appoint a surveyor or an assessor to inspect the Damage to determine the cause, and who might be responsible for it. You should take reasonable steps to co-operate with the surveyor fully as this will assist with the speedy adjustment of Your claim;

(v) complete Our claim form if We ask You to, and any other form and take it or mail it to Our claims department at any of Our offices. Measures taken by You or Us with the object of saving, protecting or recovering the Vessel insured shall not be considered

as a waiver or acceptance of abandonment or otherwise prejudice the rights of any party.

B. You SHOULD NOT:

(i) authorise the repair or replacement of anything without Our agreement. Please contact us to confirm approval for these costs;

(ii) release any other third party from liability;

(iii) without Our consent:

- make or accept any offer or payment, or in any other way admit You are liable, or
- settle or attempt to settle any claim, or
- defend any claim. If You do, We may reduce or refuse your claim to the extent We are prejudiced by Your offer, payment, admission or settlement.

C. After You have advised Us of any loss of or Damage to the Vessel:

(i) You must comply with all Policy terms and conditions before We will meet any claim under the Policy. We may reduce or refuse Your claim to the extent We are prejudiced by Your noncompliance;

(ii) only We have the right to settle or defend a claim against You by another party;

(iii) when any other third party may be liable, You must advise that party in writing that it is Your intention to claim on them;

(iv) We have the right to recover from any person against whom You may be able to claim any money paid by Us. We may take over and conduct, in Your name the defence or settlement of any claim and We will have full discretion in the conduct of any proceedings in connection with the claim. We will act reasonably having regard to Your interests, and will keep You informed if You ask us to.

HOW MUCH WE PAY

Loss or Damage to Your Vessel

Partial Losses

- Where the Vessel is damaged, We will pay the reasonable costs of repairing the Vessel or any part or item or, replacing the damaged part or item but not exceeding the Insured Value shown in the Schedule.

- We can deduct an amount for wear and tear and depreciation (We may consider the condition of the property prior to the claim).

- In respect of Damage to a Motor up to five years old, We will reimburse You for the cost of new mechanical and electrical components up to the Market Value of the Motor. In this case We will not make a deduction for wear and tear, and depreciation.

- In the event that a Tender or life boat, Trailer, Equipment and Accessories are damaged and these are over 10 years old, then an amount for depreciation will be deducted when settling the claim.

Total or Constructive Total Losses

In the event of a total or constructive total loss of Your Vessel, the amount We will pay will depend on whether We have agreed to insure Your Vessel for Market Value or Agreed Value.

- Where You have insured Your Vessel on a Market Value basis, We will at Our option (acting reasonably):

(i) repair or replace Your Vessel; or

(ii) pay You the reasonable cost of repairing or replacing Your Vessel; or

(iii) pay You up to the Market Value of Your Vessel.

- Where You have requested and We have agreed to insure Your Vessel for Agreed Value, We will pay You or any other party agreed with You, at Our option:

(i) the Agreed Value specified in the Schedule; or

(ii) replace the Vessel with one of similar age and condition. Once We pay You, We may decide to take ownership of any Salvage.

LEGAL LIABILITY

We will pay the costs of:

- *compensation for loss or Damage to third party property or death or personal injury; and*
- *legal fees and expenses incurred with Our prior consent in writing. Please contact Us to confirm approval for these costs; for which You are Legally Liable and which are covered under this Policy.*

The maximum amount We will pay is the Limit of Liability specified in the Schedule in total for all claims that arise from any one loss or series of losses caused by the one insured event and legal fees and expenses incurred by You with Our prior consent in connection with an insured event. Please contact Us to confirm approval for these costs.

Deductible

The amount specified in the Schedule as the Deductible will be deducted from each and every loss except for:

- *total and/or constructive total loss of the Vessel; and*
- *death or personal injury under Section 2 – Legal Liability.*

For all enquiries please call Book My Boat Pty Ltd