

Herbert Insurance Group Limited Pleasurecraft Insurance Policy

IMPORTANT NOTES

Your policy is set out in the following paragraphs and clauses. You should carefully read this policy, the policy schedule and your proposal to make sure that it suits your needs.

If any of the information in the proposal, policy schedule or policy is not correct, then you must contact us immediately to correct any incorrect information.

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SECTION A: DEFINITIONS

- 1) "You", "Your" means the person named as the insured in the proposal and schedule including any other person navigating or in charge of Your Boat with your permission.
- 2) "We" "Us" "Our" means certain underwriters at Lloyd's of London exclusively represented by its Coverholder Herbert Insurance Limited.
- 3) "Period of Insurance" means the period between the dates referred to in the Schedule first issued and for any subsequent renewal period.
- 4) "Schedule" means the schedule attached to and forming part of this policy.
- 5) "Boat" "Your Boat" means the boat described in the schedule including where applicable, the hull(s), engines(s), mast, spars, rigging and sails, trailer, tender, equipment and accessories which are normally sold or bought with the boat.
- 6) "Navigational limit" means if Your Boat is permanently moored, all waters and waterways within Australia or Australia and New Zealand including lakes and rivers and those waters 200 nautical miles of the North and South Islands of Australia and New Zealand or Australia or while on any hardstand area or boatyard. If your Boat is a trailered yacht or trailered power boat, or personal watercraft then within 75 nautical miles of the North and South Islands of Australia and New Zealand or Australia.
- 7) "Total Sum Insured" means the amounts shown in the schedule.
- 8) "Excess" means the amount specified in The Schedule, payable by You for each and every claim.

SECTION B: POLICY COVER

COVER 1. LOSS OF, OR DAMAGE TO, YOUR BOAT

A. SCOPE OF COVER 1

In consideration for You Having Paid or Promising to Pay the Agreed Premium, You are Insured for: Sudden and unforeseen accidental, physical loss or damage to your boat occurring within the navigational limit defined in the policy, unless excluded.

In Addition:

PERSONAL EFFECTS/FISHING EQUIPMENT

We will automatically cover personal effects, fishing equipment and stores on the Boat up to \$1000 (provided not otherwise insured).

NEW ITEMS

We will automatically cover any items purchased for the Boat during any Period of Insurance until the next renewal date when changes to the Schedule must be made. Cover for new items is limited to the total value of item acquired or disposed of in any one Period of Insurance up to the greater of 25% of the sum insured shown in the Schedule or \$10,000. Items disposed of will be deemed to be deleted from the Schedule from the date of disposal.

TRANSIT

Your vessel is automatically covered in addition to the navigation limit, in transit throughout Australia and New Zealand and Australia, but does not include cover for transit between Australia and Australia and New Zealand. Where your boat is usually kept on a mooring you must notify us prior to any transit on land. We reserve the right to charge an additional premium.

RESCUE

We will pay for any reasonable costs up to a maximum of \$1,500 which you incur following an accident covered by this section for:

- 1) Your personal rescue;
- 2) Transport to return to your home

NO EXCESS

Where You are not at fault in a collision, You will not have to pay the excess.

LOSS OR DAMAGE PREVENTION

We will pay all expenses necessarily and reasonably incurred by You in preventing loss or damage, where a claim would have been or has been admitted under this Cover. Our liability shall not exceed 25% of the Total Sum insured shown in the Schedule.

MINIMISING LOSS/SALVAGE

We will pay the reasonable costs of minimising loss as required by this policy and the reasonable costs of salvage. Any costs incurred that are recoverable under this clause shall be in addition to the Total Sum Insured, up to the greater of \$10,000 or 25% of the Total Sum Insured.

EMERGENCY TOWING

We will pay reasonable expenses incurred in towing Your Boat to Your usual mooring or launching point or to the nearest place of repair following mechanical or electrical breakdown whilst the boat is under way, or attempting to get under way but not from a mooring or berth or boatramp. Limited to \$750 for any one breakdown and \$1500 in any one year.

SAFETY AND FIRE EXTINGUISHMENT COSTS

We will pay the costs of replenishing, refilling or replacing safety flares and/or fire extinguishers where a claim would have been or has been admitted under this Cover. Our liability shall not exceed \$750.

THE AMOUNTS YOU CAN CLAIM:

We will pay the amount of the loss or damage or the cost of the restoring your boat as nearly as possible to the same conditions it was in immediately before the loss or damage happened.

The maximum amount you can claim for loss or damage happening in any one Period of Insurance is the current Total Sum Insured.

SETTLEMENT OF CLAIMS

We will settle Your claim for:

- 1) Partial Loss – where Your Boat suffers less than a total loss (whether actual or constructive); or
- 2) Actual Total Loss – where Your Boat is destroyed or damaged to such an extent that, in our opinion, it can no longer be used for its purpose; or
- 3) Constructive Total Loss – where your Boat suffers a partial loss but in our opinion the cost of recovering, repairing or otherwise avoiding an actual loss is more than the sum insured in the Schedule, at our option by payment, reinstatement, replacement or repair (or any combination thereof) such settlement in all cases being in value no more than the Total Sum Insured.

Before we settle Your Claim, we may;

- 1) Seek tenders for repairs; and/or
- 2) Deduct a sum that we consider reasonable for depreciation of Your Boat in the case of personal watercraft and sails. Otherwise, depreciation will only be deducted in respect of running rigging, electronics and outboard motors more than five years old;

B. EXCLUSIONS TO COVER 1

You Are Not Insured for Loss or Damage:

- 1) Arising from loss of use of Your Boat, or any costs, expenses, damage or loss resulting from or consequential on, loss of use of Your boat;
- 2) Arising from wear and tear, rot, corrosion, electrolysis, rust, mildew, fouling, gradual deterioration, osmosis, disbonding or delamination;
- 3) The cost of renewing or replacing any part or parts affected by faulty design, manufacture or construction or assembly;
- 4) Caused by the breakdown, failure or wearing out of any part of any mechanical or electrical machinery, gear or equipment;
- 5) Caused by seizing or overheating of motor(s) or any other machinery unless caused by circumstances which amount to a claim under Section 1;
- 6) Caused by electrical current to fuses, protective devices or lighting or heating elements;
- 7) Caused by unsuitable coolant or lubricant ;
- 8) Arising from towage of Your Boat, except when on land or when the boat needs assistance or when it is usual for your boat to be towed;
- 9) To moorings, personal effects, consumable stores (including fuel and lubricants) or fishing, diving or waterskiing gear or equipment, unless specifically described in the Schedule as Your Boat in excess of \$1,000;
- 10) To trailer tyres caused by punctures, cuts or bursts;

- 11) Arising from an order of any Government agency or local bodies unless that order was for the purpose of preventing or reducing pollution arising from loss or damage which is insured by Section 1;
- 12) Arising from depreciation in the value of Your Boat following repair or as a result of damage which has not been repaired or which has been only partly repaired;

JET BOATS AND PERSONAL WATERCRAFT:

- 13) Arising from the ingestion of any foreign material or object into the jet unit, impellers, water or oil cooling systems or if Your Boat is a personal watercraft, the presence at any time of water in any part of the engine componentry, including the carburettor or in any of the machinery spaces;
- 14) Theft or burglary of Your personal watercraft whilst unattended unless You have secured the "Boat" including the trailer by a recognised anti-theft locking device.

COVER 2. LIABILITY TO THIRD PARTIES

A. SCOPE OF COVER 2

You are Insured for:

Your legal liability:

- For sudden and unforeseen accidental or physical loss of or damage to anyone else's property anywhere in Australia and New Zealand and/or Australia.
- For personal injury to any person other than paying passengers or crew as a result of an accident which is insured under Section 1;
- For the cost of having to remove Your Boat from anywhere in Australia and New Zealand and/or Australia because of loss or damage which is insured by Section 1.
- For all costs which you incur with our prior written consent to defend any claim including costs awarded against you by a Court. We reserve the right to appoint legal counsel on your behalf.

In Addition

If you are the person named as the insured in the proposal and policy schedule you are covered for:

- Third party damage caused by you when in charge of another person's uninsured Boat;
- For any applicable policy excess which you might become liable to pay as a result of chartering a boat anywhere in the world up to a maximum of NZ\$2,000.

THE AMOUNT YOU CAN CLAIM

Unless otherwise stated in the Schedule, we cover you up to \$2,000,000 for all liability arising out of any one accident including the cost of having to remove Your Boat from anywhere in Australia and New Zealand or Australia as referred to above.

B. EXCLUSIONS TO COVER 2

You are Not Insured for Liability:

- 1) For personal injury to a member of your family permanently residing with you.
- 2) For loss of or damage to personal effects belonging to any member of your family who is living with you unless specified in the Schedule.

- 3) Arising out of a contract or agreement (except where you would have been liable even without a contract or agreement).
- 4) Arising while Your Boat is being carried or towed by any other vehicle.
- 5) For exemplary and/or punitive damages.

COVER 3. PERSONAL ACCIDENT

A. SCOPE OF COVER 3

In addition to the cover provided under Cover 1 and 2, You are insured for bodily injury caused by sudden and unforeseen accident occurring while you are onboard Your Boat including embarking and disembarking which results in any of the following;

- a) Death;
- b) Permanent total disablement;
- c) Permanent loss of sight or an eye;
- d) Permanent loss of the use of a limb(s);
- e) Permanent loss of a thumb and index finger limited to 20% of the sum insured under this Section;

DEFINITIONS

- 1) "Loss of limb" means loss of physical separation of a hand (at or above the wrist) or of a foot (at or above the ankle) and includes total and irrecoverable loss of use of hand, arm or leg;
- 2) "Permanent total disablement" means one of the conditions in (c) to (e) (inclusive) above which prevents You or any person covered under this section for the remainder of his or her life from engaging in any occupation, profession or business for which he or she is reasonably qualified by education, training or experience.

MEDICAL ADVICE

If you make a claim under Section 3:

- 1) You must obtain medical advice to support you claim;
- 2) Permit any medical practitioner appointed by us to examine You as we direct.

TOTAL AMOUNT YOU CAN CLAIM UNDER COVER 3

\$10,000 for any one claim;

Where there is more than one person named as the insured in the Proposal and Schedule or more than one person covered under this section, then the amount payable under this Section will be limited to the sum insured divided by the number of persons.

B. EXCLUSIONS TO COVER 3

You are not Insured for:

- 1) Self-inflicted death or injury.
- 2) Death, permanent injury or total loss of limb occurring 6 months from the date of accident.

COVER 4 LEGAL DEFENCE COSTS

A. SCOPE OF COVER

Where you or Your Boat are the subject of an MSA or TIAC inquiry, or you are summonsed to appear in any capacity, or are in any way interested in Coroner's proceedings, we will pay reasonable costs with our prior written consent for legal representation up to a maximum of \$10,000.

We retain the right to choose and appoint legal counsel on your behalf.

SECTION C: GENERAL EXCLUSIONS

You are not insured for loss, damage or liability:

- 1) Caused by Your Boat being in an unsafe or unseaworthy condition;
- 2) Arising while Your Boat (unless it is a yacht) is engaged in any race or speed test or is being tested for any race or speed test;
- 3) Arising while Your Boat is on hire or charter or is being used for reward or is being used other than for private pleasure purposes.
- 4) Caused by fire or explosion on board your boat if it is not fitted with adequate and properly maintained fire extinguishing equipment;
- 5) Arising while Your Boat is under the control of and/or is being steered by any person;
 - a) Under the influence of intoxicating liquor or drugs;
 - b) Unlicensed where a licence is necessary;
 - c) Who for any reason, which ought reasonably to have been known to you, is incapable of exercising sufficient control of the Boat;
- 6) Arising from:
 - a) Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any waster or from combustion of nuclear fuel;
 - b) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or any nuclear component thereof;
 - c) War, invasion, act of foreign enemy, hostilities or warlike operations (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power.
- 7) Arising from the malfunction (including in operation) of any date or time function in any electronic equipment or device, or in any machinery. This exclusion does not apply to any loss, damage or expense caused by;
 - a) Fire or explosion;
 - b) Stranding or sinking;
 - c) Collision or contact with any fixed or floating object;

Unless:

- i. You have not taken reasonable precautions to avoid such a loss,
- 8) Caused by the confiscation, requisition or destruction of, or damage to, property by order of Government or Local Authority – unless the order is given for the purpose of controlling fire or other peril for which insurance is provided by this Policy;
- 9) The applicable Excess under any Sections of this Policy.

SECTION D: GENERAL CONDITIONS

DUTY OF DISCLOSURE

Before you enter into a contract of general insurance with an insurer, you have a duty, under the Insurance Contracts Act 1984, to disclose to the insurer every matter that you know, or could reasonably be expected to know, is relevant to the insurer's decision whether to accept the risk of the insurance and, if so, on what terms.

You have the same duty to disclose those matters to the insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter:

- that diminishes the risk to be undertaken by the insurer;
- that is of common knowledge;
- that your insurer knows or, in the ordinary course of his business, ought to know;
- as to which compliance with your duty is waived by the insurer.

NON DISCLOSURE

If you fail to comply with your duty of disclosure, the insurer may be entitled to reduce his liability under the contract in respect of a claim or may cancel the contract.

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

WHAT YOU MUST TELL US

When answering our questions, you must be honest and you have a duty under law to tell us anything known to you, and which a reasonable person in the circumstances, would include in answer to the question. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

WHO NEEDS TO TELL US

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

IF YOU DO NOT TELL US

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

CARE OF YOUR BOAT

You must take all reasonable precautions to:

- a) Avoid or minimise loss, damage or liability;
- b) Keep the boat in a seaworthy condition, and adequately maintain the boat;
- c) Comply with all relevant statutory obligations, by-laws and regulations imposed by any public or local authority, for the safety of persons or property.

CHANGE OF OWNERSHIP

This policy is automatically cancelled immediately you cease to be the owner of Your Boat. If this happens you can ask for a refund of any premium which is due to you

We will hold covered any new Boat which you purchase provided that you notify us within 72 hours and complete a new proposal if required by us. Under no circumstances will this condition provide cover in excess of the Total Sum Insured.

PERSONS IN CHARGE OF THE BOAT

Persons in charge of Your Boat with your permission must comply with all conditions of this policy as far as they apply.

CHANGES IN CIRCUMSTANCES

When any important circumstance is changed or may change during the Period of Insurance you must advise us. In particular you must let us know in writing as soon as possible if you:

Modify Your Boat from the manufacturer's specifications or modify the performance or handling of Your Boat.
Add equipment and accessories to Your Boat.
Change the storage or mooring location or security of Your Boat.

As a result of your advice of a change of circumstances, we may at our complete discretion;

- a) Review the amount insured under your policy;
- b) Review the premium or the conditions of your policy;
- c) Cancel you policy on 48 hours notice, in which case, return of premium to you will be calculated pro rata.

JOINT INSUREDS

If Your Boat or any other of the property specified in the schedule is jointly owned, then the cover under this policy on such property shall also be provided jointly.

OTHER INSURANCE

If you have other insurance that covers your loss, the insurance under this policy is considered to be in excess. This means that we will only pay you the amount of your loss otherwise covered under this policy, that you are unable to recover from the other insurance, even if that policy has a condition to the same or similar effect.

OBSERVANCE OF TERMS AND CONDITIONS

The observance and fulfilment of the terms and conditions of this policy by you where they relate to anything to be done or complied with by you and the correctness of any statements contained in any proposal or made anywhere to us by you are conditions precedent to our liability to provide cover under this policy.

FALSE STATEMENTS

You shall not make any false statements in support of any claim.

BASIS OF POLICY

The proposal, submitted by you is the basis of and is deemed to be incorporated in this policy.

JURISDICTION

The laws of Australia and New Zealand and/or Australia shall apply and the Courts of Australia and New Zealand or Australia will have exclusive jurisdiction in any respect of any litigation arising out of this policy. If you are subject to a judgment or the costs of or expenses of litigation outside Australia and New Zealand or Australia then you are not covered.

CONTINUATION OF COVER

We will continue to insure Your Boat if at the time and date this Policy is to expire You and Your Boat are at sea or in distress or at a port or place of refuge or of call;

Provided that:

- a) You give immediate notice to us of Your intention to renew this Policy immediately after You and Your Boat have arrived at your destination or place of safety;
- b) In the absence of any notice from You this Policy shall expire at 4pm on the 30th day after the expiry date.

CLAIMS

When there is a claim, you or any person in control of Your Boat at the relevant time must:

- 1) Report any theft, burglary or malicious damage to the Police and any marina management;
- 2) When required by law, to, report any accident to the Maritime Safety Authority of Australia and New Zealand or Australia or any other authority or agency;
- 3) Immediately notify us of all relevant circumstances and particulars of your claim;
- 4) Take all reasonable and necessary steps to prevent further loss;
- 5) Provide us immediately with all details known by you of any claim made against you;
- 6) Co-operate fully with us at all times including providing all information which we or our Coverholders may request from you;
- 7) Not prejudice our rights of recovery or defence of any claim made against you. In particular You must not make any admission of liability.

Failure by you to comply with these conditions may entitle us to decline any claim or recover any amount already paid to you or on your behalf under the policy.

OUT-OF-POCKET PAYMENT

We will pay You when You are required to attend legal proceedings which we have agreed to institute or defend in connection with any claim admitted under the policy. Our liability shall be limited to \$100 per day for each day you attend legal proceedings, up to a maximum duration of 21 days.

ANCHORING WARRANTY

Notwithstanding anything contained in this policy to the contrary, it is specifically understood and agreed that the indemnity provided under the Policy does not extend to cover Your Boat while it is left unattended at anchor for a period of exceeding 24 consecutive hours.

MOORING WARRANTY

When Your Boat is kept on a permanent mooring, or is on a temporary mooring for any length of time, the approved permanent moorings must meet the minimum specifications recommended by the appropriate Harbour Board or Port Authority for a Boat up to the length of Your Boat. Moorings are to be maintained in good order and lifted for inspection at least every three (3) years. Any required repairs are to be actioned within thirty (30) days of discovery unless a prior agreement with us has been reached.

GST CLAUSE

Where any part of this policy specifies any sum insured, this amount includes GST.

CHANGES TO POLICY

We can change the terms of this policy by writing to You at Your postal address for this policy shown in our records. The change will take effect thirty (30) days after the date of that letter.

CANCELLATION

You may cancel this Policy by giving us written notice. We may cancel this Policy subject to the terms of s59 & s60 of the Insurance Contracts Act 1984. Our notice will be in writing mailed to You at Your address as shown in our records. In either event, we will refund the unused portion of Your premium payment pro rata.

PRIVACY POLICY

At Herbert Insurance Group we strive to provide the best possible solutions to our clients General Insurance needs. To maintain this, we need to make sure we use personal information as efficiently as possible.

It is important to us that clients feel confident that the personal information they supply to Herbert Insurance Group will only be used to entrusted identities who have these similar standards in place and who will also treat this personal information with the appropriate degree of privacy.

WHAT TO DO IF YOU HAVE A COMPLAINT

Clients who are not fully satisfied with our services should contact our customer relations/complaints officer. If we cannot resolve your complaint within 5 working days we will contact you and provide you with an estimate of when a decision will be made. You may lodge your complaint with Herbert Insurance Group Ltd at your nearest office via telephone, fax or refer website www.herbertinsurancegroup.com for further details and links. If you are not happy with the Herbert Insurance Group Ltd decision then you can refer your complaint to:

Lloyd's Underwriters' General Representative in Australia

Suite 2, Level 21

Angel Place

123 Pitt Street

Sydney NSW 2000

Telephone Number: (02) 9223 1433

Facsimile Number: (02) 9223 1466

If your dispute remains unresolved you may be referred to the **Insurance Ombudsman Service Limited** under the terms of the General Insurance Code of Practice. For other disputes you will be referred to other proceedings for resolution.

INSURANCE OMBUDSMAN SERVICE LIMITED

We are a member of Insurance Ombudsman Service Limited. The Insurance Ombudsman Service assists in resolving disputes between consumers and participating companies. The Insurance Ombudsman Service is a free service which independently and impartially resolves general insurance disputes, between consumers and participating companies. If you have a query about whether your complaint can be handled by IOS Ltd, call 1300 780 808 or email ios@insuranceombudsman.com.au

Insurance Ombudsman Service Limited (IOS): PO Box 561, Collins Street West, Melbourne Vic 8007

INSURANCE BROKERS DISPUTES LTD

We are a member of Insurance Brokers Disputes Limited. Insurance Brokers Disputes Limited (IBD) is a free consumer service designed to handle complaints and help resolve problems between insurance brokers and other financial services providers (other than insurance companies) and their clients. If you have any query about whether your complaint can be handled by IBD, call 1300 780 808 or email info@ibdLtd.com.au

Insurance Brokers Disputes Limited (IBD): Level 5, 31 Queen Street, Melbourne, Vic 3000

CODE OF PRACTICE

This policy is Insurance Council of Australia's General Insurance Code of Practice compliant, apart from any claims adjusted outside Australia. Underwriters at Lloyds proudly support the General Insurance Code of Practice. The purpose of the Code is to raise standards of practice and service in the general insurance industry.

LEGAL PROCEEDINGS

The Underwriters accepting this Insurance agree that:

- (i) if a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;
- (ii) any summons notice or process to be served upon the Underwriters may be served upon:
Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000
- (iii) if a suit is instituted against any of the Underwriters, all Underwriters participating in this insurance will abide by the final decision of such Court or any competent Appellate Court.