

Boat Insurance

Product Disclosure Statement
and Policy Wording



Rewarding experience



Important messages

If your boat has been damaged in an accident or has been stolen or someone is claiming against you telephone us on **13 50 50** immediately so that we can take care of everything for you. You can call us 24 hours, 7 days a week.

How to use this Product Disclosure Statement and Policy Wording

No policy covers everything – therefore we have designed this Product Disclosure Statement and Policy Wording so that it is easy for you to distinguish between **what is covered** and **what is not covered**. In most areas of the Policy Wording we have put **‘What IS covered’** on the left page of the booklet and **‘What is NOT covered’** on the right page.

To fully understand your cover, you should read the appropriate section on the left page and then refer to the specific limitations and exclusions directly opposite. You must also read the exclusions and conditions which are on pages 20 to 23.

If there is anything you don't understand about the policy please feel free to discuss it with your nearest Apia branch, either by telephone or in person. Please keep this document and your certificate in a safe place.

Notice

If more than one person is an insured under this policy, a failure or wrongful action by one of those persons may adversely affect the rights of the other person(s) insured under this policy.

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The General Insurance Code of Practice

Apia believes it is important that insurance companies meet high performance and service standards. We fully support the General Insurance Code of Practice.

The code sets the standards of customer service to be provided by the insurance industry. It covers matters such as purchasing insurance, claims handling and dispute resolution.

The code is the general insurance industry's promise to be open, fair and honest in the way it deals with its customers. That's the way Apia runs its business.

You can obtain more information about the code from your local Apia branch or the Insurance Council of Australia.

Part 1

Product Disclosure Statement

Please read this Product Disclosure Statement and the Policy Wording carefully so that you are aware of the risks, limits of cover and other significant features associated with this policy.

Significant features and benefits


The Apia Boat Insurance Policy offers two types of cover to choose from. The cover you have selected is indicated on your certificate.

Following is a brief summary of the significant benefits available under each form of cover. For the full details you must read the entire Policy Wording which starts on page 9.

Comprehensive cover

Provides cover for:

- **partial loss or damage** – partial loss or damage to your boat up to the market value or sum insured shown on your certificate (whichever is the lesser) at the time of loss or damage;
- **total loss** – total loss of your boat for its market value or the sum insured shown on your certificate (whichever is the lesser);
- **legal liability** – accidental loss or damage to someone else's property and accidental death or bodily injury of another person for which you are legally liable arising from or caused by the use of your boat, up to an amount of \$5,000,000 plus legal costs;
- **additional benefits** as described in the Policy Wording on pages 16 to 17, including:
 - **removal costs** – reasonable costs for the removal of your boat to the nearest repairer following loss or damage insured by the policy;
 - **personal effects** – up to \$250 for personal effects that are lost or damaged as a result of your boat sinking, burning, being stranded or involved in a collision;
 - **wreckage** – reasonable costs of the raising, removal or destruction of the wreck of your boat that we authorise;

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- **sailboat racing extension** – loss or damage caused while your boat is engaged in any race (other than a power boat race) if we agree to extend your cover;
 - **water skier’s liability extension** – legal liability arising out of the use of your boat for water skiing activities if we agree to extend your cover.

Third party liability damage

Provides cover for:

- **legal liability** – accidental loss or damage to someone else’s property and accidental death or bodily injury of another person for which you are legally liable arising from or caused by the use of your boat, up to an amount of \$5,000,000 plus legal costs;
- **water skier’s liability extension** – legal liability arising from the use of your boat for water skiing activities if we agree to extend your cover.



Important Information

About the insurer

Australian Alliance Insurance Company Limited ABN 11 006 471 709, Australian Financial Services Licence No. 235011 (AAI), has prepared this Product Disclosure Statement and is the issuer of policies effected by Australian Pensioners Insurance Agency Pty Limited ABN 14 099 650 996 (Apia).

Apia is the authorised representative and wholly owned subsidiary of AAI, and acts as AAI's agent under an authority given to it by AAI to enter into contracts of insurance on behalf of AAI as insurer and deal with and settle claims on behalf of AAI. AAI can be contacted by writing to Level 4, 440 Collins Street, Melbourne 3000.

What services do we offer?

Apia is authorised by AAI to provide the following financial services:


Authorised services:

- provide personal advice in respect of the authorised insurance policies (listed below);
- offer or arrange the issue of authorised insurance policies (listed below);
- handle and settle claims.

Authorised insurance policies:

- Apia and AAI branded Household Insurance;
- Apia and AAI branded Motor Vehicle Insurance;
- Apia and AAI branded Boat Insurance;
- Apia and AAI branded Caravan Insurance;
- Apia and AAI branded Travel Insurance;
- Apia branded Motorhome Insurance.

If we recommend you acquire a particular insurance policy, or arrange for the issue of an insurance policy, we will also provide you with a Product Disclosure Statement containing information to help you make an informed decision about the policy.



You are also entitled to receive a Statement of Advice whenever we give you any personal advice about the authorised insurance policies. Personal advice is advice that takes into account one or more of your objectives, financial situation or needs. The Statement of Advice will contain a record of the advice given by us and the basis on which it was given.

How are we paid for providing the financial services?

Apia does not receive any commissions or benefits from AAI when advising you about, or arranging the issue of, the authorised insurance policies. AAI as insurer will receive 100% of the premiums paid for the policy.

What you must tell us

When answering our questions you will need to answer for yourself and anyone else who may receive a benefit under this insurance cover. It is important that you answer these truthfully and accurately as they may affect our decision to insure you or pay a claim.

Exclusions

Your policy may not provide you with cover in certain circumstances. Further information about the circumstances in which exclusions under this policy may apply is contained on page 20.




Premiums

We calculate your premium after taking a variety of factors into account. Some factors are set, such as our costs of distribution and profit component. Other factors can affect the amount of your premium. The higher your risk profile, the higher your premium. Using our experience we decide what factors will increase your risk profile and how they impact on the premium.

The following table is a guide on how these factors combine together and may impact on our assessment of the risk and therefore, your premium.

Factor	May reduce premium	May increase premium
The state where your boat is located	Lower risk state	Higher risk state
The value of your boat and its accessories	Lower sum insured	Higher sum insured
The amount of your excess		A varied excess that is lower than the standard excess
If you include skier's liability in your policy		Including skier's liability
If you cover your boat as a racing risk		Including cover for racing of your boat
Where you keep your boat when it is not being used		Your boat is not kept at your residential address



Your premium also takes into account our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty, GST and Fire Services Levy) in relation to your policy. These amounts will be set out separately on any certificate of insurance as part of the total premium payable.

Excess

When you make a claim under this policy, you may be required to pay an excess in respect of your claim.

Standard excess

This is the first amount that you may need to contribute towards your claim. The amount of your standard excess is shown on your certificate.

Varied excess

You may choose to have a lower excess on your boat. If you have chosen a lower excess, this will replace any standard excess. The amount of any varied excess is shown on your certificate.

Cancelling this policy

You may cancel this policy at any time and you will be refunded the unexpired portion of the premium, less any non-refundable government taxes and duties.

How to make a claim

For information about how to make a claim under your policy, see 'What to do when you have a claim' on page 25.

What to do if you have a complaint

For information about how we deal with your complaints, see 'How we resolve your complaints' on pages 26 and 27.



How to contact Apia:

- in person at any Apia branch;
- by telephone on **13 50 50 – 24 hours, 7 days a week;**
- on the web at **apia.com.au**

Information in this Product Disclosure Statement is subject to change from time to time. We will issue a supplementary or replacement Product Disclosure Statement if the change is materially adverse.

For other changes, updated information can be obtained at any Apia branch or by calling 13 50 50. A paper copy of any updated information will be provided, free of charge, on request.

Our agreement with you

Apia on behalf of Australian Alliance Insurance Company Limited ABN 11 006 471 709 agrees in return for your premium to insure you in the circumstances and subject to the terms and conditions and amounts of cover set out in this policy.

Definitions

Applicable to your policy

What **IS** covered

In this policy:

1. **'you', 'your'** means the insured named on your certificate.
 2. **'we', 'our', 'us'** means Australian Alliance Insurance Company Limited.
 3. **'policy'** means your contract of insurance with us and includes the Policy Wording, your certificate and any endorsements.
 4. **'Policy Wording'** means the summary of the terms of the policy contained in Part 2 of this document.
 5. **'your certificate'** means any certificate of insurance, renewal certificate or schedule showing details of your policy.
 6. **'permitted use'** means private use for social, domestic and pleasure purposes.
 7. **'sum insured'** means the amount of cover shown on your certificate. It is the limit of cover provided under the policy.
 8. **'legal liability'** means legal responsibility to pay compensation for death, injury, loss or damage to other people or their property.
 9. **'water skiing activities'** means water skiing, and aquaplaning.
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10. **'your boat'** means the boat described on your certificate and includes the hull, sails, masts, spars, rigging and any standard equipment or accessory normally supplied by the boat's manufacturer and any life saving equipment attached to or kept in your boat.
 11. **'personal effects'** means belongings normally worn or carried by you or by any member of your family who accompanies you on your boat.



X What is NOT covered

9. 'water skiing activities':

- towing of:
 - surfboards;
 - boogie boards;
 - aquatubes;
 - other similar flotation devices;
- participating in or practising for any competitive sport.

10. 'your boat' (unless shown on your certificate):

- motors and machinery;
- boat trailer;
- water skiing, diving and fishing equipment.

11. 'personal effects':

- cash;
- negotiable instruments.

Section 1

Your boat: The cover

What **IS** covered

Partial loss or damage

We will indemnify you against loss or damage to your boat and we have the option of either paying you the amount of your loss or of having your boat repaired or reinstated.

Total loss

If your boat is stolen and not recovered or if your boat is damaged to such an extent that it cannot in our opinion be economically repaired we will pay you:

- market value of your boat; or
 - the sum insured shown on your certificate,
- (whichever is the lesser).

If your boat is financed, you must obtain the prior written consent of your financier to the replacement of your boat.



X What is **NOT** covered

We will not provide cover under this policy if, at the time of the accident or event giving rise to your claim:

1. Your boat was being used for other than a permitted use.
2. Your boat was being prepared for or engaged in any race (unless covered by the sailboat racing extension endorsement).
3. Your boat was being towed by a vehicle driven by a person who was not licensed or authorised to be driving the vehicle unless your boat was being towed without your consent.
4. Your boat was being used contrary to any maritime legislation or in breach of any relevant laws, by-laws or regulations.
5. Your boat was being towed or under the control of a driver under the influence of any drug or intoxicating liquor or in whose blood the percentage of alcohol was in excess of the legal limit prescribed by the law applicable in the place where the accident occurred or who failed to provide a specimen of breath or blood as required by the law in that place provided that this exclusion will not apply if your boat was being towed without your consent or if it contravenes the law of the place in which the policy is issued.
6. Your boat or the vehicle towing your boat was overloaded, unless you demonstrate to us that the overloading did not contribute to the accident or event.
7. Your boat or the vehicle towing your boat was being used with your knowledge whilst in an unsafe, damaged, unseaworthy or unroadworthy condition.
8. Your boat was being used for hire or reward.



✔ What IS covered

See page 12



What is **NOT** covered

We will not cover you for:

9. Any loss you incur because you are unable to use your boat.
10. Any loss or damage to sails, masts, spars or rigging sustained during a race (unless covered by the sailboat racing extension endorsement).
11. Sails or protective covers split by the wind or blown away, unless caused by your boat colliding or being stranded, sunk, on fire or burnt.
12. Loss of use, depreciation, wear and tear, rust, corrosion, electrolysis or structural, mechanical, electrical or electronic breakdown, failure or malfunction.
13. Damage to tyres caused by application of brakes or by road punctures, cuts or bursting.
14. Loss by theft during or after the occurrence of a fire, accident or theft unless you have taken reasonable steps to ensure the safety of your boat.
15. Damage occasioned by the lawful seizure or repossession of your boat or contents.
16. Damage to your boat caused by vermin, insects or mildew.
17. Loss or damage caused by defects in design or faulty workmanship.
18. Loss or damage to moorings.
19. Loss of outboard motors, electrical machinery, batteries or equipment by dropping or falling overboard unless your boat is submerged due to heavy weather or your boat is sunk, stranded, burnt or collides with anything (other than water or air).

We will not pay any part of a claim that is covered by other insurance.

Section 1

Your boat: Additional benefits

What IS covered

1. Following loss or damage insured by this policy we will pay the reasonable costs of **removing your boat** to the nearest repairer or place of safety after it is damaged.

2. Following loss or damage insured by this policy we will pay the reasonable costs for **loss or damage to your personal effects** caused by your boat sinking, burning, being stranded or involved in a collision.

3. Following loss or damage insured by this policy we will pay the reasonable costs of any actual or attempted **raising, removal or destruction of the wreck** of your boat which we authorise.

4. If you dispose of your boat, we will automatically **cover any replacement** boat, motors, machinery and boat trailer for a period of **14 days** from the date of replacement.



X What is NOT covered

2. We will not pay more than \$250.

4. The replaced boat will cease to be covered.
The replacement boat will also cease to be covered at the end of the 14 day period unless you have contacted us and we have agreed to cover the replacement boat.

Section 2

Legal liability: The cover

What **IS** covered

A. Legal liability cover

1. We will cover you for your legal liability arising from the use of your boat for:
 - accidental damage to property;
 - accidental death or bodily injury.

The maximum amount which we shall pay for legal liability arising from one accident or series of accidents caused by the one event is \$5,000,000 plus legal costs (unless at the time of the accident or series of accidents your boat is attached to a car which is insured by us, in which case our liability shall be reduced so that our total liability under both policies does not exceed \$20,000,000 plus legal costs).

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2. We will also cover legal liability of any person who, with your consent, was using your boat at the time of the accident.

B. Legal and other costs

We will pay all legal costs which you incur with our written consent in defending any legal action brought against you.



X What is **NOT** covered

We will not provide cover for:

1.
 - damage to property in the physical or legal control of or belonging to you or to a member of your family or a person who ordinarily lives with you or to any person employed by you or any other person covered under this policy;
 - the death or bodily injury to a member of your family or to a person who ordinarily resides with you or to any other person covered under this policy;
 - the death of or bodily injury to your employees or the employees of any other person covered by this policy if the accident that gives rise to the liability arises out of or in the course of that employment;
 - death or injury to any person whilst scuba diving;
 - loss or damage or death or injury caused whilst or as a result of your boat being used to tow anyone in the air;
 - the payment of any fines or penalties or for punitive, aggravated or exemplary damages;
 - claims arising out of or in connection with contamination or pollution;
 - liability in respect of which you or any other person or party is required by law to have a policy of insurance in force.

 2. This cover does not extend to boat builders, repairers or marina operators.
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Exclusions

Applicable to your policy

✗ We will not provide cover under this policy if, at the time of the accident or event giving rise to your claim:

1. Your boat was capable of exceeding maximum design speed of 50 knots.
2. Your boat was being used more than 100 kilometres from the coast of Australia.
3. Your boat was being used for water skiing activities (unless your certificate contains the water skier's liability endorsement).
4. Your boat was being prepared for, or was engaged in, sailboat racing (unless your certificate contains the sailboat racing extension).
5. Your boat (being a power boat) was engaged in any race or other form of speed contest.

We also do not cover loss, damage or the liability caused by or arising from:

6. Any contract or undertaking entered into by you without our written authority.
7. The use, misuse or existence of nuclear weapons or the use, misuse, escape or existence of nuclear fuel, waste or materials or ionising radiation or contamination from such fuels, waste or materials, or the combustion, detonation, fission and/or fusion of nuclear fuel or nuclear materials.
8. The existence of, or operation of, or threatened existence or operation of chemical or biological weapon(s), or actual or threatened pollution or contamination from such weapons, or action taken by a public authority or anybody authorised by a public authority to prevent, limit or remedy such pollution or contamination.
9. The presence of asbestos or other airborne contaminants.
10. War, invasion, act of a foreign enemy, hostilities (whether war be declared or not), civil war, rebellion or insurrection.



Conditions

Applicable to your policy

1. **Alterations or modifications**

You must not make any alteration or modification to your boat without our prior written consent.

2. **Protection of your boat**

You must take all reasonable steps to safeguard your boat from damage, to maintain your boat in good condition and to minimise the risk of injury. This includes compliance with all laws, by-laws and statutory regulations.

3. **Inspection**

We shall at all reasonable times have free access to examine your boat.

4. **Repair of your boat**

You must not replace or carry out or authorise any repairs to your boat (other than emergency repairs up to \$300) without our prior consent.

5. **Other persons bound by this policy**

Any person entitled to cover under this policy is bound by its terms and conditions.

6. **Total loss**

If, in our opinion, your boat becomes a total loss and we have paid you the full amount payable for your boat under this policy the wreckage or remains of your boat become our property. You will not receive a refund of any part of your premium as all of our obligations under this policy will have been discharged. If you pay your premium by instalments, we will deduct any remaining instalments from the amount of the claim before we pay it to you.

7. **Breach of policy**

If you breach or fail to comply with this policy and your breach or failure prejudices our interests, we may, subject to the Insurance Contracts Act, refuse to pay any claim under this policy either in whole or, at our option, in part.



8. Assistance

If, after payment of a claim, we wish to recover the amount we have paid from another person then, subject to the Insurance Contracts Act, we can do so and you and any other person entitled to cover under this policy must give us any information and help that we may reasonably require.

9. Legal representation

We may represent or defend you or any person entitled to cover under this policy in respect of legal liability as we see fit at any inquest or inquiry or in any action or proceedings.

10. Cancellation by you

This policy may be cancelled by you at any time, either by telephone or in writing. If you cancel this policy, you will be refunded the unexpired portion of the premium, less any non-refundable government taxes and duties.

11. Cancellation by us

We may cancel this policy at any time where we are entitled to do so under the Insurance Contracts Act. If we cancel this policy, we will repay the amount of the premium paid for the unexpired period of this policy calculated from the date of cancellation.

12. Important information for customers paying by instalments

If you are paying the premium for this policy by monthly instalments, you should be aware that if any instalment is not paid on time and remains overdue for:

- 14 days (or more) we will not pay claims that occur on or after the 14th day;
- a month (or more) we will cancel this policy from when the instalment was due for payment.

Endorsements

Applicable to your policy

The following endorsements only apply if the number set against it is shown on your certificate:

1. **Water skier's liability extension**

We will cover you for your legal liability arising out of the use of your boat for water skiing activities.

We will not cover any legal liability resulting from:

- death or injury of any persons named in this policy;
- accidents which occur while using a ski ramp, para-sail or other aerial device.

2. **Sailboat racing extension**

The cover provided by this policy is extended to include loss or damage while your boat is being prepared for or engaged in any race other than a power boat race. You do not have to pay an excess for claims under this extension.

What to do when you have a claim

When a claim arises under this policy, you must:

1. Contact us immediately on **13 50 50**. We are open 24 hours a day. Do not authorise any repairs or arrange replacement of any of the property insured other than emergency repairs necessary to prevent further loss.
2. Take immediate steps at your own expense to minimise the damage (reasonable costs for temporary protection are recoverable under this policy).
3. Do not admit liability for or offer, agree or promise to settle any claim with a third party without our prior written consent.
4. Immediately notify the Police if a crime is suspected.
5. Promptly notify us of every loss, damage or event and of any claim made against you. You must also promptly forward to us any writ, summons or proceedings which you receive relating to any prosecution, inquest or hearing and all other information relevant to those matters where any liability under this policy may arise.
6. Make your damaged boat, equipment and accessories available for inspection by us or our representative and, if we require, deliver the items which have been damaged to us.
7. When requested, provide us with all proofs, information, co-operation and assistance in relation to a claim (including giving evidence in court) as we may reasonably require.
8. Arrange, if your motor has been submerged, to have it flushed out, oiled and its electrical equipment and other components dried.

How we resolve your complaints

1. **Our goal is to have you as a happy, long-term customer. We want you to be completely satisfied in all your dealings with us.**

Apia is committed to dealing with our customers by:

- listening carefully to what you tell us;
- being accurate and honest in telling you about our products and services;
- communicating with you professionally and in plain language; and
- resolving any complaints or concerns you have with us.

So if you think we have let you down in any way, or our service is not what you expect (even if through one of our sub-contractors), please let us know so we can help.

2. **How to tell us when you are not happy (or even if you just want to clarify something).**

You can tell us:

By phone

If you have a complaint please call

13 50 50

If we are unable to resolve the matter over the phone we will ask you to put it in writing.

In writing

Send us the full details of your complaint, including any supporting documents and evidence, and explain what you would like us to do.

Please address this information to your nearest Apia branch.

In person

Come in and talk to us, face to face at your local Apia branch.

3. **Rest assured... This is what we will do...**

If you call, you will be told the name of the most appropriate person to deal with the matter.

If you write to us, your letter will be directed to the correct person.

In either case:

- your complaint will be handled by the person who has the authority to deal with it; and
- this person will consider the facts and contact you to resolve your complaint as soon as possible, usually within 24 hours of receipt.

If this person is not able to resolve the matter to your satisfaction, then it will be referred to a Dispute Resolution Manager who has the authority to deal with it and you will be contacted within five business days.

If this person is not able to resolve the matter to your satisfaction, then it will be referred to the Chief Executive. You will be sent our final decision in writing within 15 business days from the date you first made your complaint.

4. **And if your complaint remains unresolved...**

We expect our procedures will deal fairly and promptly with your complaint. However, if you remain dissatisfied you also have external dispute resolution options such as mediation, arbitration or legal action.

You can also raise certain complaints directly with the Financial Ombudsman Service. This is an independent body and its service is free to you. We agree to accept the service's decision. Again, you have the right to take legal action if you don't accept the service's decision.

You can write to them at:

- Financial Ombudsman Service Limited
GPO Box 3
Melbourne VIC 3001; or
- phone 1300 780 808 for the cost of a local call anywhere in Australia.





Rewarding experience

Insurance issued by Australian Alliance Insurance Company Limited (AAI)
ABN 11 006 471 709 AFSL No. 235011. Australian Pensioners Insurance Agency Pty
Limited ABN 14 099 650 996 acts as agent and authorised representative of AAI.

13 50 50
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