

Boat Insurance

Product Disclosure Statement

ract.com.au | 13 27 22



INSURANCE

The issuer of this product is RACT Insurance Pty Ltd ABN 96 068 167 804 AFS Licence No 229076.

The Royal Automobile Club of Tasmania Limited ABN 62 009 475 861 acts as an agent for RACT Insurance Pty Ltd, not as your agent.

RACT Insurance Pty Ltd

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PRODUCT DISCLOSURE STATEMENT

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 limits 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 Agreed Value 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.

If you're about to read this PDS because loss or damage has been caused to your boat and you haven't already called us, please do so now on 13 27 22 or visit our website at www.ract.com.au. That's the very best way of getting the help you need as quickly as possible.

Who is this product for?

The cover described in this PDS has been developed to be consistent with the likely needs, objectives and financial situation of customers described in a Target Market Determination that can be found at www.ract.com.au, or by phoning 13 27 22.

This policy is a consumer insurance contract as defined by the Insurance Contract Act 1984.

Your responsibilities

You must:

- Answer our questions honestly, accurately and to the best of your knowledge. You have a duty to take reasonable care not to make a misrepresentation to us when we ask you questions before we agree to insure you (and before we agree to renew or vary your policy). If you make a misrepresentation to us and it is made fraudulently we may treat the contract as if it never existed;
- take reasonable steps to prevent loss, damage or legal liability;
- provide honest and complete information for any claim, statement or document supplied to us;
- not behave in a way that is threatening or abusive when engaging with us and our service providers; **and**
- comply with the terms and responsibilities set out in your insurance contract.

If you do not meet your responsibilities we may cancel your contract or reduce the amount we will pay you if you make a claim or both.

COOLING OFF PERIOD

You have **21 days** from the commencement of your policy in which you can cancel it. All you need to do is contact us on 13 27 22 or visit your nearest branch. You do not need to give us a reason. Provided you have not made a claim under the policy, we will cancel it and provide you with a full refund of the premium you have paid. You will not be able to make any claim under the policy once you have cancelled it.

OUR AGREEMENT WITH YOU

When we agree to enter into a policy with you, we will provide you with a schedule that sets out the cover you have and what you have told us about you and your boat. Your current schedule, this PDS and any supplementary PDS we may give you make up your agreement with us.

Please read the current schedule to ensure the details it provides are correct – if anything needs changing please call us. Please keep these documents in a safe place.

MORE THAN ONE INSURED

If your current schedule shows more than one named insured, any actions including but not limited to, changes, requests, cancellations, omissions, statements, claims or acts generated by one insured will be treated as having come from all those named as insured on your current schedule.

We may agree to make any requested changes without notice to any other person named as insured on the current schedule.

CHANGES TO YOUR POLICY

You must contact us when:

- your contact details change;
- any information on your current schedule is no longer accurate, such as the insured risk address and sum insured;
- you make any modifications to your boat;
- you start to operate or intend to use your boat for business purposes;
- there are any changes to business activity that we have accepted when insuring your boat;
- you have had another insurer cancel or decline an insurance policy, impose specific conditions on a policy or refuse a claim;

CHANGES TO YOUR POLICY (CONT.)

- you purchase a new boat or sell the boat insured by this policy;
- you intend to let your boat for hire;
- you are convicted of any of the following criminal offences: fraud, theft, burglary, arson, criminal, wilful or malicious damage, drug offences.

When you advise us of any changes, and we agree to make the change to your policy, we will give you written confirmation of our agreement to the changes. We may apply an additional excess, charge additional premium or impose a special condition on your policy. In some cases, we may no longer be able to offer you cover and if this occurs we will cancel your policy. For full details, see [Cancelling your policy on page 7](#).

NOTICES

We will give you any notice in writing. The notice will be effective if it is delivered to you personally or if it is sent to your address last known to us, including when it is sent to your nominated email address.

When we offer to renew your policy, we will send you a renewal notice at least 14 days before your policy expires. If we decide not to offer to renew your policy, we will advise you of this decision at least 14 days before your policy expires.

ABOUT YOUR PREMIUM

How we calculate your premium

When we calculate your premium, we take a number of factors into account, including but not limited to:

- the period of insurance;
- the make, model and year of the insured boat;
- the address where you normally keep the boat;
- the boat's Agreed Value;
- the excess(es) payable by you in the event of a claim;
- your previous insurance and claims history; **and**
- your other RACT Insurance policies if any.

The total premium payable by you also includes any compulsory government charges (including duties and GST). The details are shown 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. The premiums we charge are affected by factors including:

- the cost of claims we have paid;
- the expected cost of future claims;
- any changes in government taxes or charges;
- any effect from a claim you have made; **and**
- our business administration costs.

PAYING YOUR PREMIUM

At our option, you may pay your premium annually or in instalments.

PAYMENT IN FULL

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

PAYMENT BY INSTALMENTS

- At our option, you may pay your premium in instalments by direct debit from either your financial institution or your credit card.
- If you pay by instalments a surcharge on your premium may apply.
- Your responsibilities include:
 - providing us with your account details and an authority to deduct payments; and
 - ensuring that sufficient funds are available in your nominated account to pay each instalment.
- You must tell us if you change any of the account details.
- If the account details you provide are incorrect or there are insufficient funds in your account, any additional fees or administration costs incurred because of the non-payment are payable by you.
- If you are paying by instalments, any unpaid portion of the total premium for the current period of insurance must be paid by you before your total loss claim can be completed. We will notify you if we decide to deduct the outstanding premium from your claims settlement.
- If your instalment payments are in arrears at the time of a claim you will need to pay the outstanding amounts before your claim can be completed. We will notify you if we decide to deduct the outstanding premium from your claims settlement.

PAYMENT BY INSTALMENTS (CONT.)

- At renewal, we continue to deduct instalments until you tell us to cancel or change that arrangement.
- If your premium increases due to a change to your policy, we will adjust your instalment amounts and commence deducting the new amount from your next instalment date. We will confirm any changes to your instalment plan in writing to you. If all of your instalments have been made, a once off payment will be processed.

Payment schedule

- Your first payment will be withdrawn from your nominated account five days from your direct debit arrangement being set up.
- Subsequent payments will be deducted on the nominated date.
- If we are unable to process your payment on the nominated date, we will do so as soon as possible thereafter.
- Where the nominated payment date falls on a non-business day, we will deduct the scheduled payment on the next business day.

Renewal payment by instalments

- If you already have an existing instalment agreement with us and we invite renewal, we will continue to deduct payments from your nominated account when your policy is renewed, **unless** you inform us otherwise.
- If your premium changes at renewal, we will adjust your instalment amounts and commence deducting the new amount.

Changing your arrangement with us

- If you need to change any details of your direct debit arrangement please let us know before:
 - your next scheduled payment; or
 - the due date of the payment to which the changes will apply.

Overdue payments

- If your payment is overdue by:
 - more than 14 days after its due date, we may refuse any claim made for incidents occurring during the period the policy is unpaid;
 - one month, the cover your policy provides will cease **unless** alternative arrangements have been made directly with us.
- If two or more payment requests are not honoured by your financial institution, we may cancel your policy. We will advise you in writing if we are going to cancel your policy.

Overdue payments (cont.)

- If you cancel your payment arrangements, all outstanding amounts will be due and payable within 14 days from the cancellation date. If payment is not made, your policy will be cancelled and we will confirm the cancellation in writing.
- We may employ an external agency to collect payments owed to us.
- We accept payment by instalments at our option. We may not offer this option on future cover if there is a history of not meeting instalment payment obligations.

GOODS AND SERVICES TAX (GST)

Any amounts we may pay under this policy include GST.

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.

When we make a payment to you 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.

CANCELLING YOUR POLICY

You may cancel your policy at any time. We will refund the unused pro-rata portion of the premium.

If you are paying your insurance by instalments, any refund will be credited against your remaining instalments. If no instalments are remaining, or you are cancelling your entire policy, we will refund you the unused pro-rata portion of your premium.

We can cancel your policy in any way permitted by law. If we do so, we will:

- give you prior notice in writing; **and**
- refund any premium you have paid for the period after the date of cancellation.

UPDATING OUR PDS

The information in this PDS was current at the date of preparation. From time to time we may need to update the information contained in this PDS. In some circumstances the terms and conditions of this PDS may be amended by a supplementary PDS or other notice (a notice may be used where changes are not materially adverse).

This current disclosure documents (including updates) are available by contacting us on 13 27 22, visiting your nearest branch or visiting our website at www.ract.com.au.

1. CLAIM ON YOUR POLICY BY CALLING US ON 13 27 22

We understand that having your boat damaged or stolen is a stressful experience – we can answer all your questions and help you with everything that needs to be done.

Call us as soon as possible if your boat has been:

- damaged and/or has caused damage to another person's property;
- stolen – report the theft to the police and us.

You can help us by noting the details of the incident. Other than telling us what happened, the most important details you can help us with are:

- the details of any other boats involved; and
- the names, addresses and phone numbers of other boat operators, the owners of any other property damaged, and any witnesses.

When you make a claim

You or any other person covered by your policy must not make admissions, settle, attempt to settle or defend any claims without our consent. 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.

Before we 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.

If you will be making a GST input tax credit claim, please see [Goods and Services Tax \(GST\) on page 7](#) for further information.

We will tell you if one or more excesses are payable (see [Excesses on page 9](#) for further details).

If you have any questions or require information about your claim (including a transaction confirmation) you can call us on 13 27 22.

2. EXCESSES

An excess is the amount you must contribute towards each claim. The excesses we apply are:

- **Basic Excess** – applies to all claims (Except as detailed below).
- **Additional Excess** – may be applied when some aspects of the boat or operators of the boat to be insured fall outside our normal underwriting guidelines.

The amount and types of excesses that may apply are shown on your current schedule. You may have to pay more than one excess. The relevant excesses are payable for each claim you make on your policy (except in the limited circumstances outlined below under the heading **An excess is payable on all claims except**).

Your excess does not have to be paid at the time of lodging your claim. It will have to be paid before your claim is finalised. We will tell you when your excess is to be paid and how it is to be paid. If you are experiencing financial hardship, please contact us to discuss how we may be able to assist with respect to the payment of excess. This could include the deduction of the amount of the excess from the amount to be paid under the claim, or we can arrange a payment plan for you.

An excess is payable on all claims except:

- incidents which we agree were not your fault; **or**
- malicious damage or theft of your boat;

and you provide us with sufficient information for us to identify the person responsible (for example, name, address, registration number of the boat). If you cannot provide this information, any excesses that apply to your policy must be paid by you.

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 of the Boat Insurance Cover section on [pages 20 and 21](#).

3. CO-OPERATION

Any benefits we give you under the policy depend on 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 the policy must tell us if any part of your claim is also covered by another insurance policy.

You must be truthful, accurate and frank in any statements you make in connection with a claim or your policy.

You or any other person covered by the policy must assist us even if we have already paid a claim, as we may attempt to recover from a third 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 any policy receive any letters, notices or court documents relating to any incident that has or might result in a claim, you must send these to us as soon as reasonably practicable. This is because important time limits often apply to these documents and in particular court documents.

If you fail to fully co-operate with us regarding any part of the claim process, including co-operating with our assessors and investigators or you fail to comply with the terms of your policy we may cancel your policy. We may also refuse to pay your claim (or part of you claim) or be entitled to recover any amounts paid under the claim if your failure caused or contributed to the loss claimed or our ability to seek recovery from another party (our liability in respect of the claim is reduced by the amount that fairly represents the extent to which the failure contributed).

4. ABOUT NO CLAIM BONUSES

Your No Claim Bonus

Your No Claim Bonus is a discount on the premium payable and is shown on your current schedule. For each year you do not claim on your policy, the discount increases until it reaches a set maximum.

Some types of claims do not affect your No Claim Bonus

Your No Claim Bonus will not be affected if:

- you are involved in an accident where we agree the operator of the other boat is at fault, and you provide us with sufficient information for us to identify the person responsible (for example, name, address, registration number of the boat);
- your claim is for malicious damage or theft of your boat and you provide us with sufficient information for us to identify the person responsible (for example, name, address) for the damage to your boat;
- your claim is for windscreen or window glass damage only.

For all other claims your No Claim Bonus will be affected.

DEFINITIONS

These words have special meanings when they are used in this PDS:

| Term | Meaning |
|-----------------------------|---|
| Agreed Value | The amount we agree with you as the most we will pay for each component listed in your current schedule in the event of a claim. The Agreed Value is shown on your current schedule and includes any applicable taxes and charges. |
| Business Use | You use your boat to carry out your business or occupation to derive an income. |
| Communicable Disease | Disease that is spread from one living thing to another (whether directly, indirectly or by means of vectors). |
| Current Schedule | The current schedule we give you for the current period of insurance. |
| Hull | The hull as shown on page 15 . |
| Market Value | The amount we calculate the market would pay for your boat taking into account its age, make, model and condition immediately before the incident resulting in a claim on your policy. Authoritative industry publications may be used to calculate the amount. |
| Period of Insurance | The period for which cover is provided by this policy as shown on your current schedule. |
| Personal Belongings | Personal belongings in your boat at the time of the incident (including tools supplied as standard by the boat manufacturer or similar replacements) but not tools or equipment used in any business, trade or profession, cash, documents, gift vouchers and other negotiable items, mobile phones, portable computers, music systems and similar devices. |
| Policy | Your policy consists of: a) this product disclosure statement; b) your application(s) for insurance; c) our record of your verbal responses; d) your current schedule which sets out the particular details of your policy; and e) any supplementary PDS we may issue. |

| Term | Meaning |
|---------------------------|--|
| Private Use | You use your boat primarily for social, domestic, and pleasure purposes. |
| 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. |
| Total Agreed Value | The amount shown as the aggregate of the Agreed Value(s) listed in your Current Schedule (and includes any applicable taxes and charges). |
| We, Our and Us | RACT Insurance Pty Ltd. |
| You, Your | The Insured(s) noted on your current schedule. If the Insured is a company this means the person who has been authorised by the company to operate the boat. |
| Your Boat | The boat as shown on page 15 . |
| 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. |

BOAT INSURANCE – SUMMARY OF COVER

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 Boat Insurance Cover sections in this PDS. The page numbers for further details are listed below.

| BOAT INSURANCE Standard Cover | | Page |
|--|---|-------------|
| Australia-wide cover | ✓ | 16 |
| Accidental damage | ✓ | 16 |
| Theft | ✓ | 16 |
| Essential action | ✓ | 18 |
| Submerged motors | ✓ | 18 |
| Personal belongings | ✓ | 18 |
| Cover for your replacement boat | ✓ | 19 |
| Emergency expenses | ✓ | 19 |
| Legal liability for property damage | ✓ | 20 |
| Optional Cover | | |
| Waterskiing liability | ✓ | 21 |
| Sails, masts, spars and rigging | ✓ | 23 |

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
- ✓ Radios
- ✓ Depth sounders
- ✓ Emergency Position Indicating Radio 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 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, fire, storm, hail or flood damage
- ✓ THEFT, if your boat is stolen and not recovered or recovered in a damaged condition

We will at our option, either:

- repair the damage to your boat;
- pay you a cash settlement to repair your boat; or
- pay you the Agreed Value of the damaged or stolen component.

If we agree to pay you a cash settlement at your request (and we would otherwise opt to repair) we will pay you what it would cost us to repair the damage to your boat which is covered by your policy.

If we pay you a cash settlement at our option we will pay you what it will reasonably cost you to repair the damage to your boat which is covered by your policy.

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 23](#)).

Continued over the page.

2. WHAT YOUR BOAT IS COVERED FOR (continued)

Your boat is covered Australia-wide for:

But your boat is **NOT** covered for:

- x** Loss or damage caused by repairing, servicing or a maintenance operation unless you tell us beforehand 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.

- x** 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.

3. ADDITIONAL COVER

If we accept a claim, we will also provide the following additional cover, where applicable. These additional covers are paid in addition to the Total Agreed Value.

| We will cover your: | But we will NOT cover you: |
|---|--|
| <p>✓ Personal Belongings</p> <p>If they are lost or damaged as a result of a boating incident giving rise to a claim covered by Section 2.</p> | <p>✗ For more than \$800 for any one incident.</p> |
| <p>✓ Essential Action</p> <p>If your boat gets into difficulties or suffers accidental damage, we will cover you for the cost of taking reasonable and essential action to:</p> <ul style="list-style-type: none">• 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. <p>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, but in all other circumstances our prior authority must be obtained.</p> | <p>✗ For more than an amount equal to the Total Agreed Value (noting this cover is paid in addition to the Total Agreed Value)</p> |
| <p>✓ Submerged Motors</p> <p>Where the motors have been submerged, we will cover the reasonable costs incurred by you in taking action to clean, dry and oil the motor.</p> <p>Our authority is not needed to take this action.</p> | <p>✗ 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.</p> |

3. ADDITIONAL COVER (continued)

We will cover your:

- ✓ **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.
- ✓ **Cover for your Replacement Boat**
When you replace your boat, this policy (and any conditions set out on your current schedule) will cover the replacement boat from the time you buy it provided the replacement boat is a similar type as your current boat.

Cover for your current boat ends at the time you buy the replacement boat. You must advise us of details of the replacement boat within 14 days of buying it and we may charge you an extra premium and/or add special conditions to your policy. We may refuse to offer cover beyond the 14 days for the replacement boat if it does not comply with our underwriting requirements.

But we will NOT cover you:

- ✗ For more than \$200 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.

3. ADDITIONAL COVER (continued)

We will cover your:

✓ **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 maximum we will pay is \$10,000,000 for all losses, claims and liabilities arising out of the one occurrence in the period of insurance.

This amount includes the legal costs of defending any claims against you and any costs awarded against you, provided we appoint the lawyers.

Note: In this Legal liability section, 'occurrence' means an event, including continuous or repeated exposure to substantially the same general conditions, and all events of a series, consequent on, or attributable to, one source or original cause or a related source or cause, and which causes accidental death or bodily injury to a person or damage to property.

Continued over the page.

But we will NOT cover you:

- ✗ 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 you are aware that the person you allow to control your boat has been declined motor vehicle or boat insurance, had it withdrawn, cancelled or its renewal refused or was not licensed to operate the boat.
- ✗ 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 (an optional cover is available where you elect and pay for that separate cover (see [page 21](#))).

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:

- ✓ **WATERSKIING LIABILITY**
 - a) We will cover you or any person you allow to operate 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.

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

Continued over the page.

But we will NOT cover you:

- ✗ If you were aware (or ought reasonably have been aware) that the person you allow to operate your boat has been declined motor vehicle or boat insurance, had it withdrawn, cancelled or its renewal refused or was not licensed to operate the boat.
- ✗ 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.

4. OPTIONAL COVER (continued)

You may elect to extend your cover to:

✓ **WATERSKIING LIABILITY (continued)**

The maximum we will pay is \$10,000,000 for all losses, claims and liabilities arising out of the one occurrence in the period of insurance.

This amount includes the legal costs of defending any claims against you and any costs awarded against you, provided we appoint the lawyers.

Note: In this waterskiing liability section, 'occurrence' means an event, including continuous or repeated exposure to substantially the same general conditions, and all events of a series, consequent on, or attributable to, one source or original cause or a related source or cause, and which causes 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.

But we will NOT cover you:

4. OPTIONAL COVER (continued)

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.

But we will NOT cover:

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

BOAT INSURANCE – WHAT IS NOT COVERED UNDER THE BOAT INSURANCE POLICY

1. YOUR POLICY DOES NOT COVER:

- (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.
- (i) Any actual or threatened biological, bacterial, viral, germ, communicable disease, chemical or poisonous substance, pollutant or contaminant;
- (j) Cyber acts – meaning an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax there of involving access to, processing of, use of or operation of any Computer System.
- (k) Cyber incidents – meaning any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System

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.

(c) You do not keep your boat in good order and repair (including free from rust, mechanical, or unrepaired damage, or any other damage that would make it unsafe); or in a proper state of seaworthiness and registered as required by the appropriate authority.

(d) Your boat is used (or let) for business purposes.

(e) You keep or carry liquefied petroleum gas or compressed gas in or on your boat illegally.

(f) You do not make a report to the police if you suspect that your boat or something in, on or attached to your boat has been stolen.

✓ But this won't apply if you have told us about the modification and we have agreed to it and you have paid any additional premium required.

✓ 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.

✓ 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.

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

- (g) Your boat was being operated by any person who was not appropriately licensed to be operating the boat **unless** we agree you had no reason to suspect the operator was unlicensed.

Where any of the acts referred to in this part of the policy could reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is otherwise provided by this policy, we may refuse to pay some or all of the claim. Alternatively, if our interests have been prejudiced as a result of that act, then we can reduce the amount that we pay under the policy by an amount that fairly represents the extent to which our interests have been prejudiced.

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. |

Where any of the acts referred to in this part of the policy could reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is otherwise provided by this policy, we may refuse to pay some or all of the claim. Alternatively, if our interests have been prejudiced as a result of that act, then we can reduce the amount that we pay under the policy by an amount that fairly represents the extent to which our interests have been prejudiced.

FURTHER IMPORTANT INFORMATION

THE GENERAL INSURANCE CODE OF PRACTICE

RACT Insurance subscribes to the General Insurance Code of Practice. A copy of the code can be obtained from www.codeofpractice.com.au. Alternatively you can contact the Insurance Council of Australia by visiting www.insurancecouncil.com.au or by phone on 1300 728 228.

HOW WE RESOLVE COMPLAINTS

We handle all complaints in accordance with our Complaints Handling Guide which is available on our website (www.ract.com.au) or request a copy by contacting us on:

Phone: 13 27 22 or 1800 005 677

Email: claimskomplaints@ract.com.au (for complaints related to claims) or policykomplaints@ract.com.au (for complaints relating to sales or other matters)

Mail: to the following postage-paid address:

RACT Insurance

Reply Paid 1292

HOBART TAS 7001

If you need to escalate the issue to an independent third party you can contact the Australian Financial Complaints Authority (AFCA) (AFCA is an independent external dispute scheme and their service is free to you), or for privacy related matters, complaints can also be lodged with the Office of the Australian Information Commissioner (OAIC). Contact details for both are provided below:

AFCA

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: Write to the following address:

Australian Financial Complaints Authority

GPO Box 3, Melbourne VIC 3001

OAIC

Online: www.oaic.gov.au

Email: enquiries@oaic.gov.au

Phone: 1300 363 992

Mail: Write to the following address:

Director of Compliance

Office of the Australian Information Commissioner

GPO Box 5218, Sydney NSW 2001

FINANCIAL CLAIMS SCHEME

This policy may be a 'protected policy' under the Federal Government's Financial Claims Scheme (FCS), which is administered by the Australian Prudential Regulation Authority (APRA).

The FCS only applies in the extremely unlikely event of an insurer becoming insolvent and the Federal Treasurer making a declaration that the FCS will apply to that insurer.

The FCS entitles certain persons, who have valid claims connected with certain protected policies issued by that insurer, to be paid certain amounts by APRA.

Information about the FCS can be obtained from www.fcs.gov.au.

PRIVACY OF PERSONAL INFORMATION

The privacy of your personal information is important to us. We collect your personal information to ensure that we are able to provide you with the relevant products and services.

We are subject to the Privacy Act 1988. For further details, please refer to our Privacy Policy at www.ract.com.au or ask us for a copy. Our Group Privacy Statement, also on our website, includes information about how we collect, use and disclose your personal information.

RACT branches

Burnie
Devonport
Glenorchy
Hobart
Kingston
Launceston
Rosny Park

RACT Insurance Pty Ltd
ABN 96 068 167 804
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