

# Apia Boat Insurance

Your guide to Premiums, Excesses,  
Discounts and Claim Payments

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Rewarding experience



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## Your guide to Premiums, Excesses, Discounts and Claim Payments

The Premiums, Excesses, Discounts and Claim Payments Guide (**Guide**) is designed to provide you with additional information about how we calculate premiums and determine excesses and discounts and pay claims under this policy. You should read this PED Guide together with our Boat Insurance Product Disclosure Statement (**PDS**) dated 7 April 2016.

**This guide is relevant to you if you purchased your policy on or after 21 May 2016 or your policy's renewal date is on or after 27 June 2016.**

### About your premium

The premium is the amount you pay us for this insurance. It reflects what we consider is the likelihood of you making a claim and other factors related to our cost of doing business. The premium you pay includes any discounts we give you, stamp duty, goods & services tax (GST) and if applicable other government charges. Your certificate will show you how much you have to pay.

When we calculate your premium, there are a range of factors we take into account. The importance we place on the factors we use can change and how those factors combine to affect your premium will differ from person to person.

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because the premium you pay is also affected by other things including:

- The cost of claims we have paid to other customers and claims we expect to pay in the future;
- New and updated data we use to calculate your premium;
- Changes in government taxes and any state or territory duties or levies;
- Our expenses of doing business;
- Other commercial factors.

When determining your renewal premium, we also consider how much you paid last time. As such we may limit movements up or down.

Significant factors affecting your premium include a combination of some or all of the following:

<b>Factor</b>	<b>Comprehensive cover</b>	<b>Third Party Property Damage cover</b>
Hull type	✓	X
Mooring	✓	X
Type of cover	✓	X
Optional covers taken	✓	✓
Amounts covered	✓	X
Excess amount	✓	X
Address where the boat is kept	✓	✓

## Premium discounts

Discounts are also a significant factor that can affect your premium. The premium you pay for your insurance includes any discounts we have given you. Any discounts are usually calculated and applied before the application of government taxes and charges.

The main discount we offer is multi-policy discount. We might reward you with a discount for having more than one general insurance policy with us. Some policies are not eligible for a discount and whether or not we give you a discount depends on the combination of products you hold with us. To find out more about the multi-policy discount, please phone us on 13 50 50.

From time to time we might also offer discounts or some other special offers as part of a marketing campaign. If we do this, separate terms and conditions may apply and you might not be eligible for our usual discounts. The amount and type of discount offered can change or be withdrawn.

If you are eligible for more than one discount, we usually apply any subsequent discount to the already discounted premium. Minimum premiums may apply and any discount we give you will not reduce a premium below the minimum premium.

## Government taxes and charges

Boat insurance policies are subject to stamp duty imposed by state and territory governments and GST.

## Excesses

The excess(es) applying to your policy are shown on your certificate.

### Standard excess

The standard excess is \$50. We may allow you to vary this excess to \$0. Lowering your excess increases your premium.

## Claim payments

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They are a guide only. Apia always determines real claim payments on an individual basis, after we have assessed each claim. You should read the PDS and your certificate for full details of what we cover as well as what policy limits, conditions and exclusions apply.

Notes about the claim payment examples:

- all amounts are shown in Australian dollars and are GST inclusive;
- all examples assume that the policy holder is not registered for GST.

### Example 1 - Total loss

Your boat is comprehensively insured for the lesser of \$23,000 or market value. Your standard excess is \$50. There is a major storm which causes significant damage to your boat hull and motor. Both your hull and motor are more than 2 years old. We have assessed the cost of repairs to be \$20,000. We decide your boat hull and motor are a total loss. The estimated salvage value is \$5,000. You have requested to keep the salvaged items.

How much we pay		Additional information
Market value	\$21,000	We assess the market value of your boat and motor as \$21,000.
Less excess	-\$50	As your boat has been damaged by a storm, the standard excess applies.
Your insurance was paid through monthly instalments of \$50 per month and there are four remaining monthly payments in the period of insurance when your boat is damaged:		
Less outstanding premium	-\$200	The 4 x \$50 monthly payments become due when we decide your boat is a total loss. We normally deduct this from the amount we pay you.
Less salvage value	-\$5,000	When we settle your claim as a total loss you can keep the salvaged item and we will deduct the salvage value.
<b>Total claim</b>	<b>\$15,750</b>	We would normally pay this directly to you. If a credit provider has a registered interest in the boat then we will comply with the credit provider's instructions on how much of your claim is paid to them and how much is paid to you.

Once we settle your claim, all cover on the boat stops and your policy is cancelled. You are retaining the salvage and this has been deducted from your settlement.

### Example 2 - New boat after a total loss

Your boat is comprehensively insured for the lesser of \$18,000 or market value. You pay your premium annually. Your standard excess is \$50. Your boat (including the hull, motor and trailer) is stolen from your locked garage and you report this to the police. The boat (including the hull, motor and trailer) is recovered extensively damaged, we decide it is a total loss and you choose to assign ownership to us (see page 50 in the PDS for details). Your boat is less than 2 years old and you qualify for the "New boat after a total loss for boats less than 2 years old" additional feature (see page 24 in the PDS for details). The cost to replace your boat and trailer with a new one made by the same manufacturer and that is of the same model and specification is \$19,400.

How much we pay		Additional information
Cost to replace your hull, motor and trailer	\$19,400	We pay \$19,400 because your boat is less than 2 years old and you otherwise qualify for the "New boat after a total loss for boats less than 2 years old" additional feature (see page 24 in the PDS for details). We pay this amount directly to the boat dealership.
Less excess	-\$50	As your boat was stolen the standard excess applies. You pay your excess directly to us.
<b>Total claim</b>	<b>\$19,350</b>	

Once we settle the claim, all cover on the boat stops, your policy is cancelled and there is no refund of premium. Your boat becomes our property and we are entitled to keep the proceeds of its sale.

### Example 3 - Partial damage

Your boat is comprehensively insured for the lesser of \$15,000 or market value. Your standard excess is \$50. Your boat is on its trailer in the driveway of your home. Vandals put graffiti on your boat. We assess the cost of repairs to your boat will be \$7,000.

How much we pay		Additional information
Damage to boat	\$7,000	We repair your boat to its prior condition, standard and specification it was before the incident (see page 47 of the PDS).
Less excess	-\$50	As your boat was vandalised the standard excess applies. You pay your excess directly to us.
<b>Total claim</b>	<b>\$6,950</b>	We normally pay the repairer directly.



#### Example 4 – Cover for sailing boats when racing optional cover

Your sailing boat is comprehensively insured for an amount covered of \$13,000 and you have the “Cover for sailing boats when racing” optional cover shown on your certificate (see page 31 of the PDS). Your standard excess is \$50. You are sailing your boat in a race at your local sailing club when it collides with a buoy, causing damage to your hull. We assess the cost of repairs to your hull will be \$4,300.

How much we pay		Additional information
Cost of repairs	\$4,300	We repair your boat to its condition before the incident.
Less excess	-\$50	As your boat has collided with a buoy, your standard excess applies. You pay your excess directly to us.
<b>Total claim</b>	<b>\$4,250</b>	We normally pay this directly to the repairer.

#### Example 5 – Water-skier’s liability optional cover

Your boat is comprehensively insured and you have the “Water-skier’s liability” optional cover shown on your certificate (see page 30 of the PDS). Your standard excess is \$50. You and your on-board observer are towing a friend water skiing behind your boat when you misjudge a turn and the skier impacts the trees along the water edge. The skier breaks their ankle and makes a claim for their out of pocket expenses and loss of wages for a 6 week period for the amount of \$8,000. We assess this claim and agree you are liable for these amounts.

How much we pay		Additional information
Total amount of liability	\$8,000	We assess the claim and agree you are liable. We pay this amount to the injured party.
Less excess	-\$50	As you are liable for this claim, the standard excess applies. You pay your excess directly to us.
<b>Total claim</b>	<b>\$7,950</b>	

#### Example 6 – Liability cover

Your boat is insured for Third Party cover. The standard excess is \$50. You are involved in a boating accident causing damage to another boat. We determine that you are at fault and liable to pay the cost of repairs for the damage caused to the other boat, which is \$6,700. The damage to your own boat is not covered as you have selected Third Party cover.

How much we pay		Additional information
Damage to other boat	\$6,700	We normally pay the cost of repairs directly to the third party claimant.
Less excess	-\$50	As you are at fault, the standard excess applies. You pay this amount directly to us.
<b>Total claim</b>	<b>\$6,650</b>	