

Steadfast Pleasure Craft

Product Disclosure Statement and Marine Insurance Policy



This Policy is underwritten by QBE Insurance (Australia) Limited
ABN 78 003 191 035 of 82 Pitt Street, Sydney.

QM2707

POLICY





About this booklet

This booklet contains a Product Disclosure Statement (PDS). The PDS is designed to assist you to make informed choices about your insurance needs. The PDS contains information about costs, our dispute resolution system, your cooling off rights and other relevant information, including other rights, terms, conditions, exclusions and obligations attaching to this product. Please read this booklet carefully.

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

About Steadfast

Steadfast is an unlisted public company comprising over 240 shareholders. Each shareholder is an independent insurance brokerage. This Policy is available exclusively to you through shareholders of Steadfast Group Limited. Steadfast Group Limited does not issue, guarantee or underwrite this Policy.

About QBE Australia

QBE Insurance (Australia) Limited is a member of the QBE Insurance Group (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers worldwide. The company has been operating in Australia since 1886 and continues to provide industry-leading insurance solutions that are focused on the needs of intermediaries and their clients.

Insurer

The Policy is underwritten by QBE Insurance (Australia) Limited, ABN 78 003 191 035, AFS Licence No. 239545 of 82 Pitt Street, Sydney.

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

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Summary of Cover

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

Description of cover provided	Additional extras you can obtain on request	Cover exclusions - please refer to the Policy Terms and Conditions for specific details
<p>Section 1</p> <p>Loss of or damage to your pleasure craft:</p> <ul style="list-style-type: none"> Accidental damage or sinking. Theft without evidence of visible and forced entry provided reasonable precautions are taken (except Personal Watercraft). Search costs up to \$10,000. Damage caused by governmental authority. Removal or recovery of wreck costs up to \$10,000,000. Inspection costs for damage following stranding. Emergency Land Towing costs up to \$750. Emergency accommodation expenses up to \$500. 	<ul style="list-style-type: none"> Any dinghy or tender which is required to be separately registered by law, optional yacht racing extensions to cover loss or damage during racing. <p>An additional cost will apply for either extension of cover.</p>	<ul style="list-style-type: none"> if you do not keep your pleasure craft in good condition and seaworthy (e.g. keep it properly serviced and free of corrosion) and in compliance with any Statutory requirements or do not take reasonable precautions when using your pleasure craft; if the loss or damage is intentionally caused by you or a person acting with your express or implied consent, unless required by law; caused by normal wear and tear or depreciation;

Description of cover provided	Additional extras you can obtain on request	Cover exclusions - please refer to the Policy Terms and Conditions for specific details
<p>Section 1</p> <p>(continued)</p>		<ul style="list-style-type: none"> caused by mechanical, structural, electrical or electronic failures; caused by faulty design or construction of your pleasure craft where you do not take reasonable measures to prevent theft; where you use your pleasure craft as permanent living accommodation.
<p>Additional Benefits</p> <p>Personal Accident</p> <p>We will pay for death or bodily injury to you arising directly out of the use of the pleasure craft for private pleasure purposes or voluntary rescue work,</p> <ul style="list-style-type: none"> death - \$30,000, temporary total disablement- \$300 per week up to 100 weeks, 	<p>This is included automatically at no additional premium.</p>	<ul style="list-style-type: none"> Where you do not obtain and follow the advice of a qualified medical practitioner or undergo any medical examination by a medical practitioner appointed by us as soon as possible after the accident.

Description of cover provided	Additional extras you can obtain on request	Cover exclusions - please refer to the Policy Terms and Conditions for specific details
<p>Additional Benefits (continued)</p> <ul style="list-style-type: none"> – permanent total disablement- \$30,000. • Loss or damage to sporting equipment up to \$10,000 with a limit of \$1,000 per item except when in use. • No excess applies whilst your pleasure craft is penned at a marina unless otherwise shown in the Policy Schedule or if there is a named cyclone. • Power boat association time trials up to a maximum speed of 30 knots. • Loss or damage to your personal effects up to \$12,500 with a limit of \$1,000 per item. • Household contents up to \$250 per item subject to a maximum of 5% of the hull sum insured. 		

Description of cover provided	Additional extras you can obtain on request	Cover exclusions - please refer to the Policy Terms and Conditions for specific details
<p>Section 2 Third Party Liability</p> <ul style="list-style-type: none"> • Accidental death or bodily injury to a person other than you. • Accidental damage to other people's property. • Property damage caused by or arising from sudden and accidental pollution including clean up costs up to \$500,000. • Berth Holders Liability. <p>You can select the level of legal liability cover you require - \$5,000,000, \$10,000,000 or \$20,000,000.</p>	<p>You can apply for our optional water skiers and/ or aquaplaning extension to cover:</p> <ul style="list-style-type: none"> • liability for you and the water skier (includes aquaplaning, barefoot skiing). <p>An additional cost will apply.</p>	<ul style="list-style-type: none"> • Pollution caused by your negligence or wilful misconduct; • caused by parasailing or other aerial activities including a water ski ramp while using your pleasure craft.

The amount of any claim may be reduced

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

- (a) where an excess applies,
- (b) if you have understated the value of your pleasure craft,
- (c) where you have not requested the insured value of any item to be individually specified in the Policy,
- (d) if you do not adequately secure your pleasure craft,
- (e) where you have not repaired pre existing damage, or the pre existing damage has contributed to your claim.

The product may not match your expectations

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

Your sum insured may not be adequate

This Policy is an agreed value Policy unless 'Market Value' is stated in your Policy Schedule. A separate agreed value (called a 'sum insured') will apply to each of the hull, motor/s, equipment, accessories and trailer where specified on the Policy Schedule.

This means it is important that you ensure all items to be insured are separately listed on the Policy Schedule with their respective sums insured, otherwise the maximum amount we will pay for any part or item will be its current market value.

Overdue premium

If you have not paid your premium by the due date or your payment is dishonoured, this Policy will not operate and there will be no cover.

For more detailed information regarding payment options refer to the Section headed 'How you can pay your premium' (on page 14).

A claim may be refused

We may refuse to pay or reduce the amount we pay under a claim if you do not comply with the Policy conditions, if you do not comply with your duty of disclosure, or if you make a fraudulent claim.

The cost of this insurance Policy

The total premium is the amount we charge you for this Policy. It includes the amount which we have calculated will cover the risk, and any taxes and Government charges. The premium and any taxes and Government charges will be shown on your Policy Schedule.

When calculating your premium we take a range of rating factors into account. These factors, and the degree to which they affect your premium, will depend upon the information you provide to us.

The following factors have a significant impact on the calculation of your premium:

- make, model and type of the pleasure craft
- age and construction of hull and mast
- maximum speed (powered craft)
- sum insured
- limit of liability chosen for legal liability cover
- state or territory where you pleasure craft is insured
- method of storage for your pleasure craft
- where you operate your pleasure craft
- previous loss or claims history.

Premium payments are made annually or by instalments. You should arrange your method of payment through your Financial Services Provider. A quote for premium may be obtained from your Financial Services Provider.

Duty of Disclosure – What you must tell us

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

New business

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

When answering our questions you must be honest.

- **Who needs to tell us**

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

- **If you do not tell us**

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

Renewals, variations, extensions and reinstatements

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

- **You do not have to tell us about any matter**

- that diminishes the risk
- that is of common knowledge
- that we know or should know in the ordinary course of our business as an insurer, or
- which we indicate we do not want to know.

- **If you do not tell us**

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

Privacy

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

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

We may need to disclose personal information to our reinsurers (who may be located overseas), insurance intermediaries, insurance reference bureaux, credit reference agencies, our advisers and those involved in the claims

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

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

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

Sanction Limitation and Exclusion Clause

No (re)insurer will be deemed to provide cover and no (re) insurer will be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America.

The General Insurance Code of Practice

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

- promote more informed relations between insurers and their customers;
- improve consumer confidence in the general insurance industry;
- provide better mechanisms for the resolution of complaints and disputes between insurers and their customers; and

- commit insurers and the professionals they rely upon to higher standards of customer service.

How to make a claim

Please contact your Financial Services Provider to make a claim. We will only accept responsibility for repairs or payments to third parties under a claim where you have told us about them beforehand and we have accepted your claim. Full details of what you must do for us to consider your claim are provided in the 'Claims' section of this booklet.

Dispute resolution

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

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

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

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

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

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

Taxation implications

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

Cancelling your Policy

How you may cancel this Policy

- You may cancel this Policy at any time by telling us in writing that you want to cancel it. You can do this by giving the notice to your Financial Services Provider.

- Where 'you' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

How we may cancel this Policy

- We may cancel this Policy in any of the circumstances permitted by law by informing you in writing.
- We will give you this notice in person or send it to your address last known to us.

The premium

We will refund to you the proportion of the premium for the remaining period of insurance less any administration costs or non-refundable taxes.

Cooling-off information

If you want to return your insurance after your decision to buy it, you may cancel it and receive a full refund. To do this you may notify your Financial Services Provider electronically or in writing within 21 days from the date the Policy commenced.

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

Providing proof

So that your claim can be assessed quickly you should keep the following:

- proof of purchase (e.g. a sales receipt, sales invoice or sales contract) that shows a description, amount paid, where and when you bought it and from whom including financial transactions (e.g. debit details, credit card or bank statements);
- if registered, the current registration papers for your pleasure craft;
- copy of the current licence details (front and rear) for the person in control of the pleasure craft;
- service records from a pleasure craft repairer or mechanic showing details of your pleasure craft;
- records of your pleasure craft from the marina or place of storage;

- valuations that substantiate the value of your pleasure craft;
- survey reports that substantiate the condition and value of your pleasure craft;
- maintenance records of your mooring;
- current photographs of your pleasure craft including interior and exterior views.

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

Other party's interests

You must tell us of the interests of all parties (e.g. financiers, owners, lessors) who will be covered by this Policy. We will protect their interests only if you have told us about them and we have noted them on your Policy Schedule.

How you can pay your premium

You can pay your premium by cash, cheque, credit card or bank transfer.

Paying your premium

You must pay your premium by the due date. If we do not receive your premium by this date or your payment is dishonoured this Policy will not operate and there will be no cover.

Paying your instalment premium

If you are paying your premium for the first time by instalments we will deduct instalments each month on the day of the month that you nominate as your payment date.

If you are renewing your Policy and you paid your previous Policy by instalments, we will continue to deduct instalments for your renewed Policy on the day of the month you previously nominated as your payment date, unless you tell us otherwise.

If you have nominated the 29th, 30th or 31st of the month as your payment date, we will deduct your instalment payment on the next day if those dates don't occur in a month.

Details of your instalments are shown on your Policy Schedule.

If your first instalment of premium when you take out your Policy or renew it is dishonoured, this Policy will not operate and there will be no cover.

We will not pay a claim under this Policy if, at the time the claim occurred, any instalment of premium has remained unpaid for 14 days or more.

If any instalment of premium has remained unpaid for 1 month, we may cancel this Policy. We will send you a notice giving you details of the action we intend to take and when the cancellation will become effective.

We are entitled to deduct from any amount we pay you under a claim any unpaid premium or instalment of premium.

If you are paying your premium in instalments by direct debit from your credit card or financial institution account, you must tell us if those details change. You must do this no later than 7 days before your next instalment is due.

Preventing our right of recovery

If you have agreed not to seek compensation from another person who is liable to compensate you for any loss, damage or liability which is covered by this Policy, we will not cover you under this Policy for that loss, damage or liability.

How Goods and Services Tax affects any payments we make

The amount of premium payable by you for this Policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- (a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST;
- (b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a Damaged item insured under the Policy) we will pay for the GST amount.

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input tax credit may be claimable through your business activity statement (BAS).

You must advise us of your correct Australian Business Number & taxable percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for input tax credit) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

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

GST, input tax credit (ITC), business activity statement (BAS) and acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable percentage is your entitlement to an Input tax credit on your premium as a percentage of the total GST on that premium.

Financial Claims Scheme

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

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

Words with special meanings

When used in this Policy, the following words mean:

Word or Term	Meaning
Accident	an incident that is unforeseen and unintended and that causes loss or damage. This includes a series of accidents arising out of the one event.
Agreed value	the amount for which we have both agreed to insure your pleasure craft, taking into account the type of pleasure craft, manufacturer, model, age and its condition.
Anti theft device	a professionally manufactured purpose designed anti theft device. Examples include: <ul style="list-style-type: none"> • Klamp it • hitch helmet • Trailercop • Trojan Sentry • braided steel cable to secure your pleasure craft or personal watercraft to the trailer. Anti theft device does not include chains and/or padlocks.
Damage	any form of physical harm to the pleasure craft. Damage does not include wear and tear or anything that was present before this Policy came into force.
Equipment and accessories	safety equipment installed or carried in accordance with Statutory requirements and any other equipment intended for the use of or with the pleasure craft, including: <ul style="list-style-type: none"> • any tender used with your pleasure craft • anchors • oars or paddles • detachable canopies including dodgers and biminis • boat and motor covers • bilge pumps • life-saving equipment including life jackets • auto pilot • depth sounders

Word or Term	Meaning
Equipment and accessories (continued)	<ul style="list-style-type: none"> • electronic navigation equipment including laptop computers that can be clearly demonstrated are used for navigation purposes • global positioning system • EPIRB (Emergency Position Indicating Radio Beacon) • two-way radios • tools • unfixed spare parts.
Excess	is the amount of any claim which must be paid by you. Where an excess is to be applied to any section(s) of your Policy the amount will be shown in either the Policy Schedule or the Policy booklet and will be deducted from the amount payable for each claim.
Family	includes your spouse or partner, the children, parents or other relatives of you or your spouse or partner who live permanently with you.
Forcible and violent entry	entry obtained by picking or breaking a lock or anti theft device by means of an instrument involving the use of violence. Visible evidence including marks or broken components is required as proof. Mysterious disappearance is not proof of forcible and violent entry.
Household contents	<p>contents permanently kept on the pleasure craft for your personal use, provided they are not separately insured, including:</p> <ul style="list-style-type: none"> • cushions, bedding, manchester and flags • unfixed furniture, tables and chairs • home entertainment equipment including TV(s) and DVD player(s) • items and appliances used for cooking, drinking and eating • portable refrigerators, freezer and ice boxes (excluding food and alcohol) • portable barbeques and gas bottles.

Word or Term	Meaning
Hull	<p>the main body of the pleasure craft, including bottom, sides and deck, fixtures and fittings on deck or below deck that are not normally removable and would be normally sold with the pleasure craft.</p> <p>This includes household contents.</p>
Indemnity	to place you in the same financial and/or material position as you were in immediately before your loss. Indemnity does not mean new for old unless stated. We may deduct an amount for wear and tear, depreciation or betterment.
Latent defect	any flaw in the construction or material used in the construction of the hull and superstructure, motors/machinery, sails, masts, spars, standing and running rigging of the pleasure craft that is not known by you and would not have been discoverable by a competent tradesperson carrying out normal inspection.
Legal liability	your legal responsibility arising out of the use of the pleasure craft to pay compensation for death, injury or damage to other people (including members of your family) or their property. This responsibility only arises if you have done something wrong or you are at fault.
Market value	<p>the value of your pleasure craft in your local market, that is the amount it costs to buy the equivalent pleasure craft (including GST) from the authorised Australian distributor in your area.</p> <p>Market value is generally based on:</p> <ul style="list-style-type: none"> • vessel type • manufacturer • model • specifications • the age and condition of your vessel (including wear, tear and maintenance history) • non-standard accessories • modifications made to the vessel.

Word or Term	Meaning
Market value (continued)	<p>Note: If your pleasure craft is considered to be a parallel/grey/ personal Import then the market value may be lower than the equivalent Australian model due to the difference in specifications.</p> <p>If the words 'Market Value' are shown in your Policy Schedule, your Policy is based on Market Value.</p>
Mooring	<p>a permanent anchor at the bed of the sea, waterway or lake with a rode (a line, cable, or chain) running to a float on the surface.</p> <p>The mooring must:</p> <ul style="list-style-type: none"> • confirm with all licensing and statutory regulations; • be appropriately sited; • in good order and properly maintained and serviced by a professional mooring contractors on an annual basis; and • be suitably designed for the type, size and displacement of the pleasure craft.
Motor(s)	<p>includes:</p> <ul style="list-style-type: none"> • inboard motors • outboard motors • be suitably designed for the type, size and displacement of the pleasure craft • bow thrusters • stern drive units • jet units • gear boxes • propellers • shafts • skegs • portable fuel tanks and lines • wiring harness • instruments (e.g. tachometer) • control cables • generators (gen sets).

Word or Term	Meaning
Omission	a failure to act and includes a failure to do or say something.
Period of insurance	the period for which the cover under your Policy is in force. You will find your period of insurance set out in your Policy Schedule.
Permanent living accommodation	using your pleasure craft as your permanent place of residence (which is defined as a place at which the person resides or a place at which the person has sleeping accommodation on a permanent basis).
Permanent total disablement	you are unable from the date of the injury to perform your occupation or any other occupation for which you are suited by reason of your education, training or experience and are not otherwise employed or engaged in any business activity, and under the continuous and regular care of a doctor and undergoing appropriate treatment for a period of at least 12 consecutive months and you remain unable to do so for a continuous indefinite period.
Personal effects	<p>items normally worn or carried on your person including:</p> <ul style="list-style-type: none"> • clothing • mobile phones, prescription glasses and sunglasses • waterproof gear and bags • food and beverage coolers • shoes • wallets and purses (excluding cash and credit cards) • toilet articles • hats and caps • keys and pens • portable radio and compact disc/MP3 players • binoculars.
Personal Watercraft (PWC)	a vessel designed to be operated by a person standing, sitting astride or kneeling on. It uses waterjet propulsion and has an engine in a watertight compartment.

Word or Term	Meaning
Pleasure craft	<p>the vessel described in the current Policy Schedule. Your pleasure craft is comprised of:</p> <ul style="list-style-type: none"> • the hull • its motor(s), including fuel tanks (unless they form part of the hull) • equipment and accessories • its sails, masts, spars, standing and running rigging • its trailer • personal effects (or those of any passenger onboard your pleasure craft).
Policy Schedule	<p>the most recent document we give you. We give you a Policy Schedule when you:</p> <ul style="list-style-type: none"> • first buy the Policy from us, • change any part of the Policy or any personal details relevant to it, or • renew the Policy with us.
Premium	the amount you pay for the insurance provided by this Policy, including any taxes and other Government charges.
Sail, masts, spars, standing and running rigging	sails, masts, spars, booms and fittings, spinnaker poles, standing and running rigging.
Salvage	what is left of the pleasure craft after it has suffered loss or damage.
Seaworthy	<p>your pleasure craft is in good condition, well maintained, suitable, capable and properly equipped for use in usual sea or water conditions and is reasonably fit in all respects to operate safely and efficiently for its designed purpose.</p> <p>For example:</p> <ul style="list-style-type: none"> • the pleasure craft is designed for the intended usage; • the hull is structurally sound and clean; • all mandatory safety gear is on board (when on the water) and in good condition;

Word or Term	Meaning
Seaworthy (continued)	<ul style="list-style-type: none"> • all other parts of your pleasure craft are in good condition, good working order and well maintained (e.g. motor, steering, anchor, pumps, navigational equipment, etc.) and you can verify that the maintenance recommendations of the manufacturer have been carried out.
Sporting equipment	fishing equipment (including rods, reels, tackle and other similar equipment), diving equipment (including regulators, tanks and buoyancy compensation devices), kayaks, canoes and wave skis and/or water ski and aquaplaning equipment used for the purpose of recreational purposes and owned by you.
Temporary total disablement	you are unable from the date of the injury to perform the occupation, business or profession which you were carrying on immediately before the date of disablement, and from which you received wages, salary or income prior to, but not after the date of disablement.
Tender	an auxiliary boat, or dinghy, capable of being and usually carried on deck or on davits on your pleasure craft or which is towed behind your boat. It may or may not have an outboard motor attached. It is used as a lifeboat or means of transportation between your pleasure craft and the shore, or for both purposes. A tender must be marked with the registration number of your boat and not registered in its own right. If the tender is required to be registered by law, you need to apply for the Dinghy/Tender Extension on page 37.
Theft	a person has taken your pleasure craft without your knowledge, prior consent or agreement, with the intention of permanently depriving you of them.
Total loss (Actual or Constructive)	your pleasure craft is an actual total loss when it is totally destroyed or damaged in such a way that it can be neither recovered nor repaired for further use.

Word or Term	Meaning
Total loss (Actual or Constructive) (continued)	If the pleasure craft is damaged beyond an amount which we consider economical to repair then we consider it be an “constructive total loss”
Total sum insured	the amount we insure your pleasure craft for and is the total of the agreed or market value for all items defined as part of your pleasure craft, whether individual sums insured are specified for these items by you or not.
Trailer	the trailer described in the Policy Schedule and all its fittings.
Water skiing or aquaplaning	travelling on the surface of water, either barefoot, or on water skis or similar devices designed for that purpose while being towed by your pleasure craft.
We, our, us	QBE Insurance (Australia) Limited, ABN 78 003 191 035.
Yacht Club Social Racing	a yacht club organised event, conducted under racing rules of sailing, where the length of the race is not greater than 25nm and spinnakers are not allowed to be set. This definition also includes twilight racing events.
Yacht racing risks	taking part in a sporting event organised by a club or association.
You, your	any of the person or persons named as the insured in your Policy Schedule including any person allowed by you to control your pleasure craft. If more than one person is named as the insured in the Policy Schedule, we will treat an act, omission, statement or a claim by any one of those persons as an act, omission, statement or a claim by all of them.

Our agreement with you

This Policy Terms and Conditions and the Policy Schedule form the legal contract between you and us. You pay us the premium, and we provide you with the cover you have chosen as set out in the Policy, during the period of insurance shown on your Policy Schedule or any renewal period. Please keep them in a safe place for future reference.

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

The excesses set out in the section headed “What you must pay if you make a claim – Excess” apply to all claims except where otherwise stated. The amount of any excess that applies to your Policy will be either shown in this booklet or shown on your Policy Schedule.

If you require further information about this product, please contact your Financial Services Provider.

Section 1: Cover for your Pleasure Craft

What is covered

We will cover your pleasure craft as described in the Policy Schedule while it is navigating or in transit within mainland Australia and Tasmania and including Australian and inland coastal waters of up to 250 nautical miles (unless otherwise stated in your Policy Schedule), and including while the pleasure craft is at any marina, slipway or location when laid-up ashore or engaged in any voluntary rescue work.

What you are covered for – Loss of or damage to your pleasure craft

We will cover you for:

- (a) Accidental loss or damage to your pleasure craft or part of it caused by:
 - an accident during use or while stored ashore, or moored;
 - sinking provided it was in seaworthy condition at the time of sinking;
 - malicious damage or vandalism;
 - a latent defect within the hull, motors/machinery of the pleasure craft (excluding the cost and expense of replacing or repairing the defective part), provided the loss or damage has not resulted from lack of due diligence (care) by you;
 - negligence of skipper master and/or crew provided the loss or damage has not resulted from lack of due diligence (care) by you;
 - negligence of the repairers (excluding you) provided the loss or damage has not resulted from a lack of due diligence (care) by you;
 - an accident during transit on its own trailer by road, rail or ship within mainland Australia and Tasmania including loading and unloading provided your pleasure craft is designed to be transported on a boat trailer and you are complying with all statutory requirements.

- (b) Theft (excluding personal watercraft)
- of the entire pleasure craft including trailer, outboard motor(s), equipment and accessories;
 - of part of the pleasure craft including trailer, outboard motor(s), equipment or accessories from:
 - the pleasure craft, or
 - the place of storage of the pleasure craft, trailer, outboard motor(s) or the equipment and accessories.

In the event of a claim it will not be necessary for you to demonstrate that there is physical evidence of visible and forced entry, but it is a condition of this cover that you are at all times required to take reasonable security measures to prevent theft (e.g. placing equipment/accessories or outboard motors temporarily removed from the pleasure craft in a secure place of storage).

- (c) Theft of personal watercraft (PWC)
- (i) theft of your PWC while permanently or temporarily stored ashore in a securely locked garage or premises provided there is actual physical evidence of visible, forcible and violent entry into and removal from the place of storage;
 - (ii) theft of your PWC while stored permanently or temporarily on a moored pontoon or wharf provided that your PWC was immobilised by an anti theft device and there is actual physical evidence of visible, forcible and violent removal of both the PWC and the anti theft device;
 - (iii) Theft of your PWC while unattended on a trailer and or theft of the trailer, provided the trailer was immobilised by an anti theft device and there is actual physical evidence of visible, forcible and violent removal of both the trailer and the anti theft device.

It is a condition of this cover that you are at all times required to take reasonable security measures to prevent theft (e.g. placing equipment/accessories motors temporarily removed from the PWC in a secure place of storage and ensure all anti theft devices are engaged).

- (d) Search costs

Costs or expenses reasonably incurred by you for hire or charter of any vessel or aircraft to be utilised in search of your pleasure craft presumed lost or in distress. These costs are subject to a limit of \$10,000 any one event.

- (e) Damage caused to your pleasure craft

By any Governmental authority in order to prevent or minimise a pollution hazard or threat of such a hazard resulting from damage to your pleasure craft, provided this has not resulted from a lack of due diligence (care) by you.

- (f) Recovery or removal of wreck costs

If your pleasure craft is damaged or sinks accidentally, and we agree to recover it or the law requires that it must be removed, we will pay the reasonable costs of the removal/recovery of the wreck. These costs are recoverable in addition to the sum insured of your pleasure craft and are subject to a limit of \$10,000,000 any one event and in the aggregate for any one period of insurance.

This cover will not apply if separate Protection and Indemnity Policy cover is in force.

- (g) Other expenses

If your pleasure craft gets into difficulties or is damaged accidentally, we will pay the reasonable cost incurred by you when taking action to:

- (i) minimise loss or damage,
- (ii) remove the pleasure craft to safety (including emergency towing),
- (iii) dry all the electrical equipment in the motor(s), and
- (iv) clean and oil the motor(s).

We will also reimburse you for:

- (v) towing costs to take your pleasure craft to the nearest repairer in an emergency following a loss (provided your pleasure craft is designed to be towed by a trailer). Reimbursement of costs is limited to \$750 for all claims during the period of insurance,
- (vi) costs associated with arranging for your pleasure craft to be inspected for damage as a result being stranded, and
- (vii) emergency expenses of up to \$500 for reasonable travel and accommodation expenses incurred when your pleasure craft or your trailer can not be used, following loss or damage as a result of an accident/event or theft covered by this Policy which occurs more than 100 kilometres from your home.

You do not need our authority to take such action if it is an emergency and you are unable to contact us to obtain authority.

However, you must advise us as soon as possible after the action has been taken.

These costs are recoverable in addition to the sum insured of your pleasure craft. The additional amount we will pay is limited to the sum insured of your pleasure craft shown in your Policy Schedule.

Please remember (unless otherwise specified) that you will have to pay any excess shown on your Policy Schedule, or in the Policy booklet.

What you are not covered for – Loss of or damage to your pleasure craft

We will not cover you for:

- theft of your pleasure craft or any part of it by persons to whom you have loaned your pleasure craft
- loss or damage intentionally caused by you or a person acting with your express or implied consent, unless required by law
- depreciation or reduction in value following repairs
- loss of or theft of outboard motor(s) when secured to the pleasure craft in a manner other than that specified or recommended by the manufacturer
- loss or damage including sinking caused by normal wear and tear including gradual deterioration
- loss or damage including sinking caused by timber rot, delamination, osmosis, gradual deterioration, vermin or marine growth
- loss or damage including sinking caused by rusting, electrolysis or other forms of corrosion
- loss or damage including sinking caused by lack of maintenance
- loss or damage caused by mechanical failure (including seizing or overheating of motors), structural, electrical or electronic failures caused by or resulting from gradual deterioration, corrosion, wear and tear, lack of maintenance or the use of incorrect fuel
- the cost of repairing or replacing any part of the pleasure craft which is defective and the defect is caused by fault, error in design or construction or faulty workmanship

- financial, emotional or psychological loss which occurs because you cannot use your pleasure craft
- accidental loss or damage to sporting equipment and tools while in use
- damage to sails and protective covers caused by the force of wind unless there has also been damage caused to the masts, spars or the pleasure craft
- any claim arising directly or indirectly from pollution or contamination by any substance except as otherwise specifically covered by this Policy
- any fine or penalty
- loss or damage to money, credit cards, watches, jewellery, cameras, pagers, consumable stores, compact discs, audio or video tapes or e-book readers
- loss or damage to moorings.

How much we pay – Loss of or damage to your pleasure craft

If your pleasure craft is accidentally damaged or stolen the basis of claims settlement will be:

Total loss

If it is determined that your pleasure craft is an actual total loss or constructive total loss (not economical to repair), we will at our option:

- pay the sum insured as shown in the Policy Schedule;
- pay the amount of loss or damage up to the sum insured or its market value, whichever is the lesser, if the words 'Market value' are shown in the Policy Schedule;
- replace your pleasure craft with an equivalent new pleasure craft of the same make, specifications, model or series so long as it is available in Australia and provided that it is less than 2 years old. We will also pay any registration and/or stamp duty costs applicable.

Partial loss

Repairs

If we accept your claim and decide your pleasure craft can be repaired, we will, at our option:

- repair your pleasure craft or the part(s) involved to as near as possible to the condition, standard and specification it was before the accident; or

- pay you the reasonable cost of repairing your pleasure craft or part(s) to as near as possible to the condition, standard and specification it was before the accident.

Replacement of Parts

If we accept your claim and decide the part(s) can be replaced, we will, at our option:

- pay you the reasonable cost of replacing the part(s) to as near as possible to the condition, standard and specification it was before the accident;
- pay you the sum insured (*where specified) of the part(s) involved and take ownership of any salvage; or
- pay you the current market value of the part(s) (where there is no agreed value) and take ownership of any salvage.

*Where you have not specified a separate sum insured for the part of the pleasure craft, or an individual item, then the maximum we will pay is the current market value of the part or item.

However, the maximum amount payable will not exceed the total sum insured under any circumstances.

Motor/Engine removal costs

We will pay all reasonable costs of labour to remove and reinstall engine-related, non-engine parts or components of the vessel in which the engine is installed, and, when required, reasonable costs of labour for engine removal and reinstallation, provided these costs are not covered under warranty.

These costs are recoverable in addition to the sum insured of your motor and are limited to 10% of the specified motor sum insured or the current market value of the part or item as defined above.

Contribution to Repairs

If your pleasure craft is less than or equal to 2 years old:

- We will pay for the cost of repairs using new parts as needed.

If your pleasure craft is aged more than 2 years:

- We may require you to contribute towards the cost of buying new parts used for repairing your pleasure craft if the damaged parts are affected by age or wear and tear;

- We may require you to contribute towards the cost of repairing your pleasure craft to modern standards where new electrical components/wiring are required to effect repairs;
- We may require you to contribute towards the cost of repairs where the condition or appearance of your pleasure craft improves due to repainting more than the damaged area.

Imported pleasure craft (Parallel/Grey imports)

- If your pleasure craft is defined by Australian Customs Service (ACS) and Australian Quarantine and Inspection Service (AQIS) as a 'Parallel/Grey/Personal Import' and has been imported from outside Australia we will use a different method to settle your claim in the event of a loss,
- We will pay you the reasonable cost of repairing your pleasure craft or part(s) to as near as possible to the condition, standard and specification it was before the accident but excluding any repairs or costs incurred to bring your pleasure craft up to Australian standards (e.g. electrical wiring),
- If your pleasure craft is damaged and the cost of repairing it is more than its market value, or if your pleasure craft is stolen and not found, we will only pay up to the market value at the time it was stolen or damaged,
- We will not pay more than the amount shown on the sale contract for your pleasure craft or the value of your pleasure craft that you declared to us at the start of your Policy, whichever is lowest,
- If your pleasure craft is damaged and the suitable parts or accessories are not available in Australia, we may choose to send you a cheque for the amount of the loss or damage instead of repairing your pleasure craft. The amount we will pay for new parts and accessories will not be more than the manufacturer's last list price in the country your pleasure craft was manufactured. We will use the currency exchange rates that apply at the date of that damage. We will not pay for the cost of importing any part or accessory into Australia.

Additional benefits

Sporting equipment

We will provide additional cover to you for:

- (a) accidental damage to your sporting equipment while on your pleasure craft (excluding while in use),
- (b) theft of your sporting equipment provided there is visible evidence of forcible and violent entry:
 - into the pleasure craft, or
 - into the normal place of storage of the pleasure craft or equipment.

The maximum amount we will pay is \$10,000 in total with a limit of \$1,000 on any one item unless otherwise stated on the Policy Schedule.

This amount is not paid in addition to a total loss settlement.

It is a condition of this cover that you are at all times required to take reasonable security measures to prevent theft (e.g. placing equipment/accessories temporarily removed from the pleasure craft in a secure place of storage).

Personal accident cover

If you suffer bodily injury as a result of an accident during the period of insurance which arises directly out of the use of your pleasure craft, and that results within six (6) calendar months in either:

- death
- temporary total disablement
- permanent total disablement.

We will pay in the event of your:

- death – the sum of \$30,000
- temporary total disablement – the sum of \$300 per week, up to a maximum of 100 weeks
- permanent total disablement – the sum of \$30,000.

To qualify for payment you must obtain and follow advice of a qualified medical practitioner (other than you or your family) or undergo any medical examination by a medical practitioner appointed by us (at our expense) as soon as possible after the accident.

This benefit excludes cover for death or bodily injury caused by the activity of:

- scuba diving, diving or diving operations,
- swimming, snorkelling or tunnel diving,
- towing of persons or objects in the air including parasailing.

Penned benefit clause

In the event of a claim for loss or damage to the pleasure craft while moored, at its usual berth/pen (including air dock/air berth), private jetty, pontoon or ashore within a secured compound of a commercial marina or yacht club we will not deduct the excess shown in the current Policy Schedule unless otherwise shown.

This additional benefit does not apply when:

- your pleasure craft is moored on a swing mooring at the time of loss or when the pleasure craft is not in its usual berth (e.g. when travelling);
- in the event of a claim for loss or damage caused by a named cyclone meaning a tropical depression, tropical storm or hurricane.

Power boat association time trials

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

Personal effects

If your personal effects suffer physical loss or damage caused by an accident or theft which are being used or stored on your pleasure craft you are covered up to:

- \$200 any one item for mobile phones, prescription glasses or sunglasses;
- \$1,000 any one item and \$12,500 in total for all other personal effects.

We will at our option:

- repair or replace the personal effects involved; or
- pay you the reasonable cost of repairing or replacing the personal effects involved.

This amount will not be paid in addition to a total loss settlement.

Household contents

If your household contents onboard your pleasure craft suffer physical loss or damage caused by an accident or theft, you are covered up to \$250 per item, but we will not pay more than 5% of the hull sum insured for all items, unless otherwise specified in the Policy Schedule.

We will at our option:

- repair or replace the contents involved, or
- pay you the reasonable cost of repairing or replacing the contents involved.

Please remember if you make a claim, you will have to pay an excess. Please refer to 'What you must pay if you make a claim – Excess' on page 42 of this booklet.

Optional Extensions

The following optional extensions may be obtained on application, and for an additional premium:

Optional yacht racing risk extension

If we have agreed to cover you for yacht racing risks and shown it in your Policy Schedule, we will provide additional cover to you for loss of or damage to your pleasure craft including its:

- sails, or
- masts, or
- spars, or
- standing and running rigging

while your pleasure craft is racing.

We will only cover you when your pleasure craft is participating in races within the following navigational limits:

- non trailered pleasure crafts – within a course distance not exceeding 250 nautical miles from your pleasure crafts normal place of berth or mooring, unless otherwise stated in your Policy Schedule.
- trailer pleasure crafts – within a course distance not exceeding 250 nautical miles from the place your pleasure craft was last launched, within Australian Territorial Waters, unless otherwise stated in your Policy Schedule.

You should advise us if you need cover for races that are in excess of the course distance as shown in your Policy Schedule. An additional cost will apply.

When you are not covered

We will not cover you while participating in racing outside of the areas set out above or in excess of the course distance as shown in your Policy Schedule unless we have provided you with our written agreement.

Excess payable under this extension

The excess applicable to all claims for your hull, equipment and accessories, or sails, masts, spars, standing and running rigging made under the optional racing risk extension cover is as follows:

- (a) pleasure craft with a sum insured value of up to and including \$50,000.

The excess for claims under this additional cover will be that shown in your schedule increased by an additional 150% unless otherwise specified in the Policy Schedule.

- (b) pleasure craft with a sum insured value in excess of \$50,000.

The excess for claims under this additional cover will be subject to the current excess shown in your current Policy Schedule increased by an additional 150%, unless otherwise specified in the Policy Schedule with the exception for damage to an item/items comprising part of the sails, masts spars, standing and running rigging an additional excess will apply as follows:

- where the pleasure craft is equal to or less than 5 years old from the date of manufacture, an excess of 20% of the value of the claim for the damaged item will apply to the claim for that item; or
- where the pleasure craft is aged 5 years old or more from the date of manufacture, an excess of 30% of the value of the claim for the damaged item will apply for that item.

The sections of the Policy called

- 'How much we pay – Loss or damage to your pleasure craft'
- 'What you are not covered for – Loss of or damage to your pleasure craft'

- 'What you are not covered for – Legal liability'
- 'When you are not covered'

also apply to this extension.

Optional yacht club social racing risk extension

If we have agreed to cover you for yacht club social racing risks and shown it in your Policy Schedule, we will provide additional cover to you for loss or damage to your pleasure craft including its:

- sails, or
- masts, or
- boom, or
- standing and running rigging

while your pleasure craft is being raced in yacht club social races not exceeding a course distance of 25 nautical miles.

This cover excludes races where spinnakers and/or extras are allowed.

You should advise us if you need cover for races that are in excess of the course distance of 25 nautical miles or races where spinnakers and/or extras are allowed an additional cost will apply.

Excess payable under this extension

The excess applicable to all claims for your hull, equipment and accessories, or sails, masts, spars, standing and running rigging made under the optional racing risk extension cover is as follows:

- (a) pleasure craft with a sum insured value of up to and including \$50,000.

The excess for claims under this additional cover will be that shown in your schedule increased by an additional 150% unless otherwise specified in the Policy Schedule.

- (b) pleasure craft with a sum insured value in excess of \$50,000.

The excess for claims under this additional cover will be subject to the current excess shown in your current Policy Schedule increased by an additional 150%, unless otherwise specified in the Policy Schedule with the exception for damage to an item/items comprising part of the sails, masts spars, standing and running rigging an additional excess will apply as follows:

- where the pleasure craft is equal to or less than 5 years old from the date of manufacture, an excess of 20% of the value of the claim for the damaged item will apply to the claim for that item; or
- where the pleasure craft is aged 5 years old or more from the date of manufacture, an excess of 30% of the value of the claim for the damaged item will apply for that item.

The Sections of the Policy called:

- 'How much we pay – Loss or damage to your pleasure craft'
- 'What you are not covered for – Loss of or damage to your pleasure craft'
- 'What you are not covered for – Legal liability'
- 'When you are not covered'

also apply to this extension.

Optional Dinghy/Tender Extension

We may agree to cover you for any dinghy or tender used with your pleasure craft which is separately registered by law or capable of a speed exceeding 20 knots.

If we agree to this cover, it will be shown in your Policy Schedule.

Please remember that you will have to pay any excess shown on your Policy Schedule, or in the Policy booklet.

Section 2 – Legal liability cover

What you are covered for – Legal liability

1. Operating your own pleasure craft

We cover you and any person allowed by you to control your pleasure craft against legal liability for:

- accidental death or bodily injury to a person other than you
- accidental death or bodily injury to you when another person allowed by you is in control of your pleasure craft
- accidental damage to other people's property

caused by the ownership of or use of your pleasure craft.

2. Operating a substitute pleasure craft

We will cover you against legal liability for:

- accidental death or bodily injury to a person other than you
- accidental damage to other people's property

caused by the use of the substitute pleasure craft provided that:

- you have permission from its owner, and
- your pleasure craft is not being used at the time, and
- you or any member of your family do not own or have an interest in the substitute pleasure craft.

If you are entitled to cover under any other Policy we will only be liable under this Section for the amount your liability exceeds the limits of cover under any other Policy.

3. Sudden and Accidental Discharge, release or escape of fuel or lubricants

We will cover you or any person allowed by you to control your pleasure craft (within the requirements of any law) against legal liability for:

- actual physical damage to property caused by sudden and accidental discharge, emission, spillage, or leakage upon or into waters or land of oil, petroleum products, effluent or sewage from your pleasure craft provided the discharge, emission, spillage or leakage does not arise from your wilful negligence or misconduct or wilful negligence or misconduct of any person allowed by you to control the pleasure craft.

This extension of cover excludes:

1. death, bodily injury or illness
2. contractual or assumed liability
3. any loss of use or consequential loss
4. fuel or lubricants not being used in connection with the operation of your pleasure craft at the time of the loss
5. 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.

We will pay up to \$500,000 for any one accident or series of accidents caused by the one event including legal expenses for this cover.

4. Berthholders liability

We will cover you for any legal liabilities imposed upon you by the terms and conditions of a lease or agreement for the provision of a berth or mooring or storage facility for your pleasure craft.

What you are not covered for – Legal liability

Operating your own or a substitute pleasure craft

We will not pay the costs of your liability or any person allowed by you to control your pleasure craft (within the requirements of any law) for:

1. loss of or damage to any property owned by you or in your custody or control or the property of any other person covered by this Policy
2. 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 pleasure craft insurance
3. death or bodily injury caused by the activity of scuba diving
4. death or bodily injury or property damage intentionally caused by a person covered by this Policy
5. death, bodily injury or property damage caused by the use of the trailer while it is attached to the towing vehicle or if it breaks away or accidentally detaches from the towing vehicle

6. the towing of persons or objects in the air, including parasailing
7. water skiing or aquaplaning unless you have chosen the optional water skiers or aquaplaning extension and it is shown in your Policy Schedule
8. any tradesperson or company engaged by you for the repair, service or maintenance of your pleasure craft
7. any claim arising directly or indirectly from pollution or contamination by any substance except as otherwise specifically covered elsewhere in the Policy
8. actions that are brought against you in a Court or Tribunal outside Australia or a Court or Tribunal that applies laws other than the law of a State or Territory of Australia
9. any fine or penalty
10. aggravated, exemplary or punitive damages.

How much we pay – Legal liability

We will pay the costs of:

- compensation, and
- legal fees and expenses

that you are liable for.

We will only pay the costs of legal fees and expenses you incur if we consent to them in writing before you incur them.

Limit on what we will pay – Legal liability

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

Optional Liability Extensions

The following liability option may be obtained on application, and for an additional premium:

Optional water skiers or aquaplaning extension

If we have agreed to cover you and shown it in your Policy Schedule and you have paid any additional premium we ask for, we will cover you or any person allowed by you to control your pleasure craft and the person acting as an observer (within the requirements of any law) against legal liability for:

- accidental death or bodily injury to a water skier or aquaplaner (including you) towed by your pleasure craft,

- accidental death or bodily injury to any person caused by a water skier or aquaplaner being towed by your pleasure craft, or
- accidental damage to another person's property caused by a water skier or aquaplaner being towed by your pleasure craft.

We will also cover a water skier or aquaplaner towed by your pleasure craft against the water skiers or aquaplaners legal liability to others for accidental:

- death or bodily injury to a person, or
- damage to property other than your pleasure craft,

caused by the water skier or aquaplaner while being towed by your pleasure craft.

When this water skiers or aquaplaning extension does not cover you

We will not pay the costs of liability arising out of:

1. water skiing or aquaplaning when there is not a legally competent observer in addition to the driver on board your pleasure craft or personal watercraft at the time of the accident
2. water skiing or aquaplaning when an aerial device or ski ramp is being used
3. water skiing or aquaplaning when a ski mast, ski pole, ski tower are being used unless it is professionally designed, manufactured and installed
4. competition water skiing or aquaplaning
5. towing or using hydrofoils, air chairs/sky and skis
6. towing of any person by pleasure craft or personal watercraft that breaches Maritime regulations
7. towing of any device not designed and professionally manufactured for the purpose of being towed behind a pleasure craft (e.g. surfboards or tyre tubes)
8. towing of any device used outside of the manufacturers guidelines, recommendations and specifications.

The sections of the Policy called:

- 'What you are not covered for – Legal liability'
- 'When you are not covered'
- 'How much we pay – Legal liability'
- 'Limit on what we will pay – Legal liability'

also apply to this extension.

What you must pay if you make a claim – Excess

For most claims you make on this Policy, you will have to pay the excess which is shown on your Policy Schedule or, unless specifically mentioned in your current Policy Schedule, an excess mentioned in this booklet.

If you make a claim for loss or damage to your personal effects the excess will be \$100 for each and every claim.

If your trailer pleasure craft (or other pleasure craft type that is not specifically designed to be moored) is moored and suffers loss as a result of sinking, immersion, or swamping at its mooring, you must pay an additional excess of \$1,000 above any excess shown in your current Policy Schedule.

The excess for personal watercraft whenever the vessel is under the control or being operated by a person who is:

- less than 25 years of age, or
- has less than 2 years experience in the use of this type of craft,

the excess shown in your Policy Schedule is increased by 100% for each and every claim.

When you will not have to pay an excess

You will not have to pay an excess for claims:

- for total and/or constructive total loss of your pleasure craft;
- arising out of death or bodily injury under the Personal accident or Legal Liability cover (including optional water skiers or aquaplaning extension if selected);
- for land towing, inspection costs or emergency expenses under 'Other expenses';
- paid under the penned benefits clause unless otherwise shown in the Policy Schedule.

You will not have to pay an excess if you are claiming an amount which is more than the excess for the incident while your pleasure craft in use that we agree was not your fault or the fault of:

- the person in control or operation of the pleasure craft,
- the driver of the vehicle towing your pleasure craft, or
- any other person in or on your pleasure craft,

provided you give us the name and address of the person responsible for the incident.

When you are not covered

General exclusions applying to all Sections of this Policy

This Policy excludes loss, damage, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This Policy will not cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

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

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

Additional exclusions applying to this Policy

We will not cover you or any person allowed by you to control your pleasure craft when:

1. your pleasure craft is outside the cruising limits described in your Policy Schedule. Your Policy will be automatically suspended when your pleasure craft clears Australian Customs and Immigration for the purpose of leaving Australian waters and it will not recommence when it clears Australian and Immigration on return (unless you have advised us prior and we have agreed to extend cover in writing. An extra premium will be charged and an increased excess will apply)
2. your pleasure craft was being operated:
 - at a speed greater than 60 knots
 - with a motor more powerful than recommended by the hull manufacturer for the hull specifications
 - with more than the maximum number of passengers or load recommended by the hull manufacturer
3. your pleasure craft was in the control of you or any person with your express or implied consent while under the influence of alcohol or of any drug or had a percentage of alcohol or drugs in your/their breath or blood in excess of the percentage permitted by law in the place where the loss, damage or liability occurred.

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

4. your pleasure craft was under the control of a person not licensed under the applicable law:

But we will cover you if the person:

- was not named as one of the insured in your Policy Schedule, and
- you can clearly demonstrate you had no reason to suspect that person was unlicensed

5. your pleasure craft was being used in racing, speed tests or trials, unless you pay an additional premium and we agree to provide the optional yacht racing risk extension, yacht club social racing risk extension or cover is provided under the power boat association time trials benefit
6. your pleasure craft was being used for an unlawful purpose
7. your pleasure craft was being used for hire or charter or business purposes, or for payment or reward at the time of the accident or loss
8. your pleasure craft was being towed on a trailer and the driver with your express or implied consent was not licensed to drive a vehicle in accordance with law

But we will cover you if you were not in the vehicle at the time and can clearly demonstrate that you had no reason to suspect that the driver was unlicensed
9. your pleasure craft is being transported on a trailer and is not designed and built for that purpose
10. your pleasure craft is being loaded or unloaded or transported by a commercial carrier unless you tell us beforehand in writing, and we agree in writing to cover you
11. the pleasure craft is being used for permanent living accommodation
12. you do not keep the pleasure craft in good order and repair, or in a proper state of seaworthiness and in compliance with any statutory requirements (e.g. Maritime Authority Regulations)
14. you do not keep your mooring that you use for your pleasure craft in good order and repair and in accordance with any statutory requirements (e.g. Maritime Authority Regulations)
15. your pleasure craft is undergoing major hull repair or alteration (e.g. extending the length of the pleasure craft, major refurbishment of deck, cabin and hull or replacing inboard engines) unless you tell us beforehand in writing, and we agree in writing to cover you

16. you have not taken reasonable precautions for the safety of the pleasure craft when a tropical cyclone alarm or warning is issued. These precautions include:
- if kept on a mooring or marina berth, moving the pleasure craft to a place of safety at the first cyclone alarm or warning in accordance with local authority recommendations,
 - if kept on land, ensuring that the pleasure craft is adequately tied down at the first cyclone alarm or warning.

General conditions

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

Changing your Policy

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

- we agree to it, and
- we give you a new Policy Schedule detailing the change.

Other interests

You must not transfer any interests in this Policy without our written consent.

Any person whose interests you have told us about and we have noted on your Policy Schedule is bound by the Terms of this Policy.

Automatic reinstatement

When we pay a claim for your pleasure craft or an item under this Policy, the sum insured for your pleasure craft or that item is automatically reinstated to the amount shown in the current Policy Schedule, provided you:

- give us written details of the replacement pleasure craft or item(s) within 14 days of buying them, and
- pay us any additional premium that we ask for.

Keeping us informed

You must tell us as soon as possible:

- if there is any significant change in the condition or use of your pleasure craft which may affect our decision to insure it including but not limited to:
 - (a) a change of location of mooring,
 - (b) a change of type of mooring,
 - (c) a change of the use of the pleasure craft,
- if any event happens that may mean you may make a claim, and/or a claim may be made against you by another person, you must tell us within 30 days of the event happening.

If you do not keep us informed we may do the following:

- refuse to pay your claim, or
- reduce the amount we pay you for your claim under your Policy, or
- cancel your Policy.

If more than one person is insured by this Policy

Please remember if more than one person is insured by this Policy, an act, omission, statement or claim by any one of the insured people has the same effect as an act, omission, statement or claim by all of those people.

Your duty to co-operate

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

You must help us even after we have paid your claim. We may attempt to recover the amount of our payment from the person who caused you to suffer loss or damage, or we may want to defend you if it is alleged that you caused loss or damage to someone else.

You must send to us immediately any letters, demands, notices or Court documents you receive relating to an accident that resulted or could result in a claim.

Cancelling your Policy

How you may cancel this Policy

You may cancel this Policy at any time by telling us in writing that you want to cancel it.

Where 'you' involves more than one person, we will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the insured.

How we may cancel this Policy

We may cancel this Policy in any of the circumstances permitted by law by informing you in writing.

We will give you this notice in person or send it to your address last known to us.

We will also cancel this Policy where we have paid a Total or Constructive Total Loss.

The premium

We will refund to you the proportion of the premium for the remaining period of insurance less any administration costs or non-refundable taxes.

However, where we have paid a Total or Constructive Loss, there will be no refund of premium payable to you.

Notices

Any notice we give you will be in writing, and it will be effective:

- if it is delivered to you personally, or
- if it is delivered or posted to your address last known to us.

It is important for you to tell us of any change of address as soon as possible.

Purchase of a 'new' pleasure craft

If you replace the pleasure craft or any item shown in your Policy Schedule and we agree to cover the replacement, the Policy covers it:

- from the time you bought it, and
- up to the same value as your agreed sum insured, and
- no longer covers the old pleasure craft or item.

We will give you this cover for the 'new' or replacement pleasure craft or item only if:

- you give us written details of it within 14 days of buying it, and
- you pay us any additional premium that we ask for.

In giving you this cover, we will consider either the price you paid for the hull, motors, equipment and accessories, sails, masts, spars, standing and running rigging and its trailer, or our valuation as the agreed sum insured of that item.

Law & Practice

Any dispute arising from this Policy will be determined by the Courts, and in accordance with the laws of the State or Territory of Australia where your pleasure craft is normally based or located.

Other insurance policies

If at the time of an accident another Policy is in force covering the same risk, we will only pay the amount in excess of the amount that is recovered under those policies, limited to the total sum insured shown in your Policy Schedule.

Claims

What you must do

For us to consider your claim, you must:

- promptly take all reasonable and responsible precautions to prevent any further loss or damage to your pleasure craft including electrical equipment and components which have been submerged and in the case of a motor, the flushing out and oiling of the motor and the drying out of its and all other electrical equipment and components,
- if required by law, you must report the incident to the maritime authorities,
- make a report to the Police immediately if there is injury, malicious damage and theft or attempted theft of your pleasure craft and record the time, date, incident/report number and name of the recording officer,
- collect personal details from drivers, passengers and witnesses. If another boat or motor vehicle is involved, take down its registration details (if it is registered) and the driver's insurance details,
- contact us as soon as possible and tell us details of what has happened,
- complete our claim form and any other form we ask you to complete, and send it to our Claims Department at any of our offices. Our claim form is available from your Financial Services Provider or you may download it from our website www.qbe.com.au.

What you must not do

- You must not authorise repairs to your pleasure craft without our consent
- You must not admit to anyone that you are responsible for the incident, or negotiate or promise payment to anyone
- You must not dispose of damaged parts of your pleasure craft or pleasure craft contents without our consent
- You must not accept any payment from anyone who admits fault for loss or damage to your boat, this should be referred to us.

Only we have the right to settle or defend a claim against you by another person.

If we agree you have a claim, only we have the right to:

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

When we may refuse a claim

We may refuse a claim if amongst other things:

- you do not do what your duty to disclose facts (Duty of Disclosure) requires you to do,
- in the application or when making a claim, you:
 - are not truthful,
 - have not given us or refuse to give full and complete details, or
 - have not told us something when you should have.
- you do not at all times take reasonable care to:
 - prevent theft of the pleasure craft,
 - protect your pleasure craft against any initial or further loss or damage,
 - keep your pleasure craft in good condition and seaworthy (e.g. keep it properly serviced and free of corrosion and ensure drainage bungs are securely fastened prior to launch),
 - prevent death, bodily injury, or illness to other people, or loss or damage to their property, and
 - obey any statutory requirements that safeguard people or their property.
- you do not give us the documents and information we may need to help us decide on any amount that we may pay you,
- you do any of the following without our knowledge and consent:
 - make or accept any offer or payment, or in any other way admit you are liable,
 - settle or attempt to settle any claim, or
 - defend any claim.

- you do not as soon as possible make a report to the Police about:
 - any injury, or
 - any malicious damage to your pleasure craft, or
 - any theft or attempted theft of your pleasure craft.
- you must give us a written statement from the Police saying that you reported such an event to them.

What we do

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

What can affect a claim

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

We may refuse to pay a claim if you are in breach of your Duty of Disclosure or any of the conditions of this Policy, including any endorsements noted on or attached to the Policy Schedule.

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

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

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