Boat Insurance Policy

Product Disclosure Statement

It pays to belong

RTBI2 03/17

Your duty of disclosure

You have a duty of disclosure under the Insurance Contracts Act 1984.

What you must tell us before you enter into or vary this insurance contract

Before you enter into or vary an insurance contract, you have a duty of disclosure under the Insurance Contracts Act 1984. If we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

You have this duty until we agree to insure you.

What you must tell us before you renew this insurance contract

Before you renew this contract of insurance, you have a duty of disclosure under the Insurance Contracts Act 1984. When you renew your policy we may give you a copy of information you have previously told us.

If we provide you with a copy of your information, you must contact us if there has been a change. If there have not been any changes, you must tell us. If you do not contact us, you will be taken to have told us there is no change.

Also, if we ask you questions that are relevant to our decision to insure you and on what terms, you must tell us anything that you know and that a reasonable person in the circumstances would include in answering the questions.

You have this duty until we agree to renew the contract of insurance.

Who needs to tell us and why

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. We will use the answers in deciding whether to insure you and anyone else to be insured under the policy, and on what terms.

If you do not tell us something

If you do not tell us anything you are required to tell us, we may cancel your contract or reduce the amount we will pay you if you make a claim, or both. If your failure to tell us is fraudulent, we may refuse to pay a claim and treat the contract as if it never existed.

If you do not understand

If you do not understand your duty of disclosure, please contact us on 13 1905.

Cooling off period

When you take out a new policy or renew a current policy with us, we give you a cooling off period of 21 days. The cooling off period starts from:

- the date and time we issue a new policy to you, or
- midnight on your renewal date.

What you need to do

If you want to cancel your policy during the cooling off period, you must tell us you want to do that.

If you cancel your policy during the cooling off period, we refund your premium in full (as long as you haven't made a claim).

Who issues your policy?

RACQ Insurance Limited issues your insurance policy and is responsible for the obligations set out in this Product Disclosure Statement and any Supplementary Product Disclosure Statement.

Our Privacy Statement

To obtain a copy of the RACQ Group Privacy Statement visit our website at racq.com/insurance or racq.com/privacy. You can also call us on 13 1905 or email us on privacy@racq.com.au to request a copy.

Welcome

Welcome to RACQ Insurance and thank you for insuring with us.

We are delighted to have you as a member. We'll do whatever we can to help you with your insurance needs – especially when something happens and you need to make a claim.

We are one of the largest providers of general insurance in Queensland. You have access to our network of stores and agents throughout Queensland and a call centre that you can reach 24 hours, every day.

This Product Disclosure Statement, your Certificate of Insurance and any Supplementary Product Disclosure Statement are very important documents and you should read them carefully. If you don't understand anything in them, you should consider getting advice or call us so we can explain them to you.

We're here to help

If you have any questions about our products or services or need help to make a claim, you can:

- Call us 7 days a week:

  Policy enquiries **13 1905**

  Claims lodgement and enquiries **13 7202**

- Visit any RACQ store during business hours
- Visit us at www.racq.com/insurance

You, your, we, our and us

In this Product Disclosure Statement:

You or **your** refers to the policyholders shown on the Certificate of Insurance.

We, our or **us** refers to RACQ Insurance Limited, ABN 50 009 704 152, AFS Licence Number 233082.

Inside

Snapshot

This is a guide to the key features of the Boat Comprehensive Insurance and Boat Third Party Liability Insurance policies we offer. Please read this Product Disclosure Statement, your Certificate of Insurance and any Supplementary Product Disclosure Statements for full details.

Your policy

pages 8-12

Type of policies:

- Boat Comprehensive Insurance.
- Boat Third Party Liability Insurance.

Documents that make up your policy include:

- Certificate of Insurance.
- Product Disclosure Statement.
- Any Supplementary Product Disclosure Statement we may issue.

Type of cover you may have

page 8

Depending on the policy you choose, we provide some or all of the cover shown below. For more details, see Table 1.1 on page 8:

1. Your boat cover.
2. Extra benefits.
3. Optional benefits.
4. Third party liability cover.

What we exclude

Specific exclusions

- Specific exclusions apply to certain parts of your cover. These are shown in the section that sets out the cover that applies to the policy you have chosen.

General exclusions

- The general things we exclude under your policy are known as general exclusions and are shown on pages 32-34.
- They apply to all parts of your cover.

What is your boat?

page 57

The boat that is shown on your Certificate of Insurance.
As part of the boat we also cover:

- ✔ Hull, decks, cabins and all permanently fixed deck and cabin hardware.
- ✔ The motor shown on your Certificate of Insurance.
- ✔ The trailer shown on your Certificate of Insurance.
- ✔ Other equipment shown on your Certificate of Insurance which is on your boat but not permanently attached to the hull.
- ✔ Built in safety equipment like global positioning systems, two way radios and depth sounders.
- ✔ Masts, spars and rigging.
- ✔ Sails.

What we pay

pages 36-41

What we pay for your claim is based on the following:

- The type of policy you have and whether your policy covers the loss or damage that resulted from an incident or any legal liability directly caused by an incident.
- Whether any extra benefits or optional benefits apply.
- Any sum insured that applies as shown on your Certificate of Insurance. For more information on your sum insured, see page 10.
- Whether any excess applies to your claim and how much your excess is.
- Any adjustments we make based on your GST Input Tax Credit (ITC) entitlements.
- Other limits or exclusions that apply to your cover.

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1. Policy summary

Your policy

Type of policy you may choose

We offer 2 types of policies. Your Certificate of Insurance shows the type of policy you've chosen.

Table 1.1 summarises the cover we give you under the policy you choose. For full details about your cover, read the sections that apply to your policy.

TABLE 1.1: Summary of cover under your policy

Type of cover	*Boat Comprehensive* Pages 14-26	*Boat Third Party Liability* Pages 28-30
Your boat cover		
We cover loss or damage to your boat caused by an incident that happens during the period of insurance.	✔	✘
Extra benefits		
Benefits we include as part of your cover.	✔	✘
Optional benefits		
Benefits you can add to increase your cover (you need to pay more for those benefits).	✔	✘
Third party liability cover		
Your legal liability to pay compensation to someone for loss or damage to their property or for death or bodily injury which results from certain incidents during the period of insurance directly caused by the use of your boat.	✔	✔

What is an incident?

An **incident** is an event which you didn't intend or expect.

Your boat

The boat that is shown on your Certificate of Insurance. As part of the boat we also cover:

- ✔ The hull, decks, cabins and all permanently fixed deck and cabin hardware.
- ✔ The motor shown on your Certificate of Insurance.
- ✔ The trailer shown on your Certificate of Insurance.
- ✔ Other equipment shown on your Certificate of Insurance which is on your boat but not permanently attached to the hull.
- ✔ Built in safety equipment like global positioning systems, two way radios and depth sounders.
- ✔ Masts, spars and rigging.
- ✔ Sails.

What is other equipment?

Your **other equipment** are items that are shown on your Certificate of Insurance which are on your boat but not permanently attached to the hull.

They include:

- anchors, oars and paddles
- detachable boat canopies
- fish finders, marine radios, transceivers
- fire extinguishers
- life jackets
- mandatory life saving equipment
- portable safety equipment including emergency position indicating radio beacon (EPIRB)
- tools supplied by your boat's manufacturer.

What we exclude

Make sure you read what we exclude carefully so you know what your policy doesn't cover you for. Our aim is to clearly show you what we do and don't cover so there are no surprises when you need to make a claim.

Specific exclusions

Specific exclusions apply to certain parts of your cover and are shown as crosses (✘) in the section that sets out the cover that applies to your policy.

General exclusions

The general things we exclude under your policy are known as general exclusions and are shown on pages 32-34. They apply to all parts of your cover.

What we pay

What we pay for your claim is based on the following:

- whether your policy covers the loss or damage that resulted from the incident or any legal liability directly caused by that incident
- whether any extra benefits or optional benefits apply
- any sum insured that applies as shown on your Certificate of Insurance
- whether any excess applies to your claim and how much your excess is – for more details about the types of excess that may apply and when they apply, see page 41
- any adjustments we make based on your GST Input Tax Credit (ITC) entitlements – see pages 38-39, and
- other limits or exclusions that apply to your cover.

See pages 36-41 for more details about what we pay including how we settle your claim.

Your sum insured

The sum insured for your boat is the lower of the $ amount selected by you for the hull, motor, sails, trailer and other equipment as shown on your Certificate of Insurance or their market values.

It's important for you to choose a $ amount that is enough to cover the replacement of your hull, motor, sails, trailer and other equipment if it were completely destroyed by an incident – for example a fire. You can ask us to change the $ amount at any time. It's your responsibility to regularly review the $ amount to make sure it provides the right amount of cover for your boat.

> ***What is market value?***
>
> The **market value** of the hull, motor, sails, trailer and other equipment is determined at the time of the incident by checking against values in your local market and taking into account their age and condition.

Limit under third party liability cover

For your legal liability which results from the use of your boat, we pay up to $10 million less any relevant excess.

This amount includes any compensation amounts and your legal costs. Please note that we only pay your legal costs if you get our written approval before you incur them.

Other limits

Other limits apply under any extra benefits, optional benefits and third party liability cover.

The limits are shown where we describe the cover that applies to your policy.

Policy conditions

Contract between you and us

Your insurance policy is a legal contract between you and us. We agree to give you the insurance set out in your policy for the premium you pay us.

More than one policyholder

If more than one person is named as the policyholder on your Certificate of Insurance, then each person is responsible for:

- the completeness and accuracy of information in any application forms, statements, claims or documents that are provided by any one of the policyholders to us,
- complying with the conditions of your policy.

> ***Words used in this document***
>
> To help you understand some of the words we use in this Product Disclosure Statement, see the definitions on pages 57-59.

Authorisation

If more than one person is named as a policyholder on your Certificate of Insurance, then any one policyholder will be taken to be authorised by all policyholders to transact on the policy (including to change or cancel your policy).

Your premium

Your premium is the amount you pay for the cover we give you under your policy. Your Certificate of Insurance shows your premium amount and whether you are paying annually in advance or by monthly instalments if you choose the Pay by the Month option.

If you're registered or required to be registered for GST

If you're registered for the Goods and Services Tax (GST) or are required to be registered for GST, then before you lodge your claim you must tell us your Australian Business Number (ABN) and the percentage of Input Tax Credits (ITCs) you are entitled to claim on your premium for the period of insurance during which the incident happened. If you don't tell us the correct percentage of ITCs, you may have to pay GST and interest or penalties under GST law. If you aren't sure what your GST obligations are, or if you're a member of a GST Group, you should talk to your tax advisor.

Amounts shown

All policy limits and amounts shown in this Product Disclosure Statement include any government statutory charges, levies, duties, GST and other taxes that may apply.

In some parts of this Product Disclosure Statement, we give examples to explain how your policy works. In those examples, the $ amounts we show include any government statutory charges, levies, duties and GST. If we pay a claim similar to one of our examples, then we will reduce the actual amount we pay for that claim by the amount of any ITCs that the policyholder is entitled to claim – see page 39.

When your policy starts

When you pay the annual premium or first monthly instalment, then your policy starts on the time and date shown on your Certificate of Insurance.

If you renew your current policy, then your policy for the new period of insurance starts at midnight on the day the previous period of insurance ends.

General conditions

General conditions apply to your policy – see pages 50-52 for more details. It's important for you to know about those conditions. If you don't comply with any condition or term of your policy, it may affect whether we pay your claim, or, if we decide to pay your claim, how much we pay for your claim.

Documents that make up your policy

Your policy includes the following 3 key documents. Those documents show the conditions that apply to your policy. Please read the documents carefully and keep them in a safe place.

Certificate of Insurance

Your Certificate of Insurance shows the type of policy you have with us and also shows these specific details that apply to your policy:

- policyholders
- policy number
- your boat details, including the hull, motor and trailer
- any other equipment
- your boat location and security details
- listed drivers
- period of insurance
- sum insured

- any optional benefits you've chosen
- any financier that has a security interest in your boat
- some limits and special conditions that apply to your policy
- the excesses that apply to your policy, and
- the premium for your policy.

We give you a Certificate of Insurance when you take out a new policy, renew a current policy or make a change to your policy. When you receive your Certificate of Insurance, you should check the details to make sure they are correct.

Product Disclosure Statement

This Product Disclosure Statement sets out the conditions that apply to your policy including what we do and don't cover, the exclusions that apply under your policy and what we pay when you make a claim.

We give you a Product Disclosure Statement with your Certificate of Insurance when you take out a new policy with us. You can download a current copy of our Product Disclosure Statement from www.racq.com/insurance

Supplementary Product Disclosure Statement

If we need to make a change to the Product Disclosure Statement conditions, we may issue a Supplementary Product Disclosure Statement which sets out the change.

If we issue a Supplementary Product Disclosure Statement, we will give you a copy.

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2. Boat Comprehensive Insurance

Under your Boat Comprehensive Insurance policy, we provide cover for loss or damage to your boat caused by certain incidents and $10 million of third party liability cover.

For us to cover you, the incident must happen during the period of insurance.

We describe what we cover under your policy on pages 16-26. On those pages, we show:

Yes	✔	What we cover.
No	✘	What we don't cover – that is, the exclusions that apply to the cover. We don't cover you under your policy for anything caused by or arising in connection with any of these items, incidents or circumstances.
Limits	$	Any limits that apply.

Summary of your cover

Table 2.1 provides a brief summary of the cover we give you if you have chosen Boat Comprehensive Insurance. For full details about that cover and the exclusions and limits that apply, see the relevant pages shown in the last column.

TABLE 2.1: Summary of cover under Boat Comprehensive Insurance

Your boat cover		Page
Loss or damage to your boat	We cover loss or damage to your boat caused by an incident that happens during the period of insurance.	16
Extra benefits		**Page**
Changing your boat	If you sell your boat, we cover your replacement boat.	18
Contents	We pay for loss or damage to your contents in your boat that is caused by an incident during the period of insurance.	19
Fatality benefit	We pay a fatality benefit if you die in certain situations.	19
Inspecting your hull	We pay for someone to inspect your hull if your boat is stranded.	19
Minimising damage	We pay the costs to minimise damage to your boat or prevent damage to other property after an incident.	20
New boat replacement	We replace your boat with a new one in certain situations.	20
Personal property	We pay for loss or damage to personal property that belongs to you and is in your boat when an incident happens.	21
Safety equipment	We pay the cost to replace or recharge your safety equipment after an incident happens.	21
Temporary accommodation	We may pay certain short term accommodation costs and travel costs after an incident that involves your boat.	22
Towing costs	We pay the reasonable costs to tow or move your boat after an incident.	22
Transportation cover	We cover your boat while it is being towed or transported within Australia.	22
Optional benefits		**Page**
Racing	If you choose this benefit, we cover your yacht or sailing boat when you are racing it in certain situations.	23
Water skiing	If you choose this benefit, we cover your legal liability for an incident that involves water skiing.	23
Third party liability cover		**Page**
Third party liability	We cover your legal liability to pay compensation to someone for loss or damage to their property or for death or bodily injury which results from an incident that happens during the period of insurance directly caused by the use of your boat.	25

Your boat cover

Under your Boat Comprehensive Insurance policy, we cover your boat for loss or damage caused by an incident that happens during the period of insurance. For example:

- your boat crashes into another boat
- your boat catches fire, or
- someone steals your boat.

Loss or damage to your boat

Yes

✔ Loss or damage to your boat that is caused by an incident that happens during the period of insurance.

No

✘ If someone steals your boat when it's on land and is left unattended, and you haven't taken reasonable steps to secure it.

✘ Loss or damage to sails if they are split by wind or blown away when set (but we do cover your sails if your boat has been stranded or has collided with another object).

✘ Loss or damage to paintwork that does not match the manufacturers specifications.

✘ Loss or damage to the tyres on your trailer caused by:
- applying the brakes, or
- bursting, cuts or punctures.

✘ Loss or damage to sails, masts, spars and rigging if:
- your boat is a yacht or sailing boat, and
- you are racing your boat.

But we do cover you if you have the optional benefit 'Racing' – see page 23.

✘ Loss or damage to motors, electrical machinery, batteries or equipment. But we do cover those items if the loss or damage results from:
- heavy weather which causes your boat to be submerged
- your boat sinking, getting stranded or burnt
- your boat colliding with something, or
- someone stealing the items with signs of forced entry or forcibly removing them from your boat.

✘ The cost to fix a defect or design or construction fault to any part of your boat.

✘ Any unrepaired damage to your boat which exists before an incident happens.

✘ Loss or damage caused by:
- wear and tear, electrolysis, osmosis, rusting or other types of corrosion, or
- insects or vermin.

- ✘ Any loss or damage to your boat that happened before you took out your policy with us.
- ✘ Any reduction in your boat's value after it has been repaired.
- ✘ Any indirect loss resulting from loss or damage to your boat including:
  - financial loss or damage (e.g. you can't use your boat), or
  - any inconvenience or other non-financial loss of any kind (e.g. loss of enjoyment from not being able to use your boat).

  However, this exclusion does not stop you from making a claim for any extra benefit or optional benefit you may be entitled to – see pages 18-24.
- ✘ The general exclusions shown on pages 32-34.

Limits $ Up to the sum insured shown on your Certificate of Insurance – see page 10.

Exclusions

The specific exclusions that apply to your cover for loss or damage to your boat are shown above as crosses (✘). The general exclusions that apply to all parts of your cover are shown on pages 32-34.

We don't cover you for anything caused by or arising in connection with any of these items, incidents or circumstances.

Extra benefits

We provide a range of extra benefits as part of your Boat Comprehensive Insurance policy. You don't need to pay more for those extra benefits – we include them as part of your cover.

Making a claim for an extra benefit

You can only claim for certain extra benefits if we accept your claim for an incident that causes loss or damage to your boat. For example, if we agree to pay you the sum insured for your boat after a theft, then under the extra benefit 'Contents' we also pay up to $500 for loss or damage to your contents that were in your boat when the theft happened.

You can claim for other extra benefits even when there is no loss or damage to your boat. For example, you can make a claim under the extra benefit 'Hull inspection' on its own.

We pay for extra benefits on top of any sum insured that applies to your claim.

Changing your boat

If you sell your boat, we cover your replacement boat.

You can only make a claim for this extra benefit if we accept your claim for an incident that involves your replacement boat.

Yes	✔	If you sell your boat and replace it with a similar boat during the period of insurance, then we cover the replacement boat for 14 days from when you buy it as long as you: • tell us within 14 days from when you buy it, and • pay any extra premium that applies.
No	✘	The general exclusions shown on pages 32-34.
Limits	$	Up to the sum insured of your boat or the purchase price of the new boat, whichever is the lesser.

Contents

We pay for loss or damage to your contents in your boat that is caused by an incident during the period of insurance.

You can only make a claim for this extra benefit if we accept your claim for an incident that involves your boat.

> **! *What are your contents?***
>
> Your contents are:
> - bedding and manchester
> - household portable kitchen appliances
> - unfixed furniture and furnishings
> - utensils, crockery and cooking equipment
> - waterproof gear.

Yes	✔	Loss or damage to your contents that are in your boat caused by an incident during the period of insurance.
No	✘	Loss or damage to your contents caused by wear, tear, corrosion, rust or deterioration.
	✘	Anything we cover under the extra benefit 'Personal property' – see page 21.
	✘	The general exclusions shown on pages 32-34.
Limits	$	Up to $500.

Fatality benefit

We pay a fatality benefit if you die in certain situations.

You can only make a claim for this extra benefit if we accept your claim for an incident that involves your boat.

Yes	✔	We pay a fatality benefit if you are involved in an incident with your boat and die: • solely and directly as the result of an injury you suffer in an incident, and • within 90 days from when the incident happened.
No	✘	The general exclusions shown on pages 32-34.
Limits	$	$5,000. We only pay one fatality benefit during a period of insurance.

Inspecting your hull

We pay for someone to inspect your hull if your boat is stranded.

Yes	✔	If your boat is stranded, we pay the cost for someone to inspect your hull as long as we approve it first.
No	✘	The general exclusions shown on pages 32-34.
Limits	$	None.

Minimising damage

We pay the costs to minimise damage to your boat or prevent damage to other property after an incident.

Yes ✔ If an incident happens to your boat, we pay the cost to:

- minimise damage to your boat, and
- remove or destroy the wreck to prevent any damage it may cause to other property.

You must get our written consent before you authorise any repairs.

No ✘ The general exclusions shown on pages 32-34.

Limits $ None.

New boat replacement

We replace your boat that is less than 2 years old with a new one in certain situations. If we do that, then the new boat replaces your boat on your policy. Also, your policy continues and you don't need to pay any extra premium for the change.

You can only make a claim for this extra benefit if we accept your claim for an incident that involves your boat.

Yes ✔ If your boat is involved in an incident where we decide that it is a total loss, then if a new boat of the same make, model and with the same other equipment shown on your Certificate of Insurance is:

- readily available in Australia, we give you a new boat, or
- not readily available in Australia, we pay you the amount you originally paid for your boat including any other equipment shown on your Certificate of Insurance. This amount excludes any extended warranties less any adjustments we make based on your GST ITC entitlements and any relevant excess.

No

✘ Your boat had unrepaired damaged that caused the incident to happen.

✘ An incident happens 2 or more years from your boat's original registration date or its purchase date (whichever comes first).

✘ Your boat is not new at the time you bought it.

✘ A financier with a security interest in your boat doesn't give us their written agreement to replace your boat.

✘ The general exclusions shown on pages 32-34.

Limits $ If a new boat is not readily available, then we pay the amount you originally paid for your boat including any other equipment shown on your Certificate of Insurance. This amount excludes any extended warranties less any adjustments we make based on your GST ITC entitlements and any relevant excess.

Personal property

We pay for loss or damage to personal property that belongs to you and is in your boat when an incident happens.

You can only make a claim for this extra benefit if we accept your claim for an incident that involves your boat.

Yes ✔ Loss or damage to your personal property that is in your boat when an incident happens during the period of insurance.

No ✘ Loss or damage to personal property that is lost overboard.

✘ Loss or damage to:

- computer hardware and software
- jewellery and watches
- mobile phones and their accessories
- property used for business or trade
- sporting and fishing equipment while it is being used.

✘ Anything we cover under the extra benefit 'Contents' – see page 19.

✘ The general exclusions shown on pages 32-34.

Limits $ Up to $500.

What is your personal property?

Your personal property is:

- clothing and accessories
- portable electronic equipment (except for mobile phones and their accessories)
- shoes
- sporting and fishing equipment.

Safety equipment

We pay the cost to replace or recharge your safety equipment after an incident happens.

Yes ✔ If an incident happens and you need to use your safety equipment, we will reimburse the cost to:

- recharge fire extinguishers
- replace distress flares.

No ✘ The general exclusions shown on pages 32-34.

Limits $ Up to $500.

Increase the cover for your safety equipment

We automatically cover you to replace or recharge some of your safety equipment for up to $500. However, you can cover other safety equipment by listing specific items (e.g EPIRBs, inflatable life jackets) and their values on your Certificate of Insurance.

Temporary accommodation

We may pay certain short term accommodation and travel costs after an incident that involves your boat.

You can only make a claim for this extra benefit if we accept your claim for an incident that involves your boat.

Yes	✔	Your reasonable travel and accommodation costs if you: • can't use your boat or trailer as the result of an incident, and • are more than 100km away from home.
No	✘	The general exclusions shown on pages 32-34.
Limits	$	Up to $500.

Towing costs

We pay the reasonable costs to tow or move your boat after an incident.

Yes	✔	If your boat can't be driven or sailed after an incident, we pay the reasonable costs to tow or move your boat from where the incident happened or from where your boat was recovered to the closest repairer or safe place.
No	✘	Any costs you incur before we authorise them.
	✘	The general exclusions shown on pages 32-34.
Limits	$	None.

Transportation cover

We cover your boat while it is being towed or transported between places within Australia.

Yes	✔	Loss or damage to your boat if an incident happens while your boat is being towed or transported between places within Australia.
No	✘	Any other insurance policy covers your boat for that loss or damage.
	✘	The general exclusions shown on pages 32-34.
Limits	$	Up to your sum insured.

Exclusions

The specific exclusions that apply for each extra benefit are shown above as (✘).
The general exclusions that apply to all parts of your cover are shown on pages 32-34.

We don't cover you for anything caused by or arising in connection with any of these items, incidents or circumstances.

Optional benefits

You may be able to add an optional benefit to your Boat Comprehensive Insurance policy to increase what we cover under your policy.

We show any optional benefits you've chosen on your Certificate of Insurance.

Additional premium

You need to pay an additional premium for any optional benefit you select.

Racing

If you choose this benefit, we cover the sails, masts, spars and rigging on your yacht or sailing boat when you are racing it in certain situations.

Yes ✔ Loss or damage to your yacht or sailing boat's sails, masts, spars, standing and running rigging if it's being used in:

- blue water racing that's taking place up to 20 nautical miles off the Australian or Tasmanian mainland, or
- a race that has a distance of up to 100 nautical miles.

No ✘ The general exclusions shown on pages 32-34.

Limits $ Up to your sum insured to repair or replace the sails, masts, spars and rigging.

Water skiing

If you choose this benefit, we cover legal liability for water skiing. That is, when someone is being towed behind your boat on water skis, a surfboard, a boogie board, an aqua tube, a wakeboard or any other similar flotation device.

Yes ✔ Your or anyone else's legal liability to pay compensation for an incident that involves water skiing that happens while you or they:

- are in charge of or in control of your boat, or
- are being towed by your boat.

No ✘ If you don't have a competent observer on board the boat watching at all times while someone is water skiing.

✘ Legal liability to pay compensation for injury or death of the people named on your Certificate of Insurance.

✘ Legal liability to pay compensation for incidents which result from barefoot skiing or using a ski ramp, parasail or other aerial device.

✘ The general exclusions shown on pages 32-34.

Limits $ Up to $10 million for each incident (less any relevant excess) to include:

- compensation amounts, and
- your legal costs (as long as you get our written approval before you incur them).

Exclusions

The specific exclusions that apply to each optional benefit are shown above as crosses (✘). The general exclusions that apply to all parts of your cover are shown on pages 32-34.

We don't cover you for anything caused by or arising in connection with any of these items, incidents or circumstances.

Third party liability cover

Under your Boat Comprehensive Insurance policy, we also provide cover for your legal liability which results from an incident during the period of insurance directly caused by the use of your boat.

Third party liability cover is insurance against your legal liability to pay compensation for causing loss or damage to someone else's property or for causing death or bodily injury. It covers you if someone makes a claim against you or sues you.

In this section, we set out the third party liability cover that we provide when you have a Boat Comprehensive Insurance policy.

Third party liability

Yes

✔ Your legal liability to pay compensation to someone for loss or damage to their property or for death or bodily injury which results from an incident that happens during the period of insurance directly caused by the use of your boat.

✔ If your boat is a yacht or sailing boat, we also cover your legal liability which results from an incident directly caused by racing your yacht or sailing boat.

✔ The same third party liability cover that we give you under this policy we also give to any person that is in charge or control of your boat with your permission. However, to be covered they must comply with all of the terms of your policy, as if they were the policyholder.

No

✘ Loss or damage to property that:

- you own or that is in your custody or control (or that of anyone covered by your policy)
- is owned by your family or friend.

✘ Death or bodily injury to:

- you
- anyone who is in charge or control of your boat.

✘ Blue water racing that's taking place more than 20 nautical miles off the Australian or Tasmanian mainland.

✘ A race that has a distance of more than 100 nautical miles.

✘ Incidents that are directly caused by water skiing (but we do cover them if you have the optional benefit 'Water skiing' – see page 23).

✘ Any liability you took on by agreement, unless you would be legally liable even if there was no agreement.

✘ Legal liability for which you or any other person are entitled to be indemnified or covered under a statutory scheme (or would have been entitled to if you had complied with your obligations under that scheme).

- ✘ Any other person's interest in your boat unless that interest is shown on your Certificate of Insurance.
- ✘ Any claim made by you against anyone else that was in charge or control of your boat.
- ✘ The general exclusions shown on pages 32-34.

Limits

$ Up to $10 million for each incident (less any relevant excess) to include:

- compensation amounts, and
- your legal costs (as long as you get our written approval before you incur them).

If we pay $10 million for the claims against you arising out of a single incident, then your policy ends and we will notify you in writing.

Your legal liability cover also ends when we pay the maximum amount for loss or damage to your boat (i.e. we pay your claim as a total loss).

$ The limit applies for each incident regardless of the number of claims which may result from that incident.

Exclusions

The specific exclusions that apply to your third party liability cover are shown above as crosses (✘). The general exclusions that apply to all parts of your cover are shown on pages 32-34.

We don't cover you for anything caused by or arising in connection with any of these items, incidents or circumstances.

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3. Boat Third Party Liability Insurance

Under your Boat Third Party Liability Insurance policy, we provide cover for your legal liability which results from an incident during the period of insurance directly caused by the use of your boat.

We describe what we cover under your policy on pages 29-30. On those pages, we show:

Yes	✔	What we cover.
No	✘	What we don't cover – that is, the exclusions that apply to the cover. We don't cover you under your policy for anything caused by or arising in connection with any of these items, circumstances or events.
Limits	$	Any limits that apply.

! **Damage to your boat**

Under Boat Third Party Liability Insurance, we do not cover damage to your boat. To cover any loss or damage which may occur to your boat you have to choose Boat Comprehensive Insurance (see pages 14-26).

Third party liability cover

Under your Boat Third Party Liability Insurance policy, we provide cover for your legal liability which results from an incident during the period of insurance directly caused by the use of your boat.

Third party liability cover is insurance against your legal liability to pay compensation for causing loss or damage to someone else's property or for causing death or bodily injury. It covers you if someone makes a claim against you or sues you.

In this section, we set out the third party liability cover that we provide when you have a Third Party Liability Insurance policy.

Third party liability

Yes

✔ Your legal liability to pay compensation to someone for loss or damage to their property or for death or bodily injury which results from an incident that happens during the period of insurance directly caused by the use of your boat.

✔ If your boat is a yacht or sailing boat, we also cover your legal liability which results from an incident directly caused by racing your yacht or sailing boat.

✔ The same third party liability cover that we give you under this policy we also give to any person that is in charge or control of your boat with your permission. However, to be covered they must comply with all of the terms of your policy, as if they were the policyholder.

No

✘ Loss or damage to property that:

- you own or that is in your custody or control (or that of anyone covered by your policy)
- is owned by your family or friend.

✘ Death or bodily injury to:

- you
- anyone who is in charge or control of your boat.

✘ Blue water racing that's taking place more than 20 nautical miles off the Australian or Tasmanian mainland.

✘ A race that has a distance of more than 100 nautical miles.

✘ Incidents that are directly caused by water skiing.

✘ Any liability you took on by agreement, unless you would be legally liable even if there was no agreement.

✘ Legal liability for which you or any other person are entitled to be indemnified or covered under a statutory scheme (or would have been entitled to if you had complied with your obligations under that scheme).

✘ Any other person's interest in your boat unless that interest is shown on your Certificate of Insurance.

✘ Any claim made by you against anyone else that was in charge or control of your boat.

✘ The general exclusions shown on pages 32-34.

Limits

$ Up to $10 million for each incident (less any relevant excess) to include:

- compensation amounts, and
- your legal costs (as long as you get our written approval before you incur them).

If we pay $10 million for the claims against you arising out of a single incident, then your policy ends and we will notify you in writing.

$ The limit applies for each incident regardless of the number of claims which may result from that incident.

Exclusions

The specific exclusions that apply to your third party liability cover are shown above as crosses (✘). The general exclusions that apply to all parts of your cover are shown on pages 32-34.

We don't cover you for anything caused by or arising in connection with any of these items, incidents or circumstance.

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4. General exclusions

What we don't cover

This section outlines the general things we don't cover under your policy. They are known as general exclusions.

Specific exclusions also apply to certain parts of your cover and are shown as crosses (✘) where we describe the cover you have under your policy.

General exclusions

These general exclusions apply to all of the cover we provide under your policy.

We don't cover you under your policy for loss or damage to your boat or for legal liability which is caused by or arises in connection with any of the following items, incidents or circumstances:

Boat use	✘ Your boat is more than 200 nautical miles from the Australian or Tasmanian mainland. ✘ Your boat is a powerboat and is being used in time trials or racing. ✘ Your boat is being used: • for a purpose other than what it is designed for • for commercial purposes including hire or charter • in an unlawful way or for an unlawful purpose • in an unseaworthy or unsafe condition that was known to you or should have been reasonably known to you and the condition contributed to the incident • unregistered when it is required to be registered, or • for water skiing (unless under Boat Comprehensive Insurance you have the optional benefit 'Water skiing' – see page 23).

Computers and data	✗	A computer program or electronic system fails to process any form of data including date functions properly and accurately. However, if you have Boat Comprehensive Insurance and any computer equipment or processor that forms part of your boat fails to process any day or date function properly and accurately and as a result accidental damage occurs to your boat, then we will pay for the damage (subject to the other terms of your policy), but we won't pay for: • damage to the computer equipment itself • damage to the processor itself or any item containing the processor, or • the cost of repairing or modifying any computer equipment or processor so that functions relating to days or dates are properly and accurately processed.
Confiscation and repossession	✗	Your boat is lawfully confiscated, nationalised or requisitioned.
	✗	Your boat is repossessed by someone who hired or leased it to you or who has a financial interest in the boat.
Deliberate acts	✗	Deliberate or intentional acts by: • you or anyone else who is in charge or control of your boat, or • anyone who has your prior permission to use your boat.
Driver responsibilities	✗	Anyone in charge or control of your boat who: • is under the influence of any alcohol or drug or both • has in their breath or blood an amount of alcohol or drug which is equal to or more than the limit allowed by law • refuses to take a legal test for alcohol or drugs • is not licensed to drive your boat • doesn't comply with any condition of their boat licence, or • is not allowed by law to be in charge or control of your boat or a vehicle towing it. However, we do cover you if you can satisfy us that you didn't know, and couldn't reasonably have known, that any of the above applied to the person who was in charge or control of your boat and that person is not a policyholder.
Period of insurance	✗	Any incident that starts or happens outside the period of insurance shown on your Certificate of Insurance.
Pollution	✗	Pollution, contamination or the presence of asbestos or other airborne contaminants.

Radioactivity	✗	The use, existence or escape of nuclear weapons material.
	✗	Radiation or radioactive contamination from nuclear fuel, nuclear waste or the action of nuclear fission.
Safety and security	✗	You or someone who is in charge or control of your boat doesn't take reasonable precautions for the safety and security of your boat.
Terrorism or war	✗	An act of terrorism which involves biological, chemical or nuclear weapons or devices.
	✗	Germ, disease, pollution or contamination caused by or in connection with an act of terrorism.
	✗	War or other acts of foreign enemy (whether war is declared or not), revolution or other civil disturbances.

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5. What we pay

Making a claim

How to make a claim

If you need to make a claim under your policy:

- call us on **13 7202**, or
- visit an RACQ store.

We can help you 24 hours, every day.

When you make a claim, we'll tell you what you need to do to help us process your claim. In most cases, we'll lodge your claim for you so you don't need to complete a claim form – we'll let you know.

Your responsibilities

What you must do

If something happens that may lead to a claim, you must follow these steps:

- Tell us about the incident and make a claim as soon as possible.
- If there is an incident that causes loss or damage, you need to get these details:
  - correct name, residential address and phone number for each person involved in the incident, and
  - the make, model and details of any other boat or vehicle that was involved in the incident.
- If your boat has been stolen or a criminal act may have caused the loss or damage, you must:
  - immediately contact the police, and
  - tell us where you made the report, the police officer's name and the incident number.
- Call us on 13 7202 or visit one of our stores so we can:
  - tell you where to find our claim service centres, and
  - explain how to get your boat assessed.
- Do everything you reasonably can to limit the loss or damage and stop more loss or damage.
- If your motor was under water, arrange for it to be flushed out, oiled and to dry out its electrical equipment and other parts. We may cover the costs to do that under the extra benefit 'Minimising damage' – see page 20.
- If we ask you, provide proof that you owned the lost or damaged property. For example, receipts, invoices, photographs, valuations or warranties.

- Immediately send us any communications you receive about the incident. This includes telling us about any letter of demand, claim, pending court proceedings or offers of settlement.
- Co-operate with us which includes giving us any information, written statements, evidence and help we may need to defend, prosecute and investigate the claim. This may include:
  - asserting rights against any person nominated by us
  - attending interviews with our assessors and/or investigators
  - assisting any agents we appoint (e.g. solicitors), or
  - attending court to give evidence.
- Tell us about any impending prosecutions or inquest.
- Immediately tell us if there is another insurance policy that may cover the loss or damage.

What you must not do

If you are making a claim you must not:

- give us false or misleading information – if you or any other person makes a false or fraudulent claim under your policy, we can refuse to pay your claim and may also cancel your policy as allowed by law
- do any repairs (except for under the extra benefit 'Minimising damage' – see page 20) or throw out damaged property unless we tell you to
- agree to repair anyone's property
- admit liability to anyone, or
- negotiate, pay or settle a claim with anyone.

What we pay and how we settle your claim

What we pay

What we pay for your claim is based on the following:

- the type of policy you have and whether your policy covers the loss or damage that resulted from the incident or any legal liability directly caused by that incident
- whether any extra benefits or optional benefits apply
- any sum insured that applies as shown on your Certificate of Insurance
- whether any excess applies to your claim and how much your excess is (we may deduct any relevant excess that applies to your policy from the amount we pay for your claim – for more details about the types of excess that may apply, see page 41 and your Certificate of Insurance)
- any adjustments we make based on your GST ITC entitlements – see page 39, and
- other limits or exclusions that apply to your cover.

If we decline your claim or you decide to withdraw it, then you must reimburse us for any costs we've already incurred or paid towards your claim.

Your sum insured

The sum insured for your boat is the lower of the $ amount selected by you for the hull, motor, sails, trailer and other equipment as shown on your Certificate of Insurance or their market values.

Third party liability cover

For your legal liability which results from the use of your boat, we pay up to $10 million less any relevant excess.

This amount includes any compensation amounts and your legal costs. Please note that we only pay your legal costs if you get our written approval before you incur them.

Other limits

Other limits apply under any extra benefits, optional benefits and third party liability cover that you may have as part of your policy.

The limits are shown where we describe the cover that applies to the policy you have chosen.

Settling your claim

Options to settle your claim under Comprehensive Boat Insurance

We may choose, at our option, one or more of the following ways to settle your claim:

- **Repair your boat.**
- **Pay you the cost to repair your boat** – that is, pay you the cost as assessed by us to repair your boat.
- **Pay your claim as a total loss** – that is, we decide it's uneconomical or unsafe to repair your boat. If we pay your claim as a total loss, we pay the lower of the total $ amount shown on your Certificate of Insurance or your boat's market value.

We also pay any extra benefits and optional benefits that apply to your claim. We deduct any relevant excess from any amount we pay you.

If your boat is less than 2 years old from its original registration date or purchase date whichever comes first, we may settle your claim under the extra benefit 'New boat replacement' – see page 20.

If you're registered or required to be registered for GST

If you're registered for GST or required to be registered for GST, then before you lodge your claim you must tell us your Australian Business Number (ABN) and the percentage of Input Tax Credits (ITCs) you are entitled to claim on your premium for the period of insurance during which the incident happened.

You must also tell us whether you would be entitled to claim ITCs if you repaired or replaced the property you are claiming for, and if so what percentage of ITCs you would be able to claim. We will reduce any payment we make to you for your claim by the amount of ITCs you would be entitled to.

Parts used to repair your boat

When we assess the damage to your boat, we authorise any replacement parts that are needed. Replacement parts are authorised having regard for the age and condition of your boat.

Generally, we use new parts to repair your boat.

In some cases we may use:

- second hand or exchange parts
- Australian Design Rule compliant parts, or
- parts produced by Original Equipment Manufacturer suppliers.

For mechanical parts, we only use new parts (unless they are not available or you agree to something different).

If a part is not available in Australia and has to be purchased overseas, we pay for:

- the part, and
- the cost of surface freight.

If the repairer needs to get someone else to do any part of the repairs to your boat, then they must get our approval first.

Our property

If we replace or pay for an item, then the damaged item becomes our property.

Additional repair costs we don't pay for

We don't pay any additional costs:

- to replace parts that are not available or no longer made
- to supply, modify or paint undamaged parts to create a uniform appearance – for example, if part of your boat's hull is damaged and we can't find an exact paint match, then we won't pay to repaint any undamaged area of your boat's hull
- for any exceptional transportation costs, including air freight costs unless we authorise it first
- to fix previous repairs because of poor workmanship, or
- for any reduction in your boat's value after it has been repaired.

Contributing to the cost of repairs

You may need to contribute towards the repair costs to your boat if the repairs put your boat in a better condition than before the incident. For example, if your engine is outside the manufacturer's warranty period and we replace it with a brand new engine, we may ask you to contribute to the cost of the replacement engine.

Paying your claim as a total loss

If we decide to pay your claim as a total loss:

- We keep the salvage rights to your boat.
- We will keep any refund for the unused portion of your boat registration.
- If you were paying by monthly direct debit instalments, then we deduct the monthly instalments to cover the rest of your period of insurance from the amount we pay you.
- If you were paying by annual premium, we don't refund any premium you've already paid us.
- We first pay any financier with a security interest in your boat the outstanding debt you owe under any finance agreement or loan up to the sum insured. The terms and conditions of your policy apply to a financier the same way they apply to you. If we pay the financier, we will then pay you any remaining balance.
- Your policy ends when we tell you that we have decided to pay your claim as a total loss.

Settling your third party legal liability claim

If something happens that causes loss or damage to someone's property or death or bodily injury that you may be legally liable for, we may:

- take over the matter and defend or settle any claim in your name or the name of any person that is entitled to be covered under your policy – we decide how to defend or settle the claim, and
- represent you or any person that is entitled to be covered under your policy, at an inquest, official enquiry and in court proceedings about any event covered by your policy.

Paying the maximum legal liability amount

If we pay $10 million for the claims against you arising out of a single incident, then your policy ends and we will notify you in writing.

Your excess

Your excess is the amount you pay towards the cost of each claim you make. Your Certificate of Insurance shows the type and amount of excess that applies to your policy. More than one excess may apply.

Paying your excess

If you make a claim, we'll let you know:

- which excess applies and how much it is
- when and how to pay that excess, and
- who to pay it to – we may ask you to pay it to us or a third party on our behalf (for example, a repairer or supplier when you pick up your boat).

In some cases, we may deduct the excess from the amount we pay you.

Claims that are less than your excess

We won't proceed with or pay your claim if the total amount we would pay for all loss or damage caused by the incident (as assessed by us) is less than the excess you need to pay.

Reimbursing your excess

If we are able to recover the costs of your claim from another person who was responsible for the incident, then you may be entitled to be reimbursed any excess you paid when you made the claim.

Types of excess

Basic excess

Your basic excess applies to all claims. However, you don't need to pay a basic excess in some situations.

Listed driver excess

A listed driver excess may apply to a listed driver that is shown on your Certificate of Insurance. Any excess amount is shown beside the relevant person's name.

You pay that excess if the person who has a listed driver excess was driving or in charge or control of your boat when the incident happened.

When you don't need to pay an excess – not at fault claims

You may not have to pay any excess that applies to your policy if we decide someone else is 100% responsible for the incident and you can give us:

- their correct name, residential address and phone number, and
- the make, model and details of their boat or vehicle (if another boat or vehicle was involved).

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6. What you pay

Your premium

Your premium is the amount you pay for the cover we give you under your policy. It includes any government statutory charges, levies, duties, GST or other taxes that may apply.

How we calculate your premium

We use a range of factors to calculate your premium. Table 6.1 shows some of the key factors that affect your premium.

When you change or renew your policy, we review your premium and increase or decrease it in line with any relevant changes.

TABLE 6.1: Premium factors

Key factor	Comprehensive Insurance	Third Party Liability Insurance
Boat type The make and model of your boat, cost for parts or repairs and its general performance, handling and safety record can affect the risk of a claim and how vulnerable your boat is to damage.	✔	✘
Claims history Whether you have made claims in the past.	✔	✘
Finance Whether a financier has an interest in your boat.	✔	✘
Optional benefits You need to pay extra for any optional benefits.	✔	✘
Other factors Our claims experience and events that impact the whole insurance industry.	✔	✔
Storage location If you keep your boat in an area that has previously had a high number of claims, including theft or malicious damage claims, and whether your boat is kept in a secure location or is moored.	✔	✘
Sum insured The $ amount you choose to cover your boat for.	✔	✘

Premium discounts

You may be entitled to the premium discounts shown in Table 6.2. When you apply for insurance or we send you an offer to renew your policy, we calculate your premium and apply the discounts that you're entitled to. We show your discounts on your Certificate of Insurance.

We don't apply any premium discounts to the Pay by the Month fee or to any government statutory charges, levies, duties, GST or other taxes that are included in your premium.

Visit racq.com/insurance for the details of discount rates.

TABLE 6.2: Premium discounts

Type of discount and when it applies	Comprehensive Insurance	Third Party Liability Insurance
Roadside Assistance loyalty discount If you hold RACQ Roadside Assistance (excludes Business Roadside Assistance).	✔	✔
Multi policy discount If you have 3 or more qualifying policies or covers with RACQ Insurance.	✔	✔
No claim discount If you haven't made an at fault claim in 12 months.	✔	✘

No claim discount

Your no claim discount (NCD) reduces the premium you pay for your Boat Comprehensive Insurance policy. When you first take out Boat Comprehensive Insurance with us, we decide whether to give you a NCD based on your insurance and claims history. If we decide that you qualify for a NCD, we apply your NCD to reduce your premium.

Table 6.3 shows the NCD we give you based on your claims history.

TABLE 6.3: NCD

At fault claim free period	NCD applied to your premium
1 year	15%
2 years	20%
3 years or more	25%

If you don't make an at fault claim during the period of insurance, we'll **increase** your NCD at your next policy renewal. However, if you make an at fault claim, we'll **reduce** your NCD at your next policy renewal.

At fault claim

An at fault claim is where your boat is involved in an incident and one of these situations applies:

- we decide the person in charge or control of your boat at the time of the incident is partially or wholly responsible for the incident, or
- someone else is 100% responsible for the incident but you can't give us their correct name, residential address and phone number and the make, model and details of their boat or vehicle (if another boat or vehicle was involved).

Any at fault claim you make may affect your NCD (and you also need to pay any excess that applies).

When we won't reduce your NCD for a claim

We won't reduce your NCD in these cases:

- We decide someone else is 100% responsible for the incident and you can give us their correct name, residential address and phone number, and the make, model and details of their boat or vehicle (if another boat or vehicle was involved).
- We decide that the person in charge or control of your boat is not in any way responsible for the incident and the loss or damage is caused by any of these incidents:
  - glass breakage
  - weather conditions (e.g. storm, hail or flood)
  - a collision with an animal
  - fire
  - theft or attempted theft, or
  - malicious damage.

Pay by the Month option

If you want to pay your annual premium by monthly instalments, you can ask us to automatically deduct monthly payments from your account or credit card with a bank, credit union or building society.

Pay by the Month fee

We may charge an annual Pay by the Month fee to set up and manage your direct debit authority. We charge that fee on top of your annual premium and deduct it each month as part of your monthly instalment.

Your Certificate of Insurance shows any annual fee that applies to your policy. Any premium discounts we give you don't apply to the Pay by the Month fee.

When we deduct your payments

Once you give us your account or credit card details, we deduct your:

- first payment about 14 days after your policy starts, and
- second and following payments on your monthly payment date.

Depending on your payment date, we may deduct 2 payments in a month. For example, if your payment date is the 31st of each month, then we'll deduct your November instalment on 1 December (as November only has 30 days) and deduct your December instalment on 31 December.

If your payment date falls on a non-business day in Sydney or Melbourne (e.g. a weekend or public holiday), then your financial institution won't process the payment request until the next business day. If you're not sure when the debit will be processed to your account, you should contact your financial institution.

Policy renewal

When we renew your policy we send you a renewal Certificate of Insurance so you can check the details that will apply for the new period of insurance. If you don't require any changes we continue to deduct your new monthly payments during the next period of insurance.

Cancelling or deferring payments

You may ask us to cancel your direct debit authority or to defer an individual payment by:

- calling us on **13 1905**, or
- writing to us at:

  Reply Paid 4
  RACQ Insurance - Pay by the Month
  Springwood QLD 4127.

So we can process your request in time, we must receive it at least 14 days before your next payment date.

Conditions for Pay by the Month

The following terms and conditions apply when you choose to pay your premium through the Pay by the Month option:

- If you make any changes to your policy which affect your premium, then we may increase or decrease your payment amount in line with your new premium. You may need to make an additional payment.
- If your premium changes when we offer to renew your policy, then we may increase or decrease your payment amount in line with your new premium.
- When you pay the first instalment, your insurance cover starts from the first day of the period of insurance shown on your Certificate of Insurance.
- We continue to deduct monthly payments from your account until you tell us to cancel or change that arrangement.
- If your financial institution rejects a payment request, we will either try to debit the payment from your account again or contact you to arrange another way to pay it. The date of our second payment request is fixed and can't be changed.
- If another payment falls due after your financial institution rejects a payment request but before you pay the missed instalment, we may deduct 2 instalments on your next payment date.
- We may cancel the direct debit arrangement if your financial institution rejects:
  - one payment request from a credit card account, or
  - 3 or more payment requests from any other type of account.
- If your account details change, you need to tell us at least 14 days before your next payment date.
- If your credit card details change or your credit card is renewed, you must tell us at least 2 business days before your next payment date.
- If a monthly instalment is overdue for at least 14 days, we may refuse to pay a claim.
- If a monthly instalment is overdue for one month, we may immediately cancel your policy.

How to apply for Pay by the Month

If you would like to pay your premium by monthly instalments that are automatically deducted from your account, call us on 13 1905.

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7. Other details

General conditions

What you must do

Use of your boat

You and anyone else who is in charge or control of your boat must:

- make sure that any person in charge or control of your boat with your permission understands your and their obligations under the policy and comply with your policy as far as it applies to them
- keep your boat in good condition and take reasonable care and precautions to keep it safe and secure and protect it from loss or damage
- if an incident happens, prevent further damage to your boat by not leaving it unattended and taking proper precautions to prevent further loss or damage
- not use your boat after it is damaged, shows signs of major mechanical problems or becomes unsafe – if you do, then we won't cover you for any further damage to your boat
- comply with any relevant laws that apply where you are using your boat
- comply with all the conditions set out in your Product Disclosure Statement, Supplementary Product Disclosure Statement and Certificate of Insurance, and
- immediately comply with requirements of public authorities.

What you must do if your circumstances change

You must advise us as soon as possible if any of these things happen:

- there is a material change to your boat or it is modified in any way from the manufacturer's specifications
- what you use your boat for changes
- you change where you usually keep or moor your boat
- you change your residential or mailing address
- your boat is deregistered or becomes unregistered
- a policyholder or anyone who is in charge or control of your boat is convicted of a criminal offence
- anyone who is in charge of your boat loses their boat licence, has their boat licence cancelled, disqualified or suspended (even if set aside on appeal), or has their boat licence conditions changed or restricted, or
- you take out any other insurance which provides the same or similar cover as the cover we provide under your policy.

If any of these things happen, we may charge you an increased premium for the change to your policy or we may impose an excess at any subsequent renewal. We may also be able to reduce or refuse to pay a claim, or cancel your policy.

Claims we decline or you withdraw

If we decline your claim or you decide to withdraw it, then you must reimburse us for any costs we've already incurred or paid towards your claim.

Contributing to the cost of repairs

You may need to contribute towards the repair costs to your boat if the repairs put your boat in a better condition than before the incident. For example, if your engine is outside the manufacturer's warranty period and we replace it with a brand new engine, we may ask you to contribute to the cost of the replacement engine.

Premium conditions

Paying your premium

Your Certificate of Insurance shows your premium amount and whether you are paying annually in advance or by monthly instalments.

If you are paying:

- annually, then you must pay by the due date, or
- by monthly instalments, then you must make sure that you have enough money in your account to cover each instalment on your payment date.

If you don't pay your premium

If you are paying your premium annually in advance and you don't pay the full amount by the due date shown on your Certificate of Insurance, then your policy won't be valid and you won't be covered. In that case, you need to reapply for cover.

If you are paying your premium by monthly instalments and any instalment payment is overdue for at least 14 days, we may refuse to pay a claim.

If after the first instalment is paid, any following instalment is overdue for one month, we may immediately cancel your policy.

If we cancel your policy, we will send a letter to your last known address which tells you why and when we cancelled your policy.

Changing your premium in our renewal offer

If you make a claim after we send you an offer to renew your policy but before the renewal date, then we may need to increase the premium in our renewal offer.

Changes to your policy

Changes that you ask for

You may ask us to make a change to your policy. If you do that, then we may charge you an additional premium. The change or addition only takes place when:

- we confirm it in writing to you or show it on a new Certificate of Insurance, and
- you pay any additional premium that applies.

If you don't pay any additional premium in full within 14 days, we will reduce your period of insurance in line with the premium you paid before you made the change to your policy.

Waiver

A condition of your policy is only waived if we give you the waiver in writing.

Cancelling your policy

Cancellation by you

You may cancel your policy during the cooling off period (see page 1). If you want to cancel your policy (or cancel the cover under your policy for a boat shown on your Certificate of Insurance) after the cooling off period, you need to call us, tell us in writing or visit us in store. The cancellation will take effect from the date we receive your request.

If you cancel your policy or cover, we'll refund the portion of your annual premium which covers the remaining period of insurance.

If you pay your premium by monthly instalments, then you are not entitled to a refund.

Cancellation fee

A cancellation fee will apply to any premium refund we give you if you cancel your policy (or cancel the cover under your policy for a boat shown on your Certificate of Insurance) after the cooling off period. If the premium refund that covers the remaining period of insurance is:

- less than $100, we deduct a cancellation fee of $10, or
- $100 or more, we deduct a cancellation fee of 10% up to a maximum of $80.

You don't have to pay a cancellation fee if you cancel during the cooling off period.

Cancellation by us

We may cancel your policy at any time as allowed by law after giving you notice in writing. When we cancel your policy, we'll refund the portion of your annual premium which covers the remaining period of insurance.

Renewing your policy

We may offer to renew your policy. If we offer to renew your policy we will send you a renewal Certificate of Insurance before your policy expires. If we decide not to renew your policy we will give you notice of this decision before your policy expires.

Receiving your documents and notices

If you agree, we may send you your policy documents and notices electronically. We will continue to provide these documents and notices electronically until you tell us otherwise. Each electronic communication will be deemed to be received by you at the time it leaves our information system. You are responsible for making sure your email address is up to date. Please contact us if you need to update your email address.

If you don't comply with the terms of your policy

Breach of your policy

If you fail to comply with any term of your policy, this may affect whether we pay your claim, or, if we decide to pay your claim, how much we pay for your claim.

Avoidance

We may be entitled to avoid your policy from when it started if on your part there is:

- fraud
- misrepresentation when you apply for insurance or renew your policy, or
- non-disclosure of information.

What we may do if you breach your duty of disclosure

If you or any person covered by your policy does not tell us everything that is relevant or misleads us before entering into a contract of insurance with us, and each time you vary or renew your policy, we may:

- refuse to pay a claim or reduce the amount we pay
- cancel your policy, or
- if fraud is involved, treat your policy as if it never existed.

RACQ Membership

By entering into this policy you agree to become a member of the Royal Automobile Club of Queensland Limited ACN 009 660 575 (RACQ).

As an RACQ member, you may vote at RACQ general meetings and agree to the constitution of RACQ and any rules made under the constitution, which may vary from time to time. The RACQ constitution and rules are available at racq.com.

RACQ members enjoy wide-ranging benefits. You can find out more about the specific rewards, discounts and privileges RACQ membership offers by:

- visiting us at racq.com/membership
- calling us 7 days a week on 13 1905
- visiting one of our RACQ stores
- writing to us at PO Box 4, Springwood Queensland 4217.

The conditions set out below apply:

- If you cease to hold your policy and do not hold any other RACQ eligible products, you will no longer be entitled to be an RACQ member.
- If you are not an RACQ member at the end of your period of insurance, RACQ will not offer to renew your policy.

Personal information

The personal information you give us is used to set up and administer your policy. It is used to determine the extent of insurance risk that you have proposed and plays a role in determining fair and competitive premiums.

If you make a claim, your personal information enables us to determine your entitlement. If you do not provide the information we request then this can either delay or prevent us from providing the insurance you want or allowing your claim.

Our Privacy Statement

To obtain a copy of the RACQ Group Privacy Statement visit our website at racq.com/insurance or racq.com/privacy. You can also call us on 13 1905 or email us on privacy@racq.com.au to request a copy.

General Insurance Code of Practice

The General Insurance Code of Practice sets standards for insurers. RACQ Insurance is a signatory to the General Insurance Code of Practice.

You can get a copy of the General Insurance Code of Practice from the Insurance Council of Australia by:

- calling **1300 728 228**
- visiting www.insurancecouncil.com.au

Financial Claims Scheme

The Financial Claims Scheme protects general insurance policyholders from potential loss if an institution fails. You may be entitled to a payment under the Financial Claims Scheme if you meet their eligibility criteria. If you want more information about the scheme, you can:

- call **1300 558 849**
- visit the Financial Claims Scheme website at www.fcs.gov.au

Dispute resolution process

RACQ Insurance provides a free and impartial review process established to attend to any complaint you may have in relation to our products, our services or a privacy issue. Our dispute resolution process has 3 key stages which are described below.

1. Make a complaint

Please refer your complaint to us by:

- writing to us at RACQ Insurance - Customer Dispute Resolution Department PO Box 3004, Logan City QLD 4114
- email us at racqidisputeresolution@racq.com.au, or
- telephoning (07) 3361 2141 or 13 7202 outside business hours.

At stage one of our dispute process, your complaint will be reviewed and a response to your complaint provided to you within 15 business days of our receiving notice of the complaint. When you write or call, please provide a telephone number at which you may be contacted.

2. Refer to our Internal Disputes Resolution Committee

If you're not happy with our response, you may ask us to refer your complaint to our Internal Disputes Resolution Committee. That Committee is made up of business representatives from across our organisation that have the appropriate knowledge, skills and authority to deal with your complaint. The committee will review your complaint and provide their decision in writing within 15 business days from the date of your request for a review.

3. Refer to external dispute resolution

RACQ Insurance is a member of the Financial Ombudsman Service Australia (FOS Australia). The FOS is in place to assist in resolving complaints between consumers (you) and the participating financial service provider (RACQ Insurance).

The FOS will only consider your complaint after we have first been allowed the opportunity to resolve your complaint through our internal dispute review process. If we are unable to resolve your complaint within 45 calendar days of the date we first received your complaint, you can refer your complaint to the FOS, even if we are still considering your complaint.

The FOS only deals with disputes that fall within their 'Terms of Reference'. To find out whether your dispute qualifies for the FOS, you can:

- write to Financial Ombudsman Service Limited, GPO Box 3, Melbourne VIC 3001
- call **1800 367 287**
- visit www.fos.org.au, or
- email info@fos.org.au

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Definitions

Compensation amounts	Any costs we pay in relation to a third party claim against you, including: • damages • interest • settlement payments, or • legal costs (including the costs of other parties).
Competent observer	An observer who is older than 12 years and competent to tell the driver of the boat about the dangers to and actions of a water skier.
Contents	Your contents are: • bedding and manchester • household portable kitchen appliances • unfixed furniture and furnishings • utensils, crockery and cooking equipment • waterproof gear.
Excess	The amount you pay towards the cost of your claim. Your Certificate of Insurance shows the type and amount of excess that applies to your policy. More than one excess may apply.
Incident	An event which you didn't intend or expect.
Input Tax Credit (ITC)	A personal business entity that is registered for GST can be entitled to claim a credit for the GST they pay for items or services purchased in the course of carrying on their business.
Listed driver	A person that is shown as a driver on your Certificate of Insurance.
Market value	The market value of the hull, motor, sails, trailer and other equipment is determined at the time of the incident by checking against values in your local market and taking into account their age and condition.

Other equipment	Items that are shown on your Certificate of Insurance which are on your boat but not permanently attached to the hull. They include: • anchors, oars and paddles • detachable boat canopies • fire extinguishers • fish finders, marine radios, transceivers • life jackets • mandatory life saving equipment • portable safety equipment including emergency position indicating radio beacon (EPIRB) • tools supplied by your boat's manufacturer.
Personal property	Your personal property is: • clothing and accessories • portable electronic equipment (except for mobile phones and their accessories) • shoes • sporting and fishing equipment.
Policy	Your policy includes: • your insurance application and any information you give us when you renew your policy • this Product Disclosure Statement • your Certificate of Insurance, and • any Supplementary Product Disclosure Statement we have issued.
Premium	The amount you pay for the cover we give you under your policy. It includes any government statutory charges, levies, duties, GST and other taxes that may apply.
Sum insured	The sum insured for your boat is the lower of the $ amount selected by you for the hull, motor, sails, trailer and other equipment as shown on your Certificate of Insurance or their market values.
Terrorism	An act by any person or group, including the use of or threat to use force or violence for political, religious, ideological, ethnic or similar purposes (including the purpose of influencing the government) that is intended to put the public, or any section of the public, in fear.

Total loss	We decide it's uneconomical or unsafe to repair your boat considering: • the $ amount as shown on your Certificate of Insurance • its market value • the amount the repairs will cost as assessed by our assessor • the estimated salvage value of your boat as assessed by our assessor, and • if your boat has been stolen, and not recovered.
Trailer	The trailer that is shown on your Certificate of Insurance and is designed to transport your boat.
Water skiing	A person being towed behind your boat on: • water skis • a surfboard • a boogie board • an aqua tube • a wakeboard, or • any other similar flotation device.
We, us, our	RACQ Insurance Limited – ABN 50 009 704 152, AFS Licence Number 233082.
You, your	The persons shown as the policyholders on the Certificate of Insurance.
Your boat	The boat that is shown on your Certificate of Insurance. As part of the boat we also cover: • Hull, decks, cabins and all permanently fixed deck and cabin hardware. • The motor shown on your Certificate of Insurance. • The trailer shown on your Certificate of Insurance. • Other equipment shown on your Certificate of Insurance which is on your boat but not permanently attached to the hull. • Built in safety equipment like global positioning systems, two way radios and depth sounders. • Masts, spars and rigging. • Sails.

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Contact Us

For further information or assistance contact us 24 hours every day on **13 1905**, visit **racq.com/insurance** or drop into your local RACQ store.

Insurance products issued by RACQ Insurance Limited. Conditions may apply. Always read the PDS available from RACQ before selecting a policy.

It pays to belong

13 1905 | racq.com/insurance

RACQ Insurance Limited

ABN 50 009 704 152

AFS Licence Number 233082

2649 Logan Road, Eight Mile Plains, Qld 4113

RACQ Insurance products are sold by RACQ Operations Pty Ltd ABN 80 009 663 414 and its Related Bodies Corporate (as that term is defined in the Corporations Act 2001 (Cth)) and through a network of RACQ Insurance authorised representatives.

Motoring Insurance Travel Finance

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