

Boat Insurance

Product Disclosure Statement

RACT Insurance Pty Ltd

ABN 96 068 167 804
AFS Licence No. 229076

Customer Service: 13 27 22

RACT Offices

Hobart

Cnr Murray & Patrick Sts

Launceston

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5 Steele Street

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Glenorchy

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www.ract.com.au



Solved. **RACT INSURANCE**
Help when you need it most.

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INSURANCE
Help when you need it most.

RACT Insurance Pty Ltd

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Phone: (03) 6232 6300

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The preparation date of this Product Disclosure Statement is 14 November 2005.

The active date of this Product Disclosure Statement is 16 January 2006.

Insurance claim?

We pride ourselves on making it easy for you to make a claim, and we understand that this can be a stressful time. Rather than coming into a branch you can simply call us on 13 27 22 and a personal claims manager will help you lodge your claim over the phone. What's more, your personal claims manager will look after you until the claim is settled.



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We are pleased to provide you with this Product Disclosure Statement (PDS), which sets out important information on our RACT Insurance product.

In order to properly understand the significant features, benefits and risks of the policy, you need to:

- read the policy sections, which set out the cover we can provide, what you are and are not insured for, any additional benefits and special conditions that apply and how claims are settled. We do not pay more than the applicable Sum(s) Insured or specified limits in relation to the policy. You should therefore check that they are adequate to cover any potential loss and that the cover suits your needs. If they are not, you may bear the uninsured portion of any loss yourself;
- read the *Further Important Information* section, which contains important information on the General Insurance Code of Practice and our Dispute Resolution Process; and
- read the rest of this *Welcome* section, which contains other important information, such as your duty of disclosure and the cooling-off period.

This is an important document and you should read it carefully and keep it in a safe place, together with the other policy documentation we issue to you.

YOUR DUTY OF DISCLOSURE

You have a Duty of Disclosure under the *Insurance Contracts Act 1984* that requires you to tell us certain things.

Your Duty of Disclosure when you first enter into a policy

Before you enter into a policy with us, we will ask you a series of questions. You must tell us everything you know, or which a reasonable person in the circumstances would be expected to know would be relevant to our decision to insure you, including answering the questions in your application. If you are unsure whether or not to tell us something that you know, it is better to tell us.

Your Duty of Disclosure when you renew, vary, extend, reinstate or replace a policy

Before you renew, vary, extend, reinstate or replace a policy, you must tell us everything you know, or which a reasonable person in the circumstances would be expected to know, for us to decide:

- whether we will insure you;
- the premium we will charge you; and
- any special conditions we will apply to your policy.

What you do not need to tell us

Your duty, however, does not require disclosure of a matter:

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

Who does the Duty of Disclosure apply to?

Everyone who is insured under the policy must comply with the duty. It is important that you understand that if you provide information about another insured, you do this on their behalf.

What happens if you or they don't tell us everything?

If you or they do not comply with the Duty of Disclosure, we may:

- refuse to pay a claim;
- reduce the amount we pay on a claim; and/or
- cancel the policy.

If you have acted fraudulently, we may refuse to pay a claim and treat the policy as never having existed.

21-DAY MONEY BACK GUARANTEE – YOUR COOLING-OFF PERIOD

You are able to return your policy for any reason within 21 days of cover commencing, by writing to us and asking for the policy to be cancelled. Provided you have not made or cannot make a claim under the policy, we will cancel the policy and provide you with a full refund of the premium you have paid. Even after this period, you still have cancellation rights (see page 8).

OUR AGREEMENT WITH YOU

When we agree to enter into a policy with you, we will provide you with a schedule which sets out the cover you have and other information specific to you (for example, who is covered, your Period of Insurance and the relevant limits or excesses that apply). Your Current Schedule, this PDS, any supplementary PDS we may give you, and your application will make up your agreement with us. You should be sure to retain these documents and keep them in a safe place, together with evidence as to the value of any insured items.

CHANGES TO YOUR POLICY

If you want to change your policy and we agree to it, the change will become effective when we give you written confirmation of our agreement to the change and you pay any additional premium required.

If you sell, give away or transfer your interest in any item insured under a policy taken out by you, the item is no longer insured under the policy.

NOTICES

We will give you any notice in writing. It will be effective if it is delivered to you personally or if it is delivered to your address last known to us.

YOUR PREMIUM

How we calculate your premium

When we calculate your premium for the Boat Insurance Policy, we will take into account a number of factors, including:

- the Period of Insurance;
- the type of the insured Boat;
- the Agreed Value;
- the excess(es) payable by you in the event of a claim;
- your previous insurance and claims history; and
- the policies we agree to provide to you.

The total premium payable by you also includes amounts payable in respect of compulsory government charges (including stamp duty and GST) and any Fire Services Levy (where applicable).

We will advise you of the premium payable once we receive your application for insurance.

After we agree to provide you with insurance, details of your premium will also be included on your Current Schedule.

Why the Cost of Insurance can Change

Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because premiums are affected by factors including:

- the cost of claims we have paid to other customers;
- the cost of claims we expect to pay in the future;
- any changes in government taxes or charges; and
- our expenses incurred in doing business.

We may 'cap' the amount of any increase on renewal. This means we pass only part of the increase on to you.

SPECIAL OFFERS

We might advertise special offers and benefits from time to time. If we have a special offer available that is not in this PDS, we can give you a separate terms and conditions brochure about the offer if you ask us. The offers might be short-term and we can withdraw them at any time.

PAYMENT IN FULL

When paying your premium, we have a number of payment options available. We will tell you when you apply how you can pay, or you can call 13 27 22 for further information.

If your premium is not paid by the expiry date, you may not be covered for any claims.

You will receive a renewal notice at least 14 days prior to the expiry date of your policy telling you whether we are prepared to renew or not.

If we pay a claim for total loss under your policy, your cover ceases and the policy is automatically cancelled. We will not waive the premium which was payable under your policy for the remainder of the policy period or refund any premium already paid for that period.

PAYMENT BY INSTALMENTS

You may choose to pay your premium by instalments, by credit card payments or by direct debit from your financial institution account.

Payments may be made annually, half-yearly, quarterly or monthly.

If you choose to pay your premium by instalments, we impose an administration fee in addition to the premium calculated as follows:

- half-yearly instalments – 2.5% surcharge
- quarterly instalments – 4% surcharge
- monthly instalments – 9% surcharge

The premiums for the various payment options are shown on your Current Schedule.

It is your responsibility to ensure that you provide us with the correct account details and to ensure that sufficient funds are available in your nominated account to meet your instalments. If the incorrect account details are provided or there are insufficient funds in your account, all fees incurred in relation to non-payment are payable by you.

We will require you to complete an authority before we can deduct the premium from your account. We may also require a new authority if you change any of the account details or frequency of your payments. The authority will state your nominated day, which is the date on which your instalment payment will be made during each instalment period.

You may terminate or alter the frequency of your payments at any time by giving us written notice, no later than 3 business days prior to your next scheduled payment.

If you believe that a payment has been initiated incorrectly, you should take this matter up directly with us. We will then be able to investigate your concern.

If your payment is overdue by one month, all cover will cease unless alternative arrangements have been made directly with us and confirmed in writing.

If two or more payments are returned from your financial institution unpaid, we reserve the right to cancel your policy. However, should this occur, we will write to you to advise you that your policy will be cancelled.

If you cancel your payment arrangements with us, all outstanding amounts become due and payable within 14 days from that date. Failure to meet this requirement will result in your policy being cancelled.

After you submit your authority to us, your first payment will be taken within 5 working days of the authority being accepted by us. We will then issue you with a Schedule of Payments. Subsequent payments will be deducted in accordance with your nominated day.

You will receive a renewal notice along with a schedule of payments at least 14 days prior to the renewal of your policy. Unless we hear from you, your payments will continue in accordance with the payment option you have selected at the rate shown on your new Current Schedule and Schedule of Payments.

Where your nominated day falls on a non-business day, we will deduct the scheduled payment on the next business day.

If your nominated payment date is the 29th, 30th or 31st of the month, we will deduct the scheduled payment on the next business day for those months that these dates do not occur.

If we pay a claim for total loss under your policy, your cover ceases and the policy is automatically cancelled. We will not waive the premium which was payable under your policy for the remainder of the policy period or refund any premium already paid for that period.

If your payment remains unpaid for a period of more than 14 days after its due date, we may refuse any claim made for events occurring during the period that the policy is unpaid.

We will keep all information pertaining to your financial institution confidential at all times.

GOODS AND SERVICES TAX (GST)

All amounts insured under your policy include GST. You should ensure that the sums insured are appropriate and will cover any potential loss or damage.

When claiming, you will need to provide details of any entitlement to input tax credits on your premium if you are registered or should be registered for GST purposes. If information you give us is incorrect, we will not cover you for resulting fines, penalties or tax charges.

If we settle a claim for repair or replacement of an insured item, and you would be entitled to claim input tax credit for the repair or replacement, we may reduce the settlement amount we pay by the amount of that input tax credit.

CANCELLATION OF POLICIES

By you

You may cancel your insurance policy at any time by advising us in writing. Cancellation will be effective when we receive your written request. If you cancel your policy after the cooling-off period, we will refund any premium you have paid for the period after the date of cancellation, but we will charge a cancellation fee.

The amount of the fee is \$30 (plus relevant government charges).

The most we will charge you is \$60 (plus relevant government charges) if you cancel a policy which includes other insurance covers.

This fee is deducted from any refund we send you. If the refund is less than the fee, a refund will not be issued. If you are paying your insurance by instalments, any refund will be credited against your remaining instalments.

If your policy is in more than one name, we may require authorisation from all persons listed as the insured on your Current Schedule before we will cancel the policy.

By us

We can cancel your insurance in any way permitted by law, including if you have:

- failed to comply with your Duty of Disclosure; or
- made a misrepresentation to us before the policy was entered into; or
- failed to comply with a provision of a policy, including failure to pay the premium; or
- made a fraudulent claim under the policy, or under any other policy, during the time the policy has been in effect; or
- failed to notify us of a specific act or omission as required by the policy.

If we cancel your policy, we will do so by giving you written notice. We will refund any premium you have paid for the period after the date of cancellation.

UPDATING OUR PDS

From time to time, we may need to update the information contained in this PDS. You can obtain a paper copy of any update, at no charge, by contacting us. Where the update is necessary to correct a misleading or deceptive statement or omission, which is materially adverse from the point of view of a reasonable person deciding whether to obtain a policy, we will automatically issue a new PDS or a supplementary PDS to you.

1. APPLYING FOR THE BOAT INSURANCE POLICY

To apply for the Boat Insurance Policy, you will need to complete an application for insurance. On the basis of your application, we may then offer insurance to you. Once we agree to cover you, we will give you a Current Schedule providing details of:

- the Period of Insurance;
- the insured Boat;
- the Agreed Value(s);
- the excess(es) payable by you in the event of a claim; and
- whether any standard terms and conditions are varied by endorsement.

2. MAKING A CLAIM

You must promptly tell us about any claim.

You do not have to pay the excess to lodge a claim, but you will have to pay the excess before we will pay your claim. See Section 3 for details about the excess.

Most claims may be lodged by telephone; however, we may require you to complete a claim form or provide us with a written statement about the claim.

When claiming, you will need to provide details of any entitlement to input tax credits on your premium if you are registered or should be registered for GST purposes. If information you give us is incorrect we will not cover you for resulting fines, penalties or tax charges. If we settle a claim for repair or replacement of an insured item, and you would be entitled to claim an input tax credit for the repair or replacement, we may reduce the settlement amount we pay by the amount of that input tax credit.

Before we can make a decision about your claim, we may assess the damage to your Boat and investigate the circumstances of the claim. If we require it, you must make your Boat available to us for inspection and, in all cases, co-operate with our investigators. You or your repairer must not carry out any repair work without our prior written authority.

We have the sole right to make admissions, to settle any claims against and to defend you or any other person covered by your policy in any proceedings. We may refuse your claim if you or any other person covered by your policy make admissions, settle, attempt to settle or defend any claims without our consent.

If we declare your Boat to be a total loss and we pay you the Agreed Value (less any excess applicable), the damaged item including any options or accessories fitted to it becomes our property, unless we agree to allow you to keep the damaged item.

If we pay you the Agreed Value, your policy immediately comes to an end. We will not waive the premium which was payable under your policy for the remainder of the policy period or refund any premium already paid for that period.

3. EXCESS

The excess is the amount you must contribute towards each claim you make under your Boat Insurance Policy.

The amount of the excess or excesses that apply are shown on your Current Schedule.

We will advise you if the excess is payable to us, or to the repairer, or if we will deduct the excess from the amount we pay you.

You will not have to contribute the excess if:

- we agree that the accident was not your fault; and
- you can tell us the name and address or otherwise satisfy us as to the identity of the person who was at fault, and the registration number of the at-fault party's boat (if it has one) or vehicle.

There is no excess payable for claims for personal injuries under Legal Liability Cover described in Section 3 or Optional Cover described in Section 4 on pages 22 and 24.

4. LEGAL REPRESENTATION

In relation to an incident which gives rise to a claim, you or any person covered by your policy may need lawyers to represent you or them before a coroner conducting an enquiry or in respect of other court proceedings.

We may, at our discretion, arrange representation for these purposes and pay the cost of it.

5. CO-OPERATION

Any benefits which your Boat Insurance Policy gives you or any other person, depend upon you or any other person covered by the policy giving us any information and help that we require, including attending Court to give evidence.

You or any other person covered by your Boat Insurance Policy must assist us even if we have already paid a claim, as we may attempt to recover from the party who caused you to suffer the loss or damage. We may also want to defend you if it is alleged that you caused someone else loss or damage.

If you or any other person covered by the policy receive any letters, notices or Court documents which relate to any event that has or might result in a claim, you must send these to us immediately.

If you fail to fully co-operate with us in respect to any part of the claim process, we may be entitled to cancel your policy, or refuse to pay your claim.

6. NO CLAIM BONUS

A No Claim Bonus is a reward for having a good claims history. You receive a premium discount that increases each year to a set maximum if you do not make claims on your policy.

If you have had boat insurance with us or with another company, you will be entitled to a reduction in your premium on this Boat Insurance Policy as follows:

1 Year without a Claim	10%
2 Years without a Claim	15%
3 Years without a Claim	20%

If you make a claim, your No Claim Bonus may reduce as follows:

No Claim Bonus at the Time of the Claim	No Claim Bonus when the Policy is Next Renewed	
	(One Claim)	(Two Claims)
20%	10%	Nil
15%	Nil	Nil
10%	Nil	Nil

Your No Claim Bonus entitlement will be shown on your Current Schedule.

You will **not** lose any of your No Claim Bonus if:

- (a) We agree that the incident was not your fault and you can tell us the name and address of the person who was at fault and the registration number of the at-fault party's boat (if it has one) or vehicle;
- (b) The claim is for windscreen or window glass damage only; or
- (c) The claim is for malicious damage or the theft of your Boat.

7. TRANSFERS

If you sell, give away or transfer your interest in your Boat, your policy immediately comes to an end without any notice to you.

This provision does not apply if you are giving up an interest as lessor, mortgagee or owner under a hire purchase agreement.

When you tell us that you no longer own your Boat, we will refund any premium you have paid for the period after the date of cancellation, but we will charge a cancellation fee.

Note: Please refer to Additional Cover described in Section 3 (page 22) for details of cover provided for replacement boats.

Some of the words in this PDS have special meanings, as shown below:

Term	Meaning
Agreed Value	The amount we agree with you as the maximum we will pay in the event of a claim. The agreed value is specified on your Current Schedule and includes any applicable taxes and charges.
Current Schedule	The most recent schedule we have given to you.
hull	The hull as shown on page 16.
Market Value	The amount we calculate the market would pay for your Boat. It takes into account the age, make, model and condition of your Boat immediately before the insured event. We might use recognised industry publications to calculate the amount.
Period of Insurance	Means the period of insurance as noted on your Current Schedule.
personal effects	Items in your Boat, including tools supplied as standard by the Boat manufacturer or similar replacements but NOT cash, any other tools or items used for any business, trade or profession.
policy	Your policy consists of: <ul style="list-style-type: none">a) this PDS;b) your application(s) for insurance which may be in writing or our record of your verbal responses;c) your Current Schedule which sets out the covers you have; andd) any supplementary PDS we may issue.

Term	Meaning
Terrorism	Includes any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which: <ul style="list-style-type: none"> a) involves violence against one or more persons; or b) involves damage to property; or c) endangers life other than that of the person committing the action; or d) creates a risk to health or safety of the public or a section of the public; or e) is designed to interfere with or to disrupt an electronic system. It includes any action in controlling, preventing, suppressing, retaliating against or responding to any such act, preparation or threat.
trailer	The trailer described on your Current Schedule used to transport your Boat.
we, our and us	RACT Insurance Pty Ltd.
you	The insured(s) noted on your Current Schedule.
your Boat	The boat as shown on page 16.
your family	Your spouse, your partner or your de facto, your parents and parents-in-law, your or your spouse's children, your brothers and your sisters, who normally live with you.

The following table summarises the cover provided by the Boat Insurance Policy.

For full details of the cover and the amounts we will pay in the event of a claim, please refer to the Policy Cover sections in this PDS. The page numbers for further details are listed below.

BOAT INSURANCE

Standard Cover

		Page
Australia-wide cover	✓	18
Accidental damage	✓	18
Theft	✓	18
Essential action	✓	20
Submerged motors	✓	20
Cover for personal effects	✓	22
Cover for your replacement boat	✓	22
Emergency expenses	✓	22
Legal liability for property damage	✓	22
Legal liability for death or bodily injury	✓	22
Legal representation	✓	10

Optional Cover

Sails, masts, spars and rigging	✓	24
Waterskiing liability	✓	24

1. YOUR 'BOAT'

Your 'Boat' means the boat described on your Current Schedule, including its motors and batteries, its sails, its trailer and its hull.

The hull includes the following items if fitted:

- ✓ Masts, spars, rudder, tiller and other steering gear
- ✓ Anchors
- ✓ Fuel tanks
- ✓ Two-way radios
- ✓ Depth sounders
- ✓ Emergency Positioning International Recording Beacon (EPIRB)
- ✓ Oars
- ✓ Detachable canopies
- ✓ Life-saving and safety equipment
- ✓ Remote motor controls
- ✓ Spare propeller
- ✓ Fittings
- ✓ A dinghy and its motor if it is used solely in connection with your Boat

But NOT including:

- ✗ Moorings
- ✗ Any boat which is capable of exceeding 50 knots
- ✗ Any motor if it is in, on or attached to a hull not covered by this policy, unless you tell us beforehand in writing and we agree to cover you

2. WHAT YOUR BOAT IS COVERED FOR

Your Boat is covered Australia-wide for:

- ✓ ACCIDENTAL DAMAGE, including malicious damage, accidental sinking, storm, hail or flood damage
- ✓ THEFT, if your Boat is stolen and not recovered or recovered in a damaged condition

We may at our option, either:

- repair your Boat;
- pay you the cost of repairing your Boat; or
- pay you the Agreed Value.

But your Boat is NOT covered for:

- ✗ Mechanical, structural or electrical failure.
- ✗ Depreciation, wear, tear, rusting or other forms of corrosion.
- ✗ Ordinary leakage or breakage.
- ✗ Obsolescence.
- ✗ Damage from vermin, marine growth, barnacles or borers.
- ✗ The cost of repairing or damage caused by mechanical, computer, electronic or electrical breakdown or failure including seizing or overheating of motors, unless these events have been caused by your Boat being run aground, sunk or burnt, or your Boat has come into contact with an external substance other than water.
- ✗ Damage to sails caused by force of wind or damage to masts, spars or rigging which occurs while your Boat is racing. Unless:
 - ✓ The loss or damage was the result of a collision involving your Boat or your Boat being stranded, sinking or catching fire; or
 - ✓ You have taken the optional cover for sails, masts, spars and rigging (see page 24).
- ✗ Loss or damage caused by repairing, servicing or a maintenance operation unless you tell us beforehand in writing and we agree to cover you.

If we agree to cover you, the cover shall only extend to any loss or damage to the Boat which we are satisfied you are not able to recover from the persons responsible for that loss or damage.
- ✗ Bushfire for the first 48 hours after the start of this policy.
 - ✓ But we will cover you if this policy began on the same day:
 - you bought your Boat; or
 - immediately after another policy covering the same risk expired, without a break in cover. The maximum amount of cover is the amount of cover available under the previous policy.

Essential Action

If your Boat gets into difficulties or suffers accidental damage, we will cover you for the reasonable cost of taking essential action to:

- remove your Boat to safety;
- minimise loss or damage; or
- destroy your Boat and remove debris if you are required to do so by a lawful authority, whichever is necessary in the circumstances.

You do not need our prior authority to take such action if it is an emergency and it is not practicable for you to obtain it.

Submerged Motors

If you or any person in control of your Boat become aware that any of its motors have been submerged, we will cover you for the reasonable costs incurred by you in taking action to clean, dry and oil the motor.

Our authority is not needed to take this action.

We will NOT cover you:

- ✘ For these costs or for loss or damage to the motor if you or the person in control of your Boat fail to immediately take all action that is practicable in the circumstances.

3. ADDITIONAL COVER

We will cover your:

✓ **Personal Effects**

If they are lost or damaged as a result of a boating incident giving rise to a claim covered by Section 2.

✓ **Cover for your Replacement Boat**

If you replace your Boat with either a new or second-hand boat, this policy:

- covers the replacement boat from the time you bought it; and
- ceases to cover the replaced boat.

In giving you this cover, we will treat the price you paid for the replacement boat or its market value, if that is less, as its Agreed Value.

Note: We might charge you an extra premium and/or add special conditions to your policy. We may refuse to offer cover for the replacement boat if it does not comply with our underwriting requirements.

✓ **Emergency expenses**

We will pay the reasonable expenses of transporting you and/or your boat to your usual home if you are left stranded by damage to or loss of your boat or boat trailer, up to a limit of \$200.

✓ **Legal Liability**

We will cover you or any person you allow to control your Boat against your legal liability for:

- accidental death or bodily injury to a person;
- damage to property;

caused by the use of your Boat.

The limit of cover in relation to any one incident is \$10,000,000 plus the legal costs of a lawyer, appointed by us, defending such claims or appearing or acting for you in connection with the death, injury or damage (for example, by appearing at an inquest).

But we will NOT cover you:

✗ For more than \$800 for any one incident.

✗ If you don't give us written details of the replacement boat within 14 days of purchase.

✗ If you don't pay us any additional premium that is required.

✗ For damage to property which is owned by or is in the custody or control of a person covered by this part of the policy.

✗ If the person you allow to control your Boat has been declined motor vehicle or boat insurance, had it withdrawn, cancelled or its renewal refused.

✗ For liability arising out of the use of a trailer while it is attached to a motor vehicle.

✗ When your Boat has been entrusted to another person for sale.

✗ If the person against whom the claim is made holds or was required by law to hold compulsory workers' compensation or third party personal injury insurance which would provide cover for the claim in whole or in part.

✗ For liability arising out of any activities involving waterskiing or similar unless you have elected and paid for the optional waterskiing liability cover (see page 24).

4. OPTIONAL COVER

An additional premium may be required and a higher excess may be applied to your policy if you choose one or both of these options.

You may elect to extend your cover to:

✓ SAILS, MASTS, SPARS AND RIGGING

For:

- damage to sails caused by force of wind; and
- damage to masts, spars and rigging.

If you have chosen this optional cover, it will be stated on your Current Schedule.

✓ WATERSKIING LIABILITY

- a) We will cover you or any person you allow to control your Boat against legal liability for:
- accidental death or bodily injury to a waterskier towed by your Boat; or
 - death or bodily injury to or damage to the property of any person caused by a waterskier towed by your Boat.
- b) We will cover a waterskier towed by your Boat against the waterskier's legal liability for:
- accidental death or bodily injury to a person; or
 - damage to property other than your Boat, caused by the waterskier while being towed by your Boat.

The limit of cover in relation to any one incident is \$10,000,000 plus the legal costs of a lawyer, appointed by us, defending such claims or appearing or acting for you in connection with the death, injury or damage (for example, by appearing at an inquest).

If you have chosen this optional cover, it will be stated on your Current Schedule.

But we will NOT cover:

- ✗ 'Off-shore racing', being any racing outside the confines of a harbour, river, bay or inlet.

But we will NOT cover you:

- ✗ If the person you allow to control your Boat has been declined motor vehicle or boat insurance, had it withdrawn, cancelled or its renewal refused.
- ✗ If the person against whom the claim is made holds or was required by law to hold compulsory workers' compensation or third party personal injury insurance which would provide cover for the claim in whole or in part.
- ✗ When your Boat has been entrusted to another person for sale.

1. YOU ARE NOT COVERED FOR:

- (a) Any event, causing loss, damage or liability, which does not occur during the Period of Insurance.
- (b) Loss, damage or liability caused by, arising directly or indirectly from or in any way connected with radioactivity or the use, existence or escape of nuclear fuel, material or waste.
- (c) Loss, damage or liability caused by, arising directly or indirectly from or in any way connected with any war, invasion, acts of foreign enemy or hostilities (whether war has been declared or not). This includes civil war, rebellion, revolution, insurrection, and military or usurped power.
- (d) Loss, damage or liability caused by, arising directly or indirectly from or in any way connected with an intentional act by you or your family or a person acting with the express or implied consent of you or your family.
- (e) Loss, damage or liability caused by, arising directly or indirectly from or in any way connected with the lawful seizure, confiscation, nationalisation or requisition of your Boat.
- (f) Loss, damage or liability which arises outside Australia.
- (g) Loss or damage caused by terrorism, or directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with biological, chemical, radioactive or nuclear pollution or contamination or explosion.
- (h) Liability for injury arising directly or indirectly out of the inhalation of, or fears of the consequences of exposure to, or inhalation of, asbestos fibres or derivatives of asbestos or any loss, cost or expense associated with cleaning up, or removal of, or damage to, or loss of use of, property arising out of any asbestos, asbestos fibres or any derivatives of asbestos.

2. WE MAY REFUSE A CLAIM OR CANCEL YOUR POLICY OR DO BOTH IF:

- | | |
|---|--|
| (a) You are not truthful, accurate and frank in any statement you make in connection with a claim. | |
| (b) You or someone on your behalf modify a structural component of your Boat or modify your Boat so that it becomes less safe or less seaworthy. | ✓ But this won't apply if you have told us about the modification in writing and we have agreed to it and you have paid any additional premium required. |
| (c) You do not keep your Boat in good order and repair or in a proper state of seaworthiness and registered as required by the appropriate authority. | ✓ But this won't apply if you had no reason to be aware of the fact that your Boat was not in good order and repair or that it was unseaworthy. |
| (d) Your Boat is used (or let) for business purposes. | ✓ But this won't apply if you have told us about the business in writing and we have agreed to it and you have paid any additional premium required. |
| (e) You keep or carry liquefied petroleum gas or compressed gas in or on your Boat illegally. | |
| (f) You do not immediately make a report to the police if you suspect that your Boat or something in, on or attached to your Boat has been stolen. | |
| (g) Your Boat was being driven by any person who was not licensed by the appropriate authority to be driving. | |

3. WE MAY REFUSE A CLAIM OR CANCEL YOUR POLICY OR DO BOTH IF, AT THE TIME OF THE INCIDENT WHICH RESULTS IN A CLAIM, YOUR BOAT:

(a) Was in the control of any person who was under the influence of intoxicating liquor or of any drug.

✓ But this won't apply if the person in control of your Boat was not named as the insured on your Current Schedule and you had no reason to suspect that the person in control of the Boat was under the influence.

(b) Was being trailered by a vehicle driven by a person who was not licensed to be driving.

✓ But this won't apply if the driver was not named as the insured on your Current Schedule and you had no reason to suspect that the driver was unlicensed.

(c) Was a power boat being used in a race, trial, test or contest.

(d) Was being let on hire.

(e) Was more than 200 nautical miles from the Australian coastline.

✓ Additional cover outside these limits may be granted upon request and, if approved, we will confirm in writing.
An additional premium and additional excesses may apply if this cover is granted.

1. THE GENERAL INSURANCE CODE OF PRACTICE

We support and adhere to the General Insurance Code of Practice. A copy of the code can be obtained from the Insurance Council of Australia by visiting www.ica.com.au or by phoning (02) 9253 5100.

2. OUR DISPUTE RESOLUTION PROCESS

If you have a complaint about any of our services or products, we want to give you every opportunity to find a satisfactory resolution.

Step 1 Talk to us first

If you have a complaint, please give us every reasonable opportunity to try to resolve your complaint by first discussing it with one of our supervisors or managers.

If you are still not satisfied with our initial response you can contact our Compliance Manager.

Step 2 Contact our Compliance Manager

If, having explored every avenue with our staff and management, you are still unhappy about our response, you may ask for it to be reviewed by our Internal Dispute Resolution (IDR) Panel. This panel is made up of people who have had nothing to do with the previous decision and have not previously been involved with your case. The members of the panel have the skills and authority necessary to review the decision.

To activate this process, ask one of our customer service officers to connect you to our Compliance Manager, who will explain the process to you and assist you in lodging a request to have the matter reviewed. You can also make a request for a review by the IDR Panel by writing a letter to:

The Compliance Manager
RACT Insurance Pty Ltd
GPO Box 1292
Hobart TAS 7001

After the matter has been lodged for review by the IDR Panel, we will write to you within 15 working days informing you of our decision and clearly indicating the reasons for that decision.

If you are still not satisfied with the outcome you can seek an external review of the decision.

Step 3 Seek an external review of the decision

If the internal dispute resolution is not in your favour and you are still unhappy with the decision after reviewing the reasons provided, you can then approach the Insurance Ombudsman Service (IOS) for its advice. The IOS may be contacted at:

Insurance Ombudsman Service
PO Box 561
Collins St West
Melbourne VIC 8007

Phone: 1300 780 808

Fax: (03) 9621 2060

Email: ios@insuranceombudsman.com.au

www.insuranceombudsman.com.au

The IOS will advise you if you are eligible to have our decision reviewed by their Independent Review Panel or by one of their referees. Again, this is without cost to you and the decision of the IOS is binding on us, in accordance with their Terms of Reference.

If, after having exhausted all these avenues through our internal processes and those of the IOS, we have not been able to reach a satisfactory resolution, you still retain your rights under the law.

