

CUNA Mutual General Insurance is a business name owned by CUMIS Insurance Society Inc.

ABN 72 000 562 121 AFSL 245491
(Incorporated in the United States.
The members of the Society have no liability.)

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MemberCare[®] Boat Insure Policy

Product Disclosure Statement
incorporating the Policy Wording



Welcome to CUNA Mutual General Insurance

CUNA Mutual General Insurance is part of the CUNA Mutual Group, one of the leading financial services providers to community based financial institutions such as Credit Unions, Building Societies, Co-operatives, and Community Banks and their members worldwide.

Established in 1935, the CUNA Mutual Group operates in over 10 countries. Starting its Australian operation in 1969, today it provides insurance and insurance-related products to over 90% of Australia's Credit Unions.

We are committed to providing Australian community based financial institutions and their members with strong personal and financial protection through *our* MemberCare range of products and services as well as specialist insurance support.

About Queensland Teachers' Credit Union Limited

Queensland Teachers' Credit Union (QTCU) is the second largest credit union in Queensland, with assets of more than \$700 million and reserves in excess of \$50 million. Established in 1965, QTCU has over 90,000 members and 12 branches across Queensland. As each customer is a shareholder in the Credit Union, their ownership means all QTCU profits are reinvested into the organisation, thus ensuring ongoing strength and stability. QTCU offers a wide range of products and services including savings, investment, loans (housing and personal), insurance, youth programs, financial planning and travel facilities. QTCU is committed to improving community financial literacy and meeting customer expectations by providing innovative, competitive, high-quality financial services.

Australian Financial Services Licence Number: 241195. Queensland Teachers' Credit Union can issue, vary, renew, and cancel this policy under a "binder" given to it by CUNA Mutual General Insurance. A "binder" is an agreement between QTCU and CUNA Mutual General Insurance that allows QTCU to enter into contracts that are risk insurance products on behalf of the insurer. This means that the insurance policy issued to you by QTCU is binding on CUNA Mutual General Insurance just as if they had issued the policy itself.

Product Disclosure Statement

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

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

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

Words throughout this PDS and *policy wording* in *italics* have special meaning. Please refer to pages 13-15 for these meanings.

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

Confirmation Facility

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

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Section 1

Significant Policy Information

Who is the Insurer of this Policy?

The insurer of this policy is *CUNA Mutual General Insurance*.

How You can Contact Us

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

CUNA Mutual General Insurance
Level 10, 345 George Street
Sydney NSW 2000
GPO Box 1276
Sydney NSW 2001

Policy enquiries: 1800 730 121

Claims enquiries: 1300 660 727

General Insurance Code of Practice

CUNA Mutual General Insurance is committed to and supports the objectives and principles of the General Insurance Code of Practice. This Code is a self-regulatory code which was introduced to raise general insurance industry standards of practice and service in respect of policy documents, training and claims handling procedures and to promote good relations between insurance companies, their agents and customers. More information on the Code is available by contacting us.

How to Apply for this Insurance

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

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

Your Duty of Disclosure

The Insurance Contracts Act 1984 imposes a duty of disclosure on you when you first enter into an insurance policy with us, and you vary, renew, extend, reinstate or replace your insurance policy.

1. Your Duty of Disclosure when you first enter into this policy with us.

What you must tell us

When answering our questions, you must be honest. 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 the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

Who needs to tell us

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

If you do not tell us

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

2. Your Duty of Disclosure when you renew, vary, extend, reinstate or replace this policy.

Before you renew, extend, vary, reinstate or replace this insurance policy with us, you have a duty to disclose to us every matter that you know, or could reasonably be expected to know, is relevant to our decision whether to accept the risk of the insurance and, if so, on what terms.

Your duty however does not require disclosure of a matter:

- that diminishes the risk to be undertaken by us;
- that is of common knowledge;
- that we know or, in the ordinary course of business, ought to know;
- where we waive your requirement to comply with your duty.

If you do not tell us

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 or may cancel the contract. If your non-disclosure is fraudulent, we may also have the option of avoiding the contract from its beginning.

Our Privacy Promise

We are committed to protecting *your* personal information.

What information do we collect?

The proposal for this insurance only asks *you* for the information that is necessary for *us* to assess *your* application for this insurance. We may also obtain personal information about *you* from another insurer, an insurance reference service or as permitted or required by law.

If you don't give us the information

If *you* do not give *us* all the information requested, *we* may not be able to process or accept *your* application for insurance.

How we use the information

We use the information *we* collect about *you* to assess *your* application for insurance and the risk involved. If *we* issue *you* with a policy, *we* will also use the information to administer *your* policy and assess any claims. From time to time *we* may send *you* information on other insurance products.

Disclosure to third parties

We will only disclose information about *you* to a third party if *we* need to in order to process *your* application, administer *your* policy or investigate and assess any claims. The parties to whom *we* may disclose *your* personal information include (but are not limited to) reinsurers, health providers, loss assessors, investigators, legal advisors and external complaints and dispute resolution bodies.

We will also disclose information about *you* to a third party if required to by law.

Access to information

You are entitled to access *your* personal information, except in some limited circumstances outlined in the Privacy Act 1988. *You* can request access to *your* personal information by writing to *us*.

Privacy enquiries or complaints

We have internal procedures in place to ensure that any concerns *you* may have relating to the privacy of *your* information are resolved promptly, including access to *our* Internal Dispute Resolution Panel.

If *we* are unable to resolve *your* complaint internally, *you* can direct *your* complaint to:

The Director, Compliance
Office of the Federal Privacy Commissioner
GPO Box 5218, Sydney NSW 2001.
Tel: 1300 363 992

Please ask *us* if *you* have any queries on what personal information *we* collect or how it will be used. A copy of *our* Privacy Policy is available on request.

Significant Features and Benefits of this Insurance

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

Your Boat Insure cover:

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

Significant Risks of this Insurance

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

Under-insurance

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

Policy limits

Limits apply for some items. e.g. cover for emergency expenses is limited to \$500. Refer to Section 2B – Extra Benefits on pages 19-20.

Excesses

An *excess* is the amount *you* have to pay in the event of a claim under *your* policy. *You* may be subject to one or more *excesses* under this policy. A full description of all the *excesses* that may apply can be found on page 16 of the *policy wording*. The actual *excess* amount *you* have to pay is displayed on *your policy schedule*.

Disclosure

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

Payments

Through *your* financial institution, *we* offer *you* various ways in which *you* can pay for *your* premium. If *you* fail to pay the premium for this policy, subject to the Insurance Contracts Act 1984 *we* have the right to cancel *your* policy. See General Conditions on pages 24-26 for full details and consequences if *you* elect to pay by instalments.

General Exclusions of this Insurance

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

- amounts in excess of the lesser of the *sum insured* or the *market value* of *your boat*;

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

Taxation Information about this Insurance

We list all taxes and charges individually on all schedules (e.g. Stamp Duty, Goods and Services Tax). Details on how the Goods and Services Tax affects *your* claim is included in the *policy wording* on page 26.

How We Price this Insurance Product

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

Our Service Commitment – Dispute Procedures

CUNA Mutual General Insurance is committed to service excellence. An integral part of *our* service excellence is the provision of an efficient, free and fair internal dispute resolution procedure.

Should *you* have a complaint in connection with this policy relating to a claim, *our* service or that of *our* agents or any one else acting on *our* behalf, please contact *us* directly and *we* will do *our* utmost to resolve the problem. *Our* contact details are shown on page 5. If the service officer receiving the complaint cannot resolve it, it will be referred to a Manager with sufficient authority to deal with the complaint. A written response will then be issued within 5 working days.

If the response does not resolve the complaint to *your* satisfaction, at *your* request, the matter will be referred to *our* Internal Dispute Resolution (IDR) Committee. This is a free service to *you*. The members of the IDR Committee have the authority to review all aspects of the dispute. A written notice setting out the final decision will be issued within 15 working days of the dispute arising. This notice will also provide details of further action that *you* may take if the dispute is not resolved to *your* satisfaction.

If a dispute exists in relation to a claim or dispute after we have had the opportunity to resolve the matter internally, then *you* may contact:

Financial Ombudsman Service

GPO Box 3, Melbourne VIC 3001

Telephone 1300 78 08 08 (local call fee applies)

The **Financial Ombudsman Service** consists of a group of specialist advisers that are independent from insurance companies and whose purpose is to assist in the resolution of such disputes and is at no cost to *you*.

You can obtain further information on the **Financial Ombudsman Service** at www.fos.org.au.

Your Cooling-Off Period

If *you* are not completely satisfied with this insurance product, *you* may cancel *your* policy within 21 days from the date of commencement and receive a full refund. To take advantage of this offer we must receive a request in writing from *you* within 21 days of the commencement date. This offer does not apply if *you* have made a claim within this period or there is a claim pending.

We will only return government duties and charges to *you* if they are recoverable by *us*.

Making a Claim

Full details of what to do in the event of making a claim can be found on page 27 in the *policy wording*. *Our* contact details are on page 5.

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

Section 2

The Policy Wording

Our Agreement with You

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

Words that have Special Meanings

Some of the words that appear throughout the PDS have special meanings, which are set out below. Whenever these words appear they will be highlighted in *italics*.

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

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

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

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

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

CUNA Mutual General Insurance means a business name owned by CUMIS Insurance Society Inc.

Excess means the amount *you* must pay towards the claim. The amount of any *excess* payable is shown in *your policy schedule*. The categories of *excess* that may apply are explained on page 16.

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

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

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

Period of insurance means the period stated as the period of insurance in the *policy schedule*.

Person insured means the person or persons named in the *policy schedule* as the insured.

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

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

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

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

Sum Insured means the amount specified as the sum insured in *your policy schedule* for the type of cover selected.

Theft/stolen means stealing without forcible or violent entry.

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

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

We, our, us means CUMIS Insurance Society Inc. ABN 72 000 562 121, AFSL No 245491 (Incorporated in the United States. The members of the Society have no liability) and *CUNA Mutual General Insurance*.

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

Your boat means the boat described in *your policy schedule*. *Your boat* includes:

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

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

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

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

Your trailer means the trailer described in *your policy schedule* designed to transport *your boat*.

Explanation of Excesses

As explained in “Words that have Special Meanings” on page 13, *excess* means the amount *you* must pay towards the claim. The amount of any *excess* payable is shown in *your policy schedule*.

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

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

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

Which excess applies to your claim?

There are 3 types of *excess*:

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

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

When will you not be required to pay an excess?

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

Section 2A – Damage to *Your Property***What we will pay for**

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

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

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

What we won't pay for

1. Any amount in excess of the *sum insured* specified in *your policy schedule*;
2. any amount in excess of \$500 for any one item of *your contents* not noted as *specified contents* in *your policy schedule*;
3. Reduction in the value of *your property* due to its age or condition;
4. Damage that occurred before you insured *your property* with us;
5. Loss or damage resulting from loss of use of *your property*;
6. Loss or damage from wear and tear, rust, corrosion, mechanical, electrical or electronic breakdown, failure or malfunction;
7. Damage to tyres of *your trailer* caused by application of brakes or by punctures, cuts or bursting;
8. Loss or damage where you have not taken reasonable steps to ensure the safety of *your property*;
9. Events or circumstances detailed in Section 2D – Exclusions on page 23;
10. Loss or damage to a *substitute boat*;
11. Loss or damage to sails caused by the wind or water;
12. Loss or damage to motors as a result of overheating or seizing up;
13. Loss or damage to paintwork that does not meet manufacturers specifications;
14. Loss or damage to signwriting, artwork or graphics;
15. Loss or damage to *accessories* and motors including control equipment caused by *theft*.

Section 2B – Extra Benefits

These Extra Benefits only apply if a claim is payable under Section 2A – Damage to *Your Property* on page 17.

What we will pay for

1. Total loss within one year of original registration.

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

2. Emergency expenses.

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

3. Towing or transport costs.

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

4. Loss prevention.

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

5. Recovery costs.

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

6. Transit cover.

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

7. Cover for *your* replacement boat.

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

What we won't pay for

1. Emergency expenses.

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

2. Towing or transport costs.

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

Section 2C – Legal Liability

What we will pay for

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

What we won't pay for

We will not pay any amount:

1. under this and any other policy we have issued to *you* covering legal liability in excess of the limit specified for legal liability in the *policy schedule* (inclusive of legal costs and expenses) for any one occurrence or series of occurrences arising out of one event;
2. for *your* legal liability for damage to someone else's property, bodily injury or death caused by an *accident* involving *your property* which occurred outside the *geographic limit*;
3. for *your* legal liability for death or bodily injury which is covered by, or is coverable by, any statutory compulsory insurance scheme;
4. if at the time of the *accident your trailer* was attached to:
 - (a) a registered motor vehicle;
 - (b) an unregistered motor vehicle on a public roadway;
5. for *your* legal liability arising from or in connection with:
 - (a) penalties, fines or awards of aggravated, punitive or exemplary damages;
 - (b) loss or damage to a *substitute boat*;
 - (c) the use of a *substitute boat* if *you* are entitled to indemnity under another contract of insurance not entered into by *you*;
 - (d) bodily injury or death caused to *you*, the *person insured's* spouse or de-facto or any person who ordinarily resides with the *person insured*;
 - (e) *water skiers* towed by *your boat* or a *substitute boat*;
 - (f) any claims in connection with the contamination or pollution of the land, air or water from *your boat* or *substitute boat*;
 - (g) any disease that is transmitted by *you*;
 - (h) events or circumstances detailed in Section 2D – Exclusions on page 23.

Section 2D – Exclusions

These exclusions apply to all sections of this Policy.

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

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

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

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

Section 2E – General Conditions

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

1. Legal representation

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

2. Taking precautions.

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

3. Cancelling this policy.

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

We may have the right to cancel *your* policy if *you* have:

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

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

If a claim is settled on a *total loss* basis *your* policy comes to an end and there is no refund of premium as the policy has been paid out in full. This does not apply if the *total loss* claim is settled under Extra Benefit 1 in Section 2B – Extra Benefits on page 19.

Section 2E – General Conditions (cont.)

4. Paying by instalments.

If *you* are paying *your* premium by instalments:

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

5. Notification of change of risk.

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

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

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

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

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

6. Persons bound.

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

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

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

7. Goods and Services Tax (GST).

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

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

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

8. Breach of policy.

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

9. Right of recovery (Subrogation).

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

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

Section 2F – What To Do in the Event of a Claim

The following conditions apply to all sections of *your* policy.

1. Do not admit liability.

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

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

2. Prevent further damage.

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

3. Authorising repairs.

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

4. Contact the police.

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

5. Notification of an incident.

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

6. Co-operation and retention of evidence.

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

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

7. Quotes and inspections.

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

Section 2G – No Claim Bonus

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

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

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

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

Endorsements

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

Section 2H – Racing Extension – Sail Craft only

The following racing extension endorsement will apply only when indicated on *your policy schedule*.

Page 13 of *your PDS*, **Words that have special meanings**

Acceptable use is replaced by:

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

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

Pages 17-18 of *your PDS*, **Section 2A – Damage to Your Property** will be amended to include the following additional provisions:

What we won't pay for

Number 11 is replaced by:

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

Section 2I – Waterskiers Extension – Motorised Boats only

The following waterskiers extension endorsement will apply only when indicated on *your policy schedule*. Section 2C – Legal Liability will be amended to include the following additional provisions:

Waterskiers Extension (Motorised Boats only)

What we won't pay for

Number 5. is replaced by:

5. for *your* legal liability arising from or in connection with;
 - (a) penalties, fines or awards of aggravated, punitive or exemplary damages;
 - (b) loss or damage to a *substitute boat*;
 - (c) the use of a *substitute boat* if *you* are entitled to indemnity under another contract of insurance not entered into by *you*;
 - (d) bodily injury or death caused to *you*, the *person insured's* spouse or de-facto or any person who ordinarily resides with the *person insured*;
 - (e) any claims in connection with the contamination or pollution of the land, air or water from *your boat* or *substitute boat*;
 - (f) any disease that is transmitted by *you*;
 - (g) events or circumstances detailed in Section 2D – Exclusions on page 23-24.

End of Policy Wording