



Commercial Vessel Insurance

POLICY WORDING

CI-CHULL-1221
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Coast Insurance Commercial Vessel Policy Wording

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ABOUT THIS DOCUMENT

This booklet contains information You need to know before You take out an insurance policy. Please read it carefully before taking out this insurance.

All references to; 'You', 'Your' or 'Yours' have the same meaning as You/Your/Yours as defined in the 'Definitions' section of the Policy; 'We', 'Us' or 'Our' have the same meaning as We/Our/Us/Insurer(s) as defined in the 'Definitions' section of the Policy.

This booklet contains the Policy Terms and Conditions which detail all the terms, conditions and exclusions relating to the Policy. It forms part of Your legal contract with Us.

If We issue You with an insurance policy, You will be given a Policy Schedule. The Policy Schedule sets out the specific terms applicable to Your cover and should be read together with the Policy Terms and Conditions.

The Policy Terms and Conditions and the Policy Schedule We send to You form Your legal contract with Us so please keep them in a safe place for future reference.

If You require further information about this product, please contact Your insurance broker.

IMPORTANT INFORMATION

Our agreement with You

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

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

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

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

About Coast Insurance

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

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

Street Address: 1st Floor, 186 Scarborough Beach Road, Mt Hawthorn Western Australia 6016

Postal Address: PO Box 120, Mount Hawthorn WA 6915

Phone: +61 8 6374 7000

About the Insurer

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

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

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

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

German Insurance Supervisory Act ('Versicherungsaufsichtsgesetz').

General Insurance Code of Practice

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

Duty of Disclosure

Before You enter into an insurance contract, You have a duty to tell Us anything that You know, or could reasonably be expected to know, that may affect Our decision to insure You and on what terms. You have this duty until We agree to insure You.

You have the same duty before You renew, extend, vary or reinstate an insurance contract.

You do not need to tell Us anything that:

- reduces the risk We insure You for; or
- is common knowledge; or
- We know or should know as an insurer; or
- We waive Your duty to tell Us about.

If You do not tell Us something

If You do not tell Us anything You are required to, We may cancel Your contract or reduce the amount We will pay You if You make a claim, or both.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

Renewals, variations, extensions and reinstatements

Once Your Policy is entered into and is no longer new business then Your duty to Us changes. You are required before You renew, vary, extend or reinstate Your Policy, to tell Us everything You know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to Our decision whether to insure You, and anyone else to be Insured under the Policy, and if so, on what terms. You have this duty until We agree to renew Your Policy.

You do not have to tell Us about any matter

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

If You do not tell Us

If You do not comply with Your Duty of Disclosure We may reduce or refuse to pay a claim or cancel Your Policy. If Your non-disclosure is fraudulent We may treat this Policy as never having existed.

The cost of this Policy

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

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

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

- Previous loss history
- Vessel use

Privacy Statement

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

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

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

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

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

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

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

Cooling-Off Period

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

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

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

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

Complaints and Disputes Resolution Process

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

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

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

If You have any questions or concerns about Your insurance or the handling of a claim You should, in the

first instance, refer Your complaint or dispute to Coast.

You can contact Coast at:

Phone: (08) 6374 7000

Email: info@coastins.com.au

Mail: PO Box 120, Mount Hawthorn WA 6915

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

You can contact AFCA at:

Phone: 1800 931 678

Email: info@afca.org.au

Website: www.afca.org.au

Mail: Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001

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

How You can pay Your Premium

You can pay Your Premium;

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

Overdue Premium

You must pay Your Premium on time otherwise Your Policy may not operate.

If You have not paid by the due date or Your payment is dishonoured, this Policy will not operate and there will be no cover afforded under the Policy.

SECTION 1: DEFINITIONS

When used in this Policy Document, the following words have a special meaning assigned to them, as follows;

Word or Term	Meaning
Accident/Accidental	An unexpected and unintended event causing loss or Damage and includes one Accident or series of Accidents arising out of the one event insured event.
Commercial vessel	The vessel as specified in the Policy Schedule together with its Equipment and accessories while being used as specified in the Policy Schedule for payment or reward.
Crew	Any person (including the skipper/ master) working on board the Commercial vessel as an employee
Damage	Any form of physical harm to the Commercial vessel.
Equipment and accessories	Safety equipment installed or carried in accordance with statutory requirements and any other equipment carried on board and used in conjunction with the operation of the Commercial vessel including: <ul style="list-style-type: none"> • detachable canopies • power unit covers • lifesaving equipment • auto pilot • electronic navigation equipment • global positioning system • two-way radios as specified in the Policy Schedule
Hull	The shell of the Commercial vessel, deck, cabin, superstructure, fixtures and fittings that are not normally removable and normally sold with the Commercial vessel.
Latent defect	Any flaw in the material used in the construction of the Hull and superstructure, Motors/Machinery, sails, masts, spars, standing and running rigging of the Commercial vessel that is not known by You and is not discoverable by a competent tradesperson carrying out a normal inspection.
Legal liability	Your Legal liability (responsibility in law) arising out of the use of the Commercial vessel to pay compensation for death or injury or Damage to Third Party property, excluding any property owned by or in the physical or legal control of You.
Motors/Machinery	Inboard Motors, outboard Motors, stern drive units, jet units, gear boxes, propellers, shafts, skegs, fuel tanks including fuel lines, wiring harness and instruments, fixed generators and refrigeration Machinery including ancillaries necessary for the operation of the Machinery.
Omission	A failure to act and includes a failure to do or say something.

Word or Term	Meaning
Period of Insurance	The period for which the cover under Your Policy is in force. You will find this Period of Insurance set out in Your Policy Schedule.
Premium	The amount You pay for the insurance provided by this Policy, including any taxes and other government charges. (This is different from the Excess that You pay when making a claim).
Salvage	Either: the action of saving Your Commercial vessel in a time of peril or what is left of Your Commercial vessel after it has suffered loss or Damage.
Seaworthy	That the Commercial vessel must be reasonably fit in all respects, including the Hull, Motors/Machinery and Equipment and accessories during operation or mooring to encounter the ordinary perils of: <ul style="list-style-type: none"> • protected waters, inland waters, rivers or lakes; • the sea and ports.
Third Party/Third Parties	Any person other than You or your Family. See Special meanings above.
Total loss	If the Vessel is Damaged beyond an amount which We consider economical to repair or the loss of the entire Vessel.
Total Sum Insured	The amount We have agreed to insure Your Commercial vessel for and is the total of the values for the Hull, Motors/Machinery, sails, masts, spars, standing and running rigging, Equipment and accessories and trailer. This will be specified in the Policy Schedule
We/Us/Our	Coast Insurance and/or the Insurer, HDI Global Specialty SE - Australia.
You/Your/Insured	Any of the person or persons/ company named as the Insured in the Policy Schedule including any person allowed by You to control Your Commercial vessel. 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.

SECTION 2: THIS INSURANCE CONTRACT

Your Commercial vessel Insurance Policy is a contract between Us and You. To the extent that this policy covers risks governed by the Marine Insurance Act 1909 (Commonwealth) the policy will be subject to the provisions of that Act. To the extent that this policy covers other risks it will be subject to the Insurance Contracts Act 1984 (Commonwealth).

We will cover Your Commercial vessel up to the Total Sum Insured specified in the Policy Schedule during the Period of Insurance, subject to the terms and conditions set out in this Policy wording. We will also cover Your Legal liability for death or bodily injury to Third Parties or Accidental Damage to Third Party property Your Commercial vessel may cause during the Period of Insurance, subject to the terms and conditions set out in this Policy wording.

The Policy wording and the Policy Schedule together make up Our contract with You. The Policy Schedule shows the terms and conditions that are specific to Your Policy and should be read together with this Policy wording.

If there is any conflict between this Policy wording and Your Policy Schedule, the Policy Schedule prevails. It states:

- the names of the people who are insured under this Policy,
- the amount for which We have agreed to cover Your Commercial vessel, and
- other terms and conditions specific to Your Policy.

We will give You a new Policy Schedule with each renewal of or change to the Policy and the most recent Policy Schedule is the only one which applies to Your Policy.

If the Policy does not meet Your requirements or if You would like Us to explain anything about the Policy wording, please contact Us or Your insurance broker or Our agent.

SECTION 3: WHAT PROPERTY IS COVERED

We will cover Your Commercial vessel specified in the Policy Schedule which includes:

- the Hull,
- Motors/Machinery,
- equipment and accessories (excluding sporting equipment),
- sails, masts, spars, booms and fittings, spinnaker poles, standing and running rigging,
- trailer, and
- dinghy or tender used with Your Commercial vessel which is capable of a speed of 20 knots or less

while navigating or in transit within the geographical limits specified in the Policy Schedule including while the Commercial vessel is at any marina, slipway or location when laid-up ashore and occurring during the Period of Insurance.

What property is not covered

We will not cover:

- Any Commercial vessel capable of a speed exceeding 50 knots,
- moorings,
- personal effects of any paying passenger unless You have requested and We have agreed to provide the optional Passenger Liability - Commercial Use extension (see Section 8).

What can be covered additionally (on application)

We may specially agree to cover You for the following items and specify them in the Policy Schedule:

- any dinghy or tender used with Your Commercial vessel capable of a speed exceeding 20 knots,
- fishing and diving equipment, and
- consumable stores.

Note: These items are not covered unless agreed in writing by Us and shown in the Policy Schedule.

SECTION 4: LOSS OR DAMAGE TO YOUR COMMERCIAL VESSEL

What You are covered for

We will cover You for loss or Damage to Your Commercial vessel caused by any of the following insured events occurring during the Period of Insurance:

An Accident

- if Your Commercial vessel is Damaged Accidentally; or
- if Your Commercial vessel sinks Accidentally, provided it was in Seaworthy condition at the time of sinking.

Other Damage

Loss or Damage caused by:

- a Latent defect within the Hull or Motors/Machinery (excluding the cost and expense of replacing or repairing the defective part) causing loss or Damage to Your Commercial vessel, provided the loss or Damage has not resulted from lack of due diligence, repair or maintenance by You; or
- negligence of employed skipper master and/or Crew, provided the loss or Damage has not resulted from lack of due diligence by You; or
- negligence of the repairers (excluding You) or Charterers, provided the loss or Damage has not resulted from lack of due diligence by You.

Theft

- of the entire Commercial vessel including trailer, Equipment and accessories
- of part of the Commercial vessel including trailer, Motors/ Machinery, Equipment and accessories from:
 - the Commercial vessel, or
 - the place of storage of the Commercial vessel, trailer or the Equipment and accessories,

provided there is visible evidence of forcible and violent removal/ entry into the Commercial vessel or place of storage.

Malicious Damage

If Your Commercial vessel is Damaged maliciously.

Transit Damage

If Your Commercial vessel is Accidentally Damaged during transit on its own trailer by road, rail or ship provided Your Commercial vessel is designed to be normally trailered and You are complying with all statutory requirements.

Recovery or removal of wreck costs

If Your Commercial vessel is Damaged or sinks Accidentally and We decide 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 provided it was in Seaworthy condition at the time of sinking. These costs are recoverable in addition to the Total Sum Insured of Your Commercial vessel and are subject to a limit of \$1,000,000 each and every loss or series of losses caused by the one insured event.

Other expenses incurred to avoid or minimise loss (Salvage costs)

If Your Commercial vessel gets into difficulties or is Damaged Accidentally, We will pay the reasonable costs of action to:

- minimise loss or Damage, or
- remove the Commercial vessel to safety, or
- dry all the electrical equipment in the power unit(s), or
- clean and oil the power unit(s).

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 except where the Loss of hire/income extension applies where We must be notified before any repairs are carried out. You must advise Us as soon as reasonably practicable after the action has been taken.

What You are not covered for

We will not cover You for:

1. theft by persons to whom You have loaned or hired Your Commercial vessel;
2. loss or Damage or sinking intentionally caused by You or a person acting with Your express or implied consent unless required by law;
3. any loss or Damage or sinking caused by or arising from the unseaworthiness or lack of repair of the Commercial vessel including wear and tear, deterioration, wet or dry rot, rusting or other forms of corrosion, vermin or marine growth;
4. mechanical, structural, electrical or electronic failures unless caused by an Accident covered by this Policy;
5. Damage to sails and protective covers caused by the force of wind while set unless there has also been Damage caused to the masts and spars or the Commercial vessel has been stranded or in collision or contact with any external substance other than water;
6. the cost of repairing or replacing any part of the Commercial vessel defective by reason of fault or error in design or construction;
7. unrepaired Damage to Your Commercial vessel;
8. financial loss which occurs because You cannot use Your Commercial vessel unless You have requested and We have agreed to provide the optional Loss of hire/income extension (see Section 6);
9. loss, Damage or expense caused directly or indirectly by radiation, radioactive material, nuclear process or from nuclear weapons or material.

SECTION 5: ADDITIONAL BENEFITS

This Policy includes the following Additional benefits subject to the Exclusions and General conditions listed in Sections 4, 6, 7, 8, 10 and 11.

Crew Accident Cover

If a person acting in their capacity as a paid permanent skipper or paid Crew member of the Commercial vessel suffers bodily injury as a result of an Accident during the Period of Insurance and caused directly out of the use of the Commercial vessel and where such bodily injury results within six (6) calendar months in either:

- death,
- temporary total disablement,
- permanent total disablement,

We will pay:

- for death - the sum of \$25,000,
- for temporary total disablement - the sum of \$250 per week, limited to 100 weeks,
- for permanent total disablement - the sum of \$25,000.

To qualify for payment, the injured person must obtain and follow advice of a qualified medical practitioner (other than his or her spouse) as soon as possible after the Accident.

Definitions

Word or Term	Meaning
Temporary total disablement	Being unable solely and directly as a result of the injury to carry out all the normal duties of the injured person's occupation.
Permanent total disablement	Being unable solely and directly as a result of the injury to carry out any occupation for which the injured person is fitted by reason of education, training or experience for a period of at least 12 consecutive months and remains unable to do so for a continuous indefinite period.

SECTION 6: OPTIONAL EXTENSIONS

Only when it is specified in the Policy Schedule that the Policy includes the following Optional extensions, cover is extended as follows - subject to the Exclusions and General conditions listed in Sections 4, 6, 7, 9, 10 and 11.

Loss of hire/income

(included only when specified in the Policy Schedule)

For an additional Premium, this cover is extended to indemnify You for Your loss of Net income in consequence of the Commercial vessel being partially or totally prevented from earning Net income as a result of loss or Damage to the Commercial vessel covered by Section 3 or 4 occurring during the Period of Insurance.

Limits

Maximum period of indemnity is 30 consecutive calendar days (unless otherwise specified in the Policy Schedule) after the application of the Deductible (see below).

- (i) The maximum daily indemnity is limited to \$500 per day unless otherwise specified in the Policy Schedule.
- (ii) Maximum amount payable by Us shall not exceed \$15,000 in the aggregate any one loss or series of losses caused by the one insured event unless otherwise specified in the Policy Schedule.
- (iii) If there is a total or constructive total loss of the Commercial vessel, the maximum amount payable by Us is \$15,000 unless otherwise specified in the Policy Schedule.

Deductible

The Deductible is:

The first 30 days (unless otherwise specified in the Policy Schedule) that the Commercial vessel is prevented from earning Net income as a result of the insured event forming part of the claim. This Deductible shall not apply in the event of a total or constructive total loss of the Commercial vessel.

Definitions

Word or Term	Meaning
Net income	Your total earnings, reflecting revenues adjusted for Running costs, depreciation, interest, taxes and other expenses compared to the corresponding period of the previous year.
Running costs	Direct costs related to keeping the business operational compared to the corresponding period of the previous year.

Exclusions

This cover excludes loss of Net income arising from:

1. loss, Damage or occurrence excluded by Section 3 or 4 of this Policy;
2. any delay caused by the insolvency or inability to pay of You or Your clients;
3. loss, Damage or expense caused by Your wilful misconduct;
4. loss, Damage or expense caused by delay;
5. loss, Damage or expense caused by war, governmental acts, requisition or seizure by legal process;
6. loss, Damage or expense caused by civil commotions, riots, strikes, lockouts, sabotage, industrial action or other similar causes;
7. loss, Damage or expense caused directly or indirectly by radiation, radioactive material, nuclear process or from nuclear weapons or material;
8. any fine or penalty.

Claims Provisions

Basis of Valuation - The actual revenue for a claim under this Optional Extension shall be evidenced by booking Schedules for the corresponding period for the previous year. If no evidence can be provided to demonstrate that the Commercial vessel would have earned any income during the period of indemnity, the daily indemnity shall be limited to the Running costs of the Commercial vessel for the period of loss.

Recoveries - Where a recovery for loss of Net income is obtained from a third party, We are entitled to this recovery to the extent of the amount paid by them.

Separate Repair Periods - Where, due to a single insured event, the Commercial vessel is prevented from earning Net income on separate occasions (not exceeding 3) by reason of repairs, these separate occasions may be added together to arrive at the total claim, provided that repairs are completed within 12 months of the expiry of this Policy. The period the Commercial vessel is prevented from earning Net income will be counted irrespective of the expiry date of this Policy provided that the insured event occurred during the Period of Insurance and repairs are completed within 12 months of the expiry of this Policy.

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

Common Time/Simultaneous Repairs - Where Damage repairs are carried out at the same time as other repairs for Your account which are immediately necessary for safety purposes or to allow the Commercial vessel to earn Net income and which are not claimable under this Policy, the net income lost during as much time as is common to both classes of work in excess of the Deductible shall be divided equally between Us and You. If the time necessary to effect Damage repairs is extended by any other repairs for Your account, the period of indemnity is limited to the time that would have been taken to effect Damage repairs caused by the insured event had they been effected alone.

Notification - All possible claims are to be reported to Us as soon as possible and We are to be notified before any repairs are carried out.

Other Provisions

Sale of Vessel - Should the Commercial vessel be sold, this extension is automatically cancelled. In this event, We agree to return a pro-rata net monthly Premium, provided there are no claims on this Policy prior to cancellation.

Automatic Reinstatement Clause - The indemnity granted by this extension is limited to the amount specified in the Policy Schedule and shall be reduced by any claims paid. Reinstatement of the indemnity specified in the Policy Schedule shall be automatic excluding claims for total and/or constructive total loss, subject to payment of the appropriate additional Premium plus government charges (where applicable).

Fishing and/or Diving equipment

(included only when specified in the Policy Schedule)

We agree to provide additional cover to You for:

- a) Accidental Damage to Your Fishing equipment and Diving equipment while on Your Commercial vessel (excluding while in use);
- b) theft of Your Fishing equipment and Diving equipment provided there is visible evidence of forcible and violent entry:
 - into the securely locked Commercial vessel or securely locked compartment within the Commercial vessel; or
 - into the normal securely locked place of storage of the Commercial vessel or equipment.

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

Definitions

Word or Term	Meaning
Diving Equipment	Tanks, regulators, buoyancy compensation device, fins, wet and dry suits, pumps and other similar equipment used for the purpose of recreational/sport diving owned by You.
Fishing Equipment	Rods, reels, tackle and other similar equipment used for the purpose of recreational/sport fishing owned by You.

SECTION 7: LEGAL LIABILITY COVER

What are You covered for

Legal liability - operating Your own Commercial vessel:

We cover You and any person allowed by You to control Your Commercial vessel against Legal liability for:

- Accidental death or bodily injury or illness to a person other than:
 - you;
 - Your Crew;
 - paying passengers unless You have requested and We have agreed to provide the optional Passenger liability - commercial use extension (see Section 8),
- Accidental Damage to Third Party property (excluding paying passengers and Crew unless You have requested and We have agreed to provide the optional Passenger liability - commercial use extension (see Section 8),

caused by the use of Your Commercial vessel and occurring during the Period of Insurance.

What You are not covered for

Legal liability - operating Your own Commercial vessel:

We will not pay the costs of liability for:

1. death or bodily injury to You or Your Crew;
2. loss of or Damage to any property owned by You or Your Crew or in Your custody or control or the property of any other person covered by this Policy;
3. death or bodily injury caused by the use of the trailer while it is attached to a motor vehicle;
4. death or bodily injury or property Damage intentionally caused by a person covered by this Policy;
5. bodily injury to, or the illness or death of, a person who is covered (or should have been covered) by any compulsory compensation insurance, including any compulsory third party insurance and workers compensation insurance;
6. death or bodily injury to paying passengers unless You pay an additional Premium and We agree to provide the optional Passenger liability - commercial use extension (see Section 8);
7. death or bodily injury caused by the activity of:
 - scuba diving, diving or diving operations, or in connection with the supplying, usage and/or instructions in the use of Diving equipment, diving accessories and similar equipment,
 - boom netting, water skiing or aquaplaning,
 - towing of persons or objects in the air including parasailing,
 - snorkelling, tunnel diving or any other similar activity involving swimming by persons carried by Your Commercial vessel;
8. the liability of any tradesperson or company engaged in repair, service or maintenance of Your Commercial vessel;
9. the use of any Fishing or Diving equipment;
10. any claim arising directly or indirectly from pollution or contamination by any substance unless You pay an additional Premium and We agree to provide the optional Pollution liability - commercial use extension (see Section 8);
11. towing vessels unless the vessel(s) is/are in distress and in response to a distress call from another vessel;
12. loss, Damage or expense caused directly or indirectly by radiation, radioactive material, nuclear process or from nuclear weapons or material;
13. 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;
14. any fine or penalty;
15. aggravated, exemplary or punitive Damages.

SECTION 8: ADDITIONAL COVER AVAILABLE

Passenger liability - commercial use

(included only when specified in the Policy Schedule)

What You are additionally covered for

If We have agreed to cover You and provided You have paid the additional Premium, We will cover You or any person allowed by You to control Your Commercial vessel (within the requirements of any law) against Legal liability for:

- Accidental death or bodily injury or illness to a passenger while
 - being carried by the Commercial vessel;
 - entering or leaving the Commercial vessel including a jetty, pontoon or wharf operated or maintained by You;
- Accidental death or bodily injury or illness to a passenger caused by food and drink prepared and served by You;
- Accidental Damage to Personal effects of a passenger while on Your Commercial vessel, subject to a limit of \$200 any one item to a maximum of \$2,000 in total for any one passenger for any loss or series of losses caused by the one insured event, unless otherwise specified in the Policy Schedule.

Definitions

Word or Term	Meaning
Personal effects	Clothing, waterproof gear, shoes, wallets or purses, toilet articles, hats or caps, keys or pens, watches, jewellery, cameras and portable radios, radio cassette and compact disc players, but excluding money, credit cards, spectacles, sunglasses, mobile phones, pagers, consumable stores, compact discs, audio or video tapes.

Pollution liability – commercial use

(included only when specified in the Policy Schedule)

What You are additionally covered for

If We have agreed to cover You and provided You have paid the additional Premium, We will cover You or any person allowed by You to control Your Commercial vessel (within the requirements of any law) against Legal liability for:

- actual physical Damage to property caused by Accidental discharge, emission, spillage or leakage upon or into waters or land of oil, petroleum products, effluent or sewage from Your Commercial vessel provided the discharge, emission, spillage or leakage does not arise from wilful negligence or wilful misconduct with Your knowledge.

This extension of cover excludes:

- death, bodily injury or illness;
- contractual or assumed liability;
- any loss of use or consequential loss;
- breach of any Federal, State or Local legislation regulating or controlling the discharge, spillage, emission or leakage of oil or any other substance into navigable waters or elsewhere or removal of or liability for discharge, spillage emission or leakage.

The Sections of this Policy wording called

- 'What You are not covered for - Legal liability - operating Your own Commercial vessel' (see Section 7), and
- 'General exclusions - applicable to all sections' (Section 9)

also apply to both of these additional cover extensions.

SECTION 9: GENERAL EXCLUSIONS – APPLICABLE TO ALL SECTIONS

We will not cover You or any person allowed by You to control Your Commercial vessel when:

1. Your Commercial vessel is outside the navigational limits specified in the Policy Schedule;
2. Your Commercial vessel was being operated:
 - a) at a speed greater than its maximum designed speed,
 - b) with a Motor more powerful than recommended by the manufacturer,
 - c) with more than the maximum number of passengers or load recommended by the manufacturer,
 - d) outside the limits imposed by any Certificate of Construction and Performance, Licence or similar document;
3. Your Commercial vessel 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 unless You were not on board the Commercial vessel at the time and can clearly demonstrate that You had no reason to suspect that the person in control would be under the influence of alcohol or any drug or had a percentage of alcohol or drugs in excess of legal limits;
4. Your Commercial vessel was under the control of a person not licensed under the applicable law, unless You were not in the Commercial vessel at the time and can clearly demonstrate that You had no reason to suspect that the person was unlicensed;
5. Your Commercial vessel was being used in racing, speed tests or trials;
6. Your Commercial vessel was being used for an unlawful purpose;
7. Your Commercial vessel was being used without commercial licensing, registration, classification or survey requirements being complied with;
8. Your Commercial vessel 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 the law, unless 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 Commercial vessel is being loaded, unloaded or transported by a commercial carrier unless You tell Us beforehand in writing, and We agree in writing to cover You;
10. You do not keep the Commercial vessel in good order and repair, or in a proper state of seaworthiness and in compliance with any statutory requirements (e.g. Waterways Authority Regulations (NSW) or the equivalent legislation in the State or Territory the Commercial vessel is registered;
11. Your Commercial vessel is undergoing major Hull repair or undergoing alteration unless You tell Us beforehand in writing, and We agree in writing to cover You.

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

In no case shall this insurance 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, bodily injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above exclusions.

SECTION 10: CLAIMS

How to make a claim

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

Notification of Claims – What You must do

For Us to consider Your claim, You must, as soon as reasonably practicable:

- take all responsible precautions to prevent any further loss or Damage to Your Commercial vessel 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 it and all other electrical equipment and components;
- make a report to the Police if there is injury, malicious damage, theft or attempted theft of Your Commercial vessel;
- contact Us and tell Us details of what has happened;
- complete Our claim form and any other form We ask You to complete, and take it or mail it to Our claims department at any of Our offices.

You must not authorise repairs to Your Commercial vessel without Our consent.

Only We have the right to settle or defend a claim against You by another party.

If We agree You have a claim, You should not without Our consent:

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

We will not withhold Our consent unreasonably.

Providing proof

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

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

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

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

Costs of dismantling, diagnosis and reassembly

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

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

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

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

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

Excess

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

- total and/or constructive total loss, and
- death or personal injury under the liability cover specified in Section 7.

How much We pay – market value

How much We pay - loss of or Damage to Your Commercial vessel

Where the Policy Schedule states Total Sum Insured (market value) - this is a market value Policy cover.

We may decide either to repair or replace an item, or to pay the cost of replacing an item.

This amount that We will pay is determined by:

- comparing the value of the item with an item of equal age and condition, or
- the new replacement value less reasonable depreciation based upon the age and condition of the item, or
- the actual cost of an item of equal age and condition, whichever is the lesser.

When We take the option of repairing an item, the amount that We pay is limited by the actual value of the item being repaired or the new replacement value less reasonable depreciation based upon the age and condition of the item.

In the event of a total loss We will pay You the sum insured (market value) of the item involved and take ownership of any Salvage.

Remember that the maximum amount payable in respect of each item is as listed in the Policy Schedule.

How much We pay – agreed value

How much We pay - loss of or Damage to Your Commercial vessel

If the Policy Schedule states Total Sum Insured (agreed value)

- this is an agreed value Policy cover. There are separate sums insured for:
 - the Hull and Motors/Machinery,
 - Equipment and accessories including sails, masts, spars, standing and running rigging, tender and trailer.

Your Policy Schedule lists the sum insured for each of these items separately. In the event of a claim, the maximum

We will pay You for each item is the agreed sum insured for that item.

We may decide to:

- repair or replace an item, or
- pay You the reasonable cost of repairing or replacing the item involved, or
- pay You the agreed sum insured of the item involved and take ownership of any Salvage.

Remember that the maximum amount payable in respect of each item is as listed in the Policy Schedule.

Limit on what We pay – loss Damage to Your Commercial vessel (Agreed or Market Value)

Our liability is limited to the amount specified in the Policy Schedule any one loss or series of losses caused by the one insured event (excluding Additional benefits and applicable Optional extensions specified in Sections 5, 6 and 7).

How much We pay – Legal liability

We will pay the costs of:

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

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

Limit on what We pay – Legal liability

The maximum We will pay is the amount specified in the Policy Schedule in total for all claims that arise from any one loss or series of losses caused by the one insured event and legal fees and expenses incurred by You with Our consent or recoverable from You in connection with an insured event.

Miscellaneous claims conditions

- a) Automatic reinstatement
 - When an amount is paid under this Policy, the limit of liability is automatically reinstated to the amount specified in the Policy Schedule, subject to payment of an additional Premium and government charges (where applicable).
- b) Fraudulent claims
 - If any claim is fraudulent or false in any respect, to the extent permitted by law, We may refuse to pay the whole or part of the claim.

We are also entitled to cancel this Policy.

SECTION 11: GENERAL CONDITIONS – APPLICABLE TO ALL SECTIONS

The cover provided by this Policy is subject to the following additional conditions.

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

The amount of Premium payable by You for this Policy includes an amount on account of the GST on the Premium.

When We pay a claim, Your GST status will determine the amount We pay.

When You are:

- a) not registered for GST, the amount We pay is the Sum Insured/Limit of Indemnity or the other limits of insurance cover including GST; or
- b) registered for GST, We will pay the Sum Insured/Limit of Indemnity or the other limits of insurance and where You are liable to pay an amount for GST in respect of an acquisition relevant to Your claim (such as services to repair a Damaged item insured under the Policy) We will pay for the GST amount.

We will reduce the GST amount We pay for by the amount of any input tax credits to which You are or would be entitled if You made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through Your Business Activity Statement (BAS).

You must advise Us of Your correct Australian Business Number & Taxable Percentage. Any GST liability arising from Your incorrect advice is payable by You.

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

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

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

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

Taxation implications

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

Cancelling Your Policy

How You may cancel this Policy

You may cancel this Policy at any time by telling Us in writing that You want to cancel it. You can do this by giving the notice to Us or Your Financial Services Provider.

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

How We may cancel this Policy

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

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

The Premium

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

Preventing our right of recovery

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

Other party's interests

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

Alteration of risk

You must give Us notice as soon as reasonably practicable if there is any material change in the circumstances or nature of the risks covered by this Policy, or no claim arising after the change shall be payable unless We have agreed to the change in writing.

Authorisation

We may give to and obtain from any other insurers, any insurance reference bureaux and any credit reporting agencies any information relating to Your credit or insurance history as well as insurance claims information obtained during the course of this Policy.

Due care

At all times, You must take appropriate care in the operation of the Commercial vessel in Your care, custody or control.

Survey/manning warranty

Warranted that at inception of this Policy and throughout the Period of Insurance the Commercial vessel must at all times be:

- registered and in current survey with the appropriate governmental authorities according to the type and class of operation and that its type and class are maintained;
- operated within the specified limits as permitted by the appropriate governmental authorities;
- in compliance with all regulations as required by the appropriate governmental authorities;
- operated by a master or any other person in charge of the Commercial vessel who is the holder of a certificate of competency issued by the appropriate governmental authorities;
- any conditions attaching to or imposed by the registration of the Commercial vessel are complied with by the dates stipulated in those conditions.

Third party interests

You must inform Us of the interests of all third parties (e.g. financiers or lessors) to be covered by this Policy. We protect the interest of third parties only if You have informed Us and such interest(s) are noted in the Policy Schedule.

The financial interest of the third party is not to exceed 50% of the Total Sum Insured unless agreed in writing by Us.

Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder 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 the European Union, United Kingdom or United States of America.