



Commercial Boat Policy Wording

EFFECTIVE DATE: 27 / 04 / 2026

This is an important document. If You cannot read and understand English please use an interpreter to explain this document before You enter into this contract of insurance.

Insurance products are provided by National Transport Insurance, a joint venture of the insurers CGU Australia Pty Ltd trading as CGU Insurance (ABN 62 004 478 960) (AFSL 700014) and AAI Limited trading as Vero Insurance (ABN 48 005 297 807) (AFSL 230859) each holding a 50% share.

National Transport Insurance is administered on behalf of the insurers by its manager NTI Limited (ABN 84 000 746 109) (AFSL 237246).

You should read this document when choosing whether or not to acquire or continue holding a Policy.

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INTRODUCTION

Important Things You Should Know

Welcome to National Transport Insurance.

Please ensure You read this document thoroughly before You enter into this contract of insurance.

You must also ensure that all details as shown in Your Policy Schedule are correct.

Let Us know immediately if You need any changes.

If You do not understand any part of the Policy, please contact Us or Your insurance intermediary for an explanation.

To properly understand the significant features, benefits and risks of this insurance You need to carefully read:

- about the available type of Cover, benefits and exclusions in the Policy, (the standard Cover provided can be affected by the following):
- the rest of this "Introduction" section - this sets out who We are, some features of the Policy, the duty of disclosure, Our privacy policy, Our complaints procedure, Our External Dispute procedure and other important information;
- the "Definitions" - this sets out what We mean by certain words used in the Policy. These words begin with a capital letter throughout this document;
- the "Exclusions" set out the general exclusions and limitations that apply to the Cover and benefits;
- the "General Conditions" and "Claims Responsibilities" sections - these set out certain general rights and obligations that You and We have and other Cover restrictions;
- all of the documents that make up the Policy, including the Policy Schedule and any Endorsements or other written changes to the Cover We issue You with - these contain specific details relevant to You and can affect the Cover. Your Policy Schedule may also specify Policy Deductibles and other limitations on Your Cover.

Headings are provided for reference only and do not form part of Your Policy for interpretation purposes.

The Insurer

Insurance products are provided by NTI, a joint venture of the following insurers in the proportions shown:

- CGU Australia Pty Ltd trading as CGU Insurance (ABN 62 004 478 960) (AFSL 700014) - 50%
- AAI Limited trading as Vero Insurance (ABN 48 005 297 807) (AFSL 230859) - 50%

This means that each insurer is only responsible for its half share.

'NTI', 'We', 'Us', or 'Our' means National Transport Insurance through its manager NTI Limited (ABN 84 000 746 109) (AFSL 237246).

National Transport Insurance (NTI)

Marine Protect is powered by NTI, Australia's specialist insurance provider with over 45 years of experience in the insurance industry. With an award winning claims service, NTI is the company You can count on to protect You and Your business. Two of Australia's leading general insurers - CGU Australia Pty Ltd trading as CGU Insurance (ABN 62 004 478 960) (AFSL 700014) and AAI Limited Trading as Vero Insurance (ABN 48 005 297 807) (AFSL 230859), back NTI - so You can rest assured that You are in safe hands

Our Hull product options

This Policy is intended to provide Cover for a variety of Australian owned/flagged or managed commercial vessels engaged in harbour, inland and coastal operations. The Policy outlines the key base Cover for the Vessel. Where requested, Cover may be extended by activating certain optional extensions set out in the Policy.

Your Duty of Disclosure

Before You enter into an insurance contract, You have a duty under the Insurance Contracts Act 1984 (ICA) s.21 and the Marine Insurance Act 1909 (MIA) s. 24, 25 and 26 (whichever is applicable) to tell Us pursuant to the ICA: anything that You know, or could reasonably be expected to know, which may be relevant to Our decision to insure You and on what terms, or, pursuant to the MIA: every material circumstance which is known to You or which ought to be known to You which would influence Us in fixing the Premium or determining whether to accept the risk.

INTRODUCTION

You have this duty until We agree to insure You. You have the same duty before You renew, extend, vary or reinstate an insurance contract.

You do not need to tell Us anything that:

- reduces the risk We insure You for; or
- is common knowledge; or
- We know or should know as an insurer; or
- We waive Your duty to tell Us about.

If You do not tell Us something

Where the Insurance Contracts Act applies: if You do not tell Us anything You are required to, We may cancel Your contract or reduce the amount We will pay You if You make a claim, or both. Our liability will be reduced by an amount that fairly represents the extent to which Our interests have been prejudiced as a result of Your failure to notify Us.

If Your failure to tell Us is fraudulent, We may refuse to pay a claim and treat the contract as if it never existed.

Where the Marine Insurance Act 1909 applies: if You fail to comply with Your duty of disclosure, We may avoid the contract from its beginning.

Who must tell Us?

Everyone who is insured under the Policy is required to comply with the duty of disclosure, including Your broker or agent.

Alteration of Risk

Please inform Us of any fundamental change to the facts or circumstances which existed when this insurance commenced that change the nature of the risk (for example, the nature of Your business operations, or other circumstances to do with changes to the Vessel, its use or trade) in a way that would increase the risk of loss or damage occurring. Please notify Us immediately in writing. If We agree to the change We will do so in writing and may charge an additional Premium, or alter the conditions of Cover, or both.

Privacy

In complying with the Australian Privacy Principles We will collect and use Your personal information:

- a. only for the purpose of providing and administering Our products and services, including keeping You up to date with Our products and services;
- b. only for the purpose for which it was collected, which may include disclosing it to third parties with whom We have arrangements to protect Your Privacy.

By providing Us with personal information You and any other person You provide personal information for, consent to these uses and disclosures until You tell Us otherwise. If You wish to withdraw Your consent, including for things such as receiving information on products and offers by Us, please contact Us. You may choose not to provide this information, however, We may not be able to process Your request.

We will take all reasonable steps to make sure that personal information that We hold about You is accurate, complete, and up to date and that it is protected from misuse, loss or unauthorised access, modification or disclosure. If any information is inaccurate, You must contact Us to update it.

You can request access to Your personal information by phone or writing to Us via **www.nti.com.au**.

Information security protocols are in place to minimise the risk of unauthorised access to Your personal information.

In special circumstances, We may decline to release the information but We will not do so unreasonably. In these circumstances, We will give You reasons and You will have the right to request Us to review Our decision. We will provide Our reasons in writing upon request.

If You need to make a complaint about Your personal information or make a complaint about a privacy breach or if You require further information about how We handle personal information You can contact Us on (07) 3292 9800 or by writing to PO Box 13550 George Street QLD 4003.

A copy of Our Privacy Policy Statement and Privacy Complaint process can be obtained by visiting **www.nti.com.au**.

INTRODUCTION

Resolving Your Complaints

What You do and who You contact if You have a complaint or dispute involving Us:

If You have a complaint about Your insurance Policy, decisions on Your claims or any of the services You have received from Us, or a representative, You may access Our Complaints process.

The first step is to contact Your closest NTI office or You can contact Us by calling 1300 308 080. Your call will be directed to an appropriate person who can assist You. NTI's details can also be obtained by visiting www.nti.com.au and a brochure on Our Dispute Resolution System is available from all NTI offices.

Complaints

Once You contact Us, Our staff will help You in every way they can.

We will acknowledge receipt of Your complaint promptly or as soon as practicable. We will communicate Our response taking into consideration Your preferences of communicating with Us.

If You are not satisfied with the outcome, Your complaint will be referred to the staff member's supervisor who will deal with Your complaint promptly.

Internal Dispute Resolution

If You are still not satisfied Your complaint can be handled through Our Internal Dispute Resolution service by a different employee who has appropriate experience, knowledge and authority to conduct a full review. We will provide You with details of Our dispute service and will refer You to a Supervisor or Manager to manage Your complaint. Your complaint will then be treated as a dispute.

We have 30 calendar days to respond from the date that Your complaint is received. Our response will include:

- a. reasons for Our decision;
- b. information about how to access Our External Disputes Resolution (EDR) Scheme; and
- c. notify You of the time frame within which You must register Your dispute with the EDR Scheme, (usually within two years of Our final decision).

External Dispute Resolution

Our Internal Dispute Resolution Service is designed to seek to resolve any complaints or disputes that may arise. However, if We are unable to resolve Your dispute to Your satisfaction within 30 days, We will inform You of the reasons for the delay and that You can take Your dispute to Our EDR scheme, administered by the Australian Financial Complaints Authority (AFCA), even if We are still considering it (and provided Your dispute is within AFCA Terms of Reference). We are a member of AFCA which is an ASIC approved external dispute resolution scheme and it may be able to resolve Your dispute. You may be entitled to assistance from the AFCA, however this is subject to the claim circumstances and the AFCA eligibility criteria.

Before the end of that 30 day period We will inform You that You have this right and details of how to access Our EDR Scheme.

AFCA is responsible for monitoring compliance with the General Insurance Code of Practice. It is available to customers and third parties who fall within its Terms of Reference and is an impartial body that is completely independent of Us. AFCA will initially determine whether Your dispute falls within its Terms of Reference and will notify You whether it may proceed to review Your dispute.

Your dispute must be lodged with AFCA within two years of the date of Our final decision.

Where AFCA Terms of Reference do not extend to Your dispute We will advise You to seek independent legal advice or give You information about other external dispute resolution options, if any, that are available to You.

The contact details for AFCA are:

Australian Financial Complaints Authority

National Toll Free number 1800 931 678

GPO Box 3 Melbourne VIC 3001

Email: info@afca.org.au

Web: www.afca.org.au

A brochure on Our Dispute Resolution Service is available from all NTI offices which includes information about the IDR and EDR Services.

INTRODUCTION

General Insurance Code of Practice

NTI is a signatory to the General Insurance Code of Practice. The General Insurance Code of Practice was developed by the Insurance Council of Australia to further raise standards of practice and service across the insurance industry.

This Code sets out the minimum standards We will uphold in the services We provide to You and is a practical demonstration of Our commitment to providing a high level of service to Our customers.

The Code aims to:

- a. commit Us to high standards;
- b. promote better, more informed relations between Us and You;
- c. maintain and promote trust and confidence in the general insurance industry;
- d. provide fair and effective mechanisms for resolving complaints You make about Us; and
- e. promote continuous improvement of the general insurance industry through education and training.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code. For more information on the Code Governance Committee (CGC) go to www.insurancecode.org.au.

More information can be obtained from Us directly or Our website **www.nti.com.au**.

DEFINITIONS THAT APPLY TO THIS POLICY

In this Policy certain words have special meanings. They have the same meanings wherever they appear.

Word	Meaning
Accident / Accidental	means an event that is not intended or expected to happen. Accidental damage does not include any damage or loss deliberately caused by You or the Vessel owners or managers or with the knowledge of You or the Vessel owners or managers.
Actual or Constructive Total Loss	Actual Total Loss means the Vessel has been completely and permanently lost or stolen or destroyed or sunk or irreparably damaged, due to an insured peril. Constructive Total Loss means the Vessel has not been completely destroyed, but following damage caused by an insured peril, the cost to repair or Salvage the Vessel would exceed the Insured Amount.
Agreed Value	means the amount specified in Your Policy Schedule as the Insured Amount, when shown as Agreed Value. This amount is agreed by You and Us in writing and only valid until the end of the current Period of Insurance. If We provide You with an Agreed Value Policy, We will pay the Agreed Value should We agree to pay a claim for Actual or Constructive Total Loss.
Aqua Sports Equipment	means personal water craft including, kayaks, canoes, paddle or pedal boats, surf-skis, paddle boards, surf/wake boards, sailing catamarans to a maximum 6 metres in length, inflatable donuts, waterskis and banana craft and windsurfers. It does not include a Tender, jet-skis or wave runners.
Cover	means the benefit and protection provided by this Policy specified in Your Policy Schedule.
Crew	means any person, including the skipper or Master, working on board the commercial Vessel in any capacity as an employee, including volunteers, whether paid or not.
Deductible	means the amount We will deduct from each claim other than for Actual or Constructive Total Loss, from each Vessel, as set out in Your Policy Schedule or otherwise in the Policy. When more than one Vessel on Your Policy Schedule suffers a claim from the same event, each Vessel's Deductible will apply or as otherwise described in Your Policy Schedule.
Diving Equipment	means wet and dry suits, tanks, regulators, buoyancy compensation devices, masks, snorkels, fins and similar equipment used for the purpose of recreational sport or commercial diving including compressors owned by You.
Equipment and Accessories	Equipment means manufactured items intended for use on Your Vessel(s) which are portable or not permanently attached to the Hull. Equipment includes equipment fitted or carried on the Vessel in accordance with statutory / safety requirements and used for the navigation and operation of the Vessel including: • lifesaving equipment, • navigation equipment including radar, depth sounders, global positioning systems, • marine communication equipment including radio / transceivers, • tools used for the repair and maintenance of the Vessel. Accessories includes anchors, batteries, paddles and oars, portable fuel containers, covers and canopies of Vessel(s). It does not include Passengers' Baggage / Passengers' Personal Effects.
Excess	means the amount We will deduct from each claim under Section 2. Legal Liability Optional Extensions, as set out in Your Policy Schedule or otherwise in the Policy.
Fishing Gear	means rods, reels, tackle and other similar equipment used for the purpose of recreational sport fishing.
GST	has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.
Headings	when used in Your Policy, are purely descriptive in nature and are not intended to be used for interpretative purposes.

DEFINITIONS THAT APPLY TO THIS POLICY

Word	Meaning
Hull	means the structure of the Vessel(s) including the bottom, superstructure, deck, cabins and fixtures and fittings normally sold with the hull and not normally removable.
Input Tax Credit	has the meaning given in the A New Tax System (Goods and Services Tax) Act 1999.
Insured Amount	means the Agreed Value or Sum Insured Limit as specified in Your Policy Schedule.
Insurance Proposal	means the particulars of insurance completed by You, as Your application for insurance, and submitted to Us either in writing or electronically on which We rely to determine whether to provide You with a Policy, and if so, upon what terms and conditions.
Latent Defect	means any flaw or defect in the material used in the construction of the Hull, Machinery, Equipment and Accessories, sails, masts, spars, standing and running rigging of the Vessel that is not known to You, is not obvious or readily observable, and is not discoverable by reasonable or customary inspection by a competent tradesperson.
Limit of Liability	means the limit of liability specified in Your Policy Schedule or otherwise in this Policy. Our liability is limited to the amount stated for each accident or series of accidents arising out of the same event.
Machinery	means the mechanical and electrical components of the Vessel(s) not normally removable from it, excluding the items listed as Equipment and Accessories but including inboard / outboard motors (which may be shown separately on Your Policy Schedule), stern drive or jet units, thrusters, gear boxes, propellers, shafts, wiring harnesses / looms, fuel tanks and lines, instruments, generators and refrigeration or cooling machinery.
Masts, Spars, Rigging and Sails	means the masts, booms, fittings, spinnakers, poles, standing and running rigging and sails of the Vessel.
National Transport Insurance (NTI)	means National Transport Insurance, a joint venture of the insurers CGU Australia Pty Ltd trading as CGU Insurance (ABN 62 004 478 960) (AFSL 700014) and AAI Limited Trading as Vero Insurance (ABN 48 005 297 807) (AFSL 230859) each holding a 50% share.
Navigational Limits	means the geographical area specified in Your Policy Schedule.
Net Income	means Your total earnings which is gross revenue derived from Your Vessel's operations less the Running Costs, depreciation, interest, taxes and other expenses for the 12 month accounting period preceding the date of loss or damage to the Vessel.
Passenger	means any person carried on board the Vessel solely as a passenger, fare paying or otherwise, and not a member of the Crew.
Passengers' Baggage / Passengers' Personal Effects	Personal Equipment or property belonging to Passengers but excluding watches, mobile phones, personal electronic devices and laptop computers, mobile General Packet Radio Service (GPRS) units, jewellery, precious metals and stones, money (which means any coin or banknote), bullion, cheques, credit or other card sales vouchers, securities, shares, bonds, deeds, bills of exchange or any documents that represent money. Passenger's Baggage is not considered to be cargo.
Period of Insurance	means the period between and includes the dates in Your Policy Schedule shown as "Insured From/To" during which We provide insurance under this Policy. Your Policy expires on the date specified in Your Policy Schedule as the "to" date at 4.00pm Local Standard Time (L.S.T.) of the State or Territory within the Commonwealth of Australia in which Our office issuing Your Policy is located, unless another time is noted in Your Policy Schedule.
Personal Injury	means bodily injury, death, sickness, disability, disease, shock, fright, mental injury, mental anguish or loss of consortium resulting from any of them.

DEFINITIONS THAT APPLY TO THIS POLICY

Word	Meaning
Policy	means this document and Your Policy Schedule, the Insurance Proposal, any declarations and statements You, or Your broker or agent, make to Us and any other notice We give You in writing, all to be read together.
Policy Schedule	means the most current insurance details and attachments to them, issued to You by Us. It sets out the Policy number, the Cover applying, Deductible(s) and any special conditions, endorsements and limits which apply to Your Policy.
Premium	means the amount calculated by Us from Your initial disclosure made prior to commencement of Cover, as the amount You must pay for this Policy. This amount does not include government taxes and duties.
Running Costs	means the direct costs and expenses related to keeping Your Vessel operating, based on the direct costs and expenses incurred during the 12 month accounting period preceding the date of loss or damage to the Vessel.
Salvage / Salvage Value	Salvage means the physical act of recovering Your Vessel which has been lost or damaged. Salvage Value means the value of what is left of Your Vessel <u>immediately</u> after it has been Salvaged having suffered loss or damage.
Seaworthy	means the Vessel (including the Hull, Machinery, Equipment and Accessories) is properly equipped, maintained in good order of repair, and is reasonably fit and safe in all respects, to encounter the ordinary perils of the seas, inland waters, rivers, lakes, ports or harbours during any voyage or operation, or while kept in the water including at a port, berth or mooring whilst not in use.
Specialist Operations	means operations which include dredging activities; blasting; pile driving; well stimulation; laying or lifting of cables or pipes; construction; blasting or underwater excavation; core sampling; depositing or lifting or cutting or drilling or crushing of spoil; professional oil spill response work including professional oil spill response training.
Sum Insured Limit	means the maximum amount specified in Your Policy Schedule or otherwise in this Policy up to which We will pay (should We agree to pay Your claim).
Tender	means a purpose designed rigid hull or inflatable vessel (including motor and safety equipment, dinghy or dory) which is: • no greater than 6 metres in length, or as otherwise noted in Your Policy Schedule; and • used as an attendant to or an auxiliary for another vessel; and • carried on or under deck or towed behind the attended vessel. Tender excludes personal water craft including jet-skis, wave runners, kayaks, canoes, paddle or pedal boats, surf-skis, surf/wake boards, sailing catamarans, inflatable donut and banana craft and windsurfers.
Trailer	means a trailer owned by You and its winch whether powered or unpowered, designed and used for the purpose of moving the Vessel on land, as specified in Your Policy Schedule.
Vessel(s)	means the commercial marine craft(s) specified in Your Policy Schedule.
We / Our / Ours / Us / Underwriter / Insurer	means the joint venture National Transport Insurance, that is administered by its manager NTI Limited (ABN 84 000 746 109) (AFSL 237246.)
Wreck	means what is left of Your Vessel having been grounded, stranded or sunk Accidentally and includes: 1. any part of Your Vessel including the Machinery, and Tender; 2. any debris or fuel, Aqua Sports Equipment, Diving Equipment, Equipment & Accessories, and Fishing Gear that is or has been on board Your Vessel.

DEFINITIONS THAT APPLY TO THIS POLICY

Word	Meaning
You / Your / Yours Assured / Insured	means the company named in Your Policy Schedule, whose place of incorporation is within Australia or its external territories.

OUR AGREEMENT WITH YOU

Based on the information in Your Insurance Proposal, and the statements and declarations that You have made in support of Your application for insurance and provided that You have agreed to pay the Premium by the due date, We will Cover You as specified in Your Policy Schedule, subject to the terms, conditions and exclusions that are set out in this Policy.

Your Policy consists of:

- a. this Policy document, which sets out the conditions of Cover, exclusions and the terms and conditions that apply to each Policy or level of Cover You have chosen;
- b. Your Policy Schedule is a separate document and shows the insurance details that are relevant to Your insurance;
- c. any endorsements noted in Your Policy Schedule (which might exclude, restrict or extend Cover) or otherwise notified by Us to You in writing;

They are all to be read as if they are the one document.

Important Things You Should Know

Should there be any change in circumstances which existed when this insurance commenced that change the nature of the risk in a way that would increase the risk of loss or damage occurring, You must advise Us immediately and in writing. We will only be liable (to the extent permitted by law) under this Policy if We have agreed in writing to the change. Unless We have previously agreed to the change in writing, Our liability may be reduced by an amount that fairly represents the extent to which Our interests have been prejudiced as a result of Your failure to notify Us of that change.

THE COVER

SECTION 1: LOSS OR DAMAGE TO YOUR VESSEL

Subject to the terms, conditions and exclusions of this Policy, We will indemnify You for loss of or damage to the Vessel(s) noted in Your Policy Schedule:

- whilst operating within the Navigational Limits; and
- that occurs during the Period of Insurance; and
- is caused by any of the following events:

1. Accidental Damage

Accidental Damage to the Vessel.

2. Accidental Sinking or Submersion

Accidental sinking or submersion of the Vessel. We will also pay the reasonable costs to dismantle, clean and oil the Machinery, and dry all electrical Equipment if Your motor is Accidentally submerged.

3. Arrest or Detention

Following impounding, arrest, detention, confiscation or any similar action by governmental authorities as a result of an act committed by any charterer or Crew, provided the act of the charterer or Crew was carried out without the knowledge of You or the Vessel owners or managers, We will indemnify You for:

- i. damage to the Vessel;
- ii. reasonable legal expenses You incur with Our prior written approval to obtain the release of the Vessel.

4. Grounding or Stranding

If the Vessel is grounded or stranded We will pay the cost of inspecting the Hull to ascertain the extent of damage, if any, provided that:

- i. the grounding or stranding was Accidental; or
- ii. the Vessel was deliberately grounded or stranded for purposes of avoiding or minimising further damage to the Vessel from perils of the sea.

5. Latent Defect

Latent Defect within the Hull, Machinery, Equipment or Accessories which causes loss or damage to the Vessel, but excluding the cost or expense to repair and/or replace the flawed or defective part.

6. Malicious or Deliberate Damage

Malicious or deliberate damage to the Vessel which is:

- i. committed without Your knowledge or collusion; or
- ii. not committed by Your collusion with a third party.

7. Jettison

Deliberate jettison or sacrifice of any part of the Vessel's Machinery or Equipment, Accessories, Masts, Spars, Rigging and Sails by You or the Crew in order to save the Vessel.

8. Negligence of Repairers, Charterers, or Maintenance Contractors

Negligent act or breach of contract of any repairer, charterer, or maintenance contractors in respect of any repair, alteration or maintenance of the Vessel.

9. Negligence of Skipper, Master or Crew

- i. Negligence, wrongful act or misconduct of the skipper, master and/or the Crew, contrary to any duty owed by them to You; or
- ii. wrongful act or misconduct of a hirer or member of a managed recreational boating group who is using the Vessel, provided the loss or damage has not resulted from lack of due diligence by You or the Vessel owners or managers.

10. Salvage Costs

If the Vessel is:

- a. Accidentally Damaged; or
- b. in a situation where it is necessary to take actions to minimise or prevent Accidental Damage as a result of perils of the sea,

then We will pay the reasonable costs to:

- i. minimise loss or damage to the Vessel; or
- ii. remove the Vessel to safety; or
- iii. safeguard the Vessel and reduce any possible further damage.

We must be notified before any repairs are carried out on Your Vessel. However in the event of an emergency where You are unable to contact Us to obtain Our approval for these reasonable costs, You do not need to seek Our approval but must advise Us as soon as reasonably possible after You have taken any of these actions.

The maximum We will pay under this clause is limited to the Insured Amount of the Vessel specified in Your Policy Schedule. These costs are recoverable in addition to the Insured Amount of the Vessel specified in Your Policy Schedule.

Following an insured event Covered by this Policy causing loss or damage which renders the Vessel unseaworthy We will also pay up to \$2,500 towards the cost of returning Your Vessel from the site of the Accident, or the port or place of refuge or repairs, to the Vessel's home port or its usual place of storage. This amount is in addition to the Salvage Costs incurred to move the Vessel to safety.

11. Theft

Theft of:

- i. the entirety of the Vessel or Machinery or Equipment and Accessories; or
- ii. part of the Vessel, Machinery or Equipment and Accessories provided there is visible evidence of forcible and violent removal and/or entry into the Vessel and/or the place of storage as applicable; or
- iii. the Vessel's own Trailer, following forcible and violent entry into the place where the Trailer is kept, and provided the Trailer is immobilised and secured by a device designed and professionally manufactured for the purpose of security and trailer immobilisation when the Trailer is not attached to a towing motor vehicle; or
- iv. the Vessel's Tender.

12. War and Strikes

- i. acts of war, civil war, revolution, rebellion, insurrection, civil strife or hostile acts by or against a belligerent power;
- ii. derelict mines, torpedoes, bombs, or other derelict weapons of war;
- iii. strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
- iv. confiscation or expropriation,

while the Vessel is afloat.

War and Strikes Termination Clause

You or We may cancel the Cover provided under this Clause 12. War and Strikes by giving 7 days' notice. Such cancellation will become effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to Us.

Subject to agreement between You and Us prior to the expiry of such notice of cancellation, We may agree to reinstate the Cover under Clause 12, provided You accept any amended Premium and/or conditions We may require.

THE COVER

Whether or not such notice of cancellation has been given this insurance shall **TERMINATE AUTOMATICALLY**

- i. upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Exclusion 18 below, wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved;
- ii. upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
United Kingdom, United States of America, France, The Russian Federation, The People's Republic of China;
- iii. in the event of the Vessel being requisitioned, either for title or use.

This insurance shall not become effective if, subsequent to its acceptance by Us and prior to the intended start of the Period of Insurance, any event has occurred which would have automatically terminated this insurance under the provisions of the Termination Clause above.

THE COVER

SECTION 1. OPTIONAL EXTENSION

The following Optional Extension is not automatically applicable to this Policy and will only apply if noted in Your Policy Schedule. It is subject to the terms, conditions and exclusions contained in this Policy (unless otherwise varied in Your Policy Schedule).

1. Loss of Expected Earnings and/or Hire

We will indemnify You for Your loss of Net Income where Your Vessel is:

- prevented from earning income as a result of partial loss or damage to the Vessel; and
- which occurs during the Period of Insurance; and
- has been caused by an event which is insured under Section 1.

The following conditions apply to this Optional Extension:

Deductible

The Deductible period applicable shall be the first 30 (thirty) consecutive days that the Vessel is prevented from earning income as a result of the insured event, or as varied in Your Policy Schedule.

How Much We Will Pay

- a. The maximum period of indemnity is 30 (thirty) consecutive days immediately following the Deductible period, for any one event and in the aggregate for all claims occurring during the Period of Insurance.
- b. The maximum amounts We will pay are:
 - i. daily indemnity of up to \$1,000 per day;
 - ii. limit of indemnity of up to \$30,000 in the aggregate for any one loss or series of losses arising from an insured event, or as varied in Your Policy Schedule.
- c. Reinstatement of the limit of indemnity.

In the event of a claim under this Optional Extension 1, the limit of indemnity in ii) above will be reduced by the amount of the claim paid after application of the Deductible period. However, the limit of indemnity may be reinstated provided We agree in writing and You pay Us an appropriate additional Premium (plus any relevant government charges).

If the Vessel is sold or cancelled from this Policy, Cover under this Optional Extension 1 will automatically cease from the date of sale or cancellation, in which case We will return daily pro-rata Premium, provided there have been no claims on the Policy during the current Period of Insurance prior to the sale or cancellation.

Exclusions specific to Optional Extension 1. Loss of Earnings and/or Hire

The following exclusions apply to Optional Extension 1, and are in addition to the exclusions which are contained in the Section 1. Exclusions and in the Exclusions To This Policy.

We will not pay for any loss of Net Income under this Optional Extension 1 arising from:

- a. any event resulting in the Vessel being declared an Actual or Constructive Total Loss;
- b. delay which is caused by You;
- c. Your or Your Clients' Insolvency or inability to pay;
- d. any fines or penalties imposed by a government department or body, regulatory authority or court of law.

Claims provisions specific to Optional Extension 1. Loss of Expected Earnings and/or Hire

The following claims provisions apply to Optional Extension 1, and are in addition to the Claims Responsibilities section of this Policy:

a. Substantiating Accounting Evidence

The loss of Net Income for a claim under this Additional Benefit 1 shall be supported by substantiating accounting evidence of bookings scheduled and paid for in the 12 month accounting period preceding the date of loss or damage to the Vessel.

If no such evidence can be provided to substantiate either the lost earnings being claimed, or that the Vessel would have earned any income during the period of indemnity, the daily indemnity shall be limited to the anticipated Running Costs of the Vessel during the period of indemnity being claimed, defined as the direct costs related to keeping the Vessel operating, based on the average direct costs during the 12 months period immediately prior to the date of the loss or damage to the Vessel giving rise to a claim.

b. Recoveries

Where a recovery for loss of Net Income is obtained from a third party and You have been indemnified under this Policy for loss of Net Income, We are entitled to the benefit of such recovery to the extent of the amount recovered from the third party.

c. Promptness of Repairs

All temporary or permanent repairs to the Vessel shall be arranged by You with due diligence and promptness. We have the right to request You to incur any expenses that would mitigate any loss and reduce the amount We would otherwise be liable to pay under this Policy provided that We shall pay for those expenses.

d. Concurrent Repairs

Where the Vessel has been damaged and damage repairs are carried out at the same time as other repairs, including maintenance, that are immediately necessary for the safety of the Vessel or to allow the Vessel to earn Net Income and which are not claimable under this Policy, the Net Income lost during the period that both types of repairs are being performed in excess of the Deductible shall be divided equally between You and Us. If the time necessary to effect damage repairs is extended by any other repairs which are immediately necessary for the safety of the Vessel or to allow the Vessel to earn Net Income, the period of indemnity is limited to the time that would have been taken to effect damage repairs caused by the insured event had they been effected to the exclusion of all other repairs.

e. Separate Repair Periods

Where the Vessel is prevented from earning Net Income on up to 3 (three) separate occasions while repairs are being carried out due to a single insured event, these separate repair periods may be aggregated, provided that the repairs are completed within 12 (twelve) months of the expiry of this Policy.

EXCLUSIONS SPECIFIC TO SECTION 1

The following exclusions apply to Section 1, including any Optional Extension if noted on Your Policy Schedule. These Exclusions are in addition to the General Exclusions To This Policy.

We will not pay for any liability, loss, damage, cost or expense caused by, in connection with or arising from:

1. any Vessel which is not listed on Your Policy Schedule, or that has not been added to Your Policy through the operation of Additional Benefit 17. Additional Vessel Inclusion Clause;
2. any Accident, loss or damage which has occurred prior to the commencement of this Policy;
3. any reduction in the value of Your Vessel due to its age or condition or because of repairs performed or unrepaired damage;
4. any Machinery or motor installed in or secured to the Vessel in a manner other than that specified or recommended by the manufacturer of the Machinery or motor or the Vessel;
5. repairing or replacing any part of the Vessel which is defective because of any fault or error in the part's design or construction;
6. any loss or damage or sinking which is intentionally caused by You or a person acting with Your knowledge unless the loss or damage or sinking occurred as a result of complying with any law;
7. any intentional or deliberate act or omission or any wilful misconduct by You or a third party acting with Your knowledge;
8. ordinary wear and tear, deterioration, vermin, corrosion, electrolysis, delamination, mould, rusting, wet or dry rot, or marine growth on or to the Vessel, Machinery or Equipment and Accessories;
9. any mechanical, structural, electrical or electronic failure unless caused by an insured event in Section 1 of this Policy;
10. delay, loss of market, financial or consequential loss, loss of expected earnings and/or hire, or any other secondary financial loss of any description sustained by You, other than as provided by Optional Extension 1. Loss of Earnings and/or Hire if noted on Your Policy Schedule;
11. any loss of data from any computer hardware or software unless there is visible external physical damage to the computer hardware;
12. improving or altering the Vessel, other than as provided by Additional Benefit 7 Refit/Alteration Clause;
13. any theft by a person who You have permitted access to or use of the Vessel;
14. any emotional, psychological, or sentimental loss which occurs due to loss or damage sustained to the Vessel;
15. capture, seizure, arrest, restraint, detainment, or attempted threat or any direct or indirect consequences thereof
 - i. under any order or direction of any state, territory or Commonwealth government department or regulatory authority; or
 - ii. under any quarantine laws or regulations or by reason of infringement of any customs or trading laws or regulations, other than as provided in Section 1 Clause 3. Arrest or Detention;
16. piracy (but this exclusion shall not affect the Cover provided under Clause 3. Arrest or Detention above);
17. Section 1 Clause 12. War and Strikes
 - i. when the Vessel is on land or out of the water;
 - ii. when the Vessel is subject to requisition or pre-emption;
18. any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war;
19. the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
United Kingdom, United States of America, France, The Russian Federation, The People's Republic of China;
20. the detonation of an explosive or any weapon of war caused by any person acting maliciously or from a political motive.

THE COVER

SECTION 2. LEGAL LIABILITY OPTIONAL EXTENSIONS

The following Optional Extensions are not automatically applicable to this Policy and will only apply if noted in Your Policy Schedule. They are subject to the terms, conditions and exclusions contained in this Policy (unless otherwise varied in Your Policy Schedule).

1. Legal Liability to Third Parties

We will pay up to the Limit of Liability specified in Your Policy Schedule less the Excess noted in Your Policy Schedule for amounts which You become legally liable to pay as compensation for:

- a. Accidental Personal Injury to any person other than You, the Crew, or the Passengers;
- b. Accidental loss or damage to other people's property, but not the Passengers' property,

that occurred during the Period of Insurance and was caused by the use of the Vessel within the Navigational Limits noted in Your Policy Schedule.

Subject to Our prior written consent, We will also pay for reasonable costs incurred in defending any claim for compensation for which You are entitled to Cover under this Optional Extension 1.

Additional Benefits to Optional Extension 1

The Cover outlined above will also apply to:

a. **Substitute Vessel Legal Liability**

a substitute vessel not owned by You, whilst the Vessel is undergoing unscheduled repairs or scheduled maintenance until such time as the Vessel is Seaworthy, subject to Our prior agreement and including any additional Premium, terms, conditions or exclusions which We may require.

b. **Removal of Wreck**

If the Vessel is grounded, stranded or sinks Accidentally following an event insured under Section 1 of this Policy, and We decide to recover it or You become legally liable to remove the Wreck, We will pay the reasonable costs of:

- i. locating, marking, removing, raising (or attempted raising), destroying and disposing of the Wreck;
- ii. cleaning up the Wreck;
- iii. federal, state or local government authorities exercising their legislative powers in order to prevent or minimise an environmental hazard or pollution caused by the Wreck.

The maximum We will pay under this clause is \$500,000 (or as otherwise specified in Your Policy Schedule) for each and every loss or series of losses caused by any one event insured by this Policy. These costs are in addition to the Insured Amount of the Vessel specified in Your Policy Schedule.

c. **Wreck Legal Liability**

Liability arising from neglect or failure to raise, remove or destroy the Wreck of the Vessel following an event insured under Section 1 of this Policy.

d. **TOMPA (Transport Operations (Marine Pollution) Act) Clause**

Notwithstanding Exclusion 6 in the Exclusions Specific to Section 2, where We Cover You under Optional Extension 1. Liability to Third Parties, then We will also provide Cover under this TOMPA Clause.

We will Cover You for:

- i. the clean-up costs of the discharge of a pollutant (a harmful substance, including sewage) from the Vessel(s) into Queensland coastal waters; and
- ii. the costs of Salvage or removal of the Vessel(s) from Queensland coastal waters if the Vessel(s) is abandoned or Wrecked,

provided that:

- 1. the Vessel(s) is more than 15 metres in length overall;
- 2. applies where Vessels are otherwise subject to TOMPA, and where legal liability is Covered by this Policy under this Optional Extension Clause 1.

THE COVER

How much We will pay

The maximum We will pay under this TOMPA Clause is as follows:

1. for a Vessel(s) more than 15 metres but less than 35 metres in length overall:
 - i. the clean-up costs of the discharge of a pollutant from the Vessel: \$500,000;
 - ii. the costs of Salvage or removal of the Vessel(s) if abandoned or wrecked: \$10,000,000;
2. for a Vessel(s) more than 35 metres in length: \$10,000,000.

Exclusions specific to the TOMPA Clause

In no case will We Cover You under the TOMPA Clause for:

- a. fines or penalties of any kind whatsoever;
- b. loss damage liability cost or expense caused by pollution, contamination or clean-up costs unless caused by a single occurrence that is sudden, Accidental, and identifiable and neither expected nor intended by You.

The words and phrases in this TOMPA Clause shall have the same meaning as the words and phrases in the "Transport Operations (Marine Pollution) Act 1995 and Regulations (QLD)."

2. Pollution Liability

This Optional Extension is not available unless Section 2 – Optional Extension 1 Legal Liability to Third Parties is noted on Your Policy Schedule, in which case You may then purchase the following Optional Extension:

We will pay up to \$1,000,000 (or up to the Limit of Liability for Pollution Liability specified in Your Policy Schedule) any one loss or series of losses caused by the one insured event less the Excess noted in Your Policy Schedule, for any amount which You, or any person permitted by You to control or use the Vessel, becomes legally liable to pay as compensation for:

- a. physical damage to tangible property of a third party as a result of sudden and Accidental discharge, emission, spillage or leakage upon or into the seas, waters or land or air, of oil, petroleum products, effluent, sewage, chemical or other substances of any kind or nature whatsoever.

We will pay up to \$500,000 (or up to the Limit of Liability for clean-up costs specified in Your Policy Schedule) less the Excess noted in Your Policy Schedule for any amount which You, or any person permitted by You to control or use the Vessel, becomes legally liable to pay as compensation for:

- b. clean up costs associated with an event Covered under a) above, and/or mitigation of a pollution hazard,

provided that such discharge, emission, spillage or leakage occurs during the Period of Insurance, whilst Your Vessel was operating within the Navigational Limits noted in Your Policy Schedule, and does not arise from

- i. wilful negligence or wilful misconduct by; or
- ii. with the privity or knowledge of

You, or Your employees.

This Optional Extension 2 shall not increase the Limit of Liability provided under 1. Legal Liability to Third Parties.

Exclusions specific to Optional Extension 2

We will not pay for any liability arising out of:

- i. Personal Injury
- ii. contractual or assumed liability;
- iii. any offence relating to the discharge, spillage, emission or leakage of oil or any other substance into navigable waters or elsewhere and/or the removal of or liability for such discharge, spillage, emission or leakage. The phrase "Federal, State or local legislation" shall include laws and regulations of any foreign national or political sub-division thereof and any treaty or convention.

THE COVER

3. Passenger Liability

This Optional Extension is not available unless Section 2 – Optional Extension 1 Legal Liability to Third Parties is noted on Your Policy Schedule, in which case You may then purchase the following Optional Extension:

We will pay up to the Limit of Liability shown in Your Policy Schedule less the Excess noted in Your Policy Schedule for any amount which You, or any person permitted by You to control or use the Vessel, becomes legally liable to pay as compensation for:

- a. Accidental Personal Injury to a Passenger
 - i. while on board the Vessel or its Tender; or
 - ii. while getting on or off the Vessel or its Tender; and
 - iii. in connection with the consumption of food and beverages provided on board the Vessel;
- b. loss incurred as a direct result of Your care or custody of Passengers' Baggage and Passengers' Personal Effects while on the Vessel, but in no case will We pay any claim for loss of use or consequential loss.

This Optional Extension 3 shall not increase the Limit of Liability provided under Optional Extension 1. Legal Liability to Third Parties.

Evacuation Costs

If We Cover You for a claim under 3. Passenger Liability, Cover is extended to pay the reasonable additional costs or expense (where necessary for Passengers' health and safety) to transfer or evacuate Passengers from the Vessel to the next port, destination or shore, as a consequence of a prolonged disablement of the Vessel at sea, as a result of navigational, operational or mechanical failures, weather or any other cause that is beyond the control of Crew.

In no case will We pay any cost or expense where the disablement of the Vessel has a duration of less than 3 (three) consecutive hours.

The maximum amount We will pay for Evacuation Costs is limited to \$2,500 any one event, and an Excess of \$250 shall apply for each and every event.

4. Swimming and Snorkelling

This Optional Extension is not available unless Section 2 – Optional Extension 3 Passenger Liability is noted on Your Policy Schedule, in which case You may then purchase the following Optional Extension:

Your Policy is extended to Cover Your common law legal liability to Passengers caused by the activities of being trained, advised or instructed for, or engaged in swimming and snorkelling conducted from and adjacent to the Vessel(s) and in association with the Vessel's ordinary trading operations and which have occurred during the Period of Insurance.

This does not Cover any liability, cost or expense caused by or arising as a direct result of:

- a. scuba diving or any other similar activities involving the sustaining of life underwater utilizing an artificial air supply;
- b. swimming and/or snorkelling outside daylight hours as declared by the Bureau of Meteorology;
- c. diving or jumping from the Vessel(s).

Our liability under this Optional Extension is limited to \$1,000,000 for each accident or occurrence or series of accidents arising out of the same event, unless otherwise varied in Your Policy Schedule less the Excess noted in Your Policy Schedule.

EXCLUSIONS SPECIFIC TO SECTION 2

The following Exclusions apply to Section 2, including any Optional Extension if noted on Your Policy Schedule, and are in addition to the General Exclusions To This Policy.

We will not pay for any liability loss damage cost or expense which You may become liable to pay in consequence of, caused by or arising from:

1. Personal Injury
 - a. to You or the Crew;
 - b. for which compulsory statutory insurance (whether the insurance is limited in amount or not) is required including but not limited to any workers' compensation, accident compensation, or third party liability arising out of or in the course of employment of such a person by You;
 - c. to Passengers unless Optional Extension 3. Passenger Liability is noted in Your Policy Schedule;
 - d. caused by the activity of any Passenger or other person being trained, advised or instructed for, or participating in any of the following activities:
 - i. diving, scuba diving or tunnel diving, or in connection with the use of Diving Equipment, diving accessories or similar equipment,
 - ii. water-skiing, boom netting, or aquaplaning, or in connection with the use of water-skiing, boom netting or aquaplaning equipment or accessories or similar equipment,
 - iii. towing of persons or objects in the water including the use of inflatables or donuts or similar equipment,
 - iv. towing of persons or objects in the air including parasailing or kite sailing,
 - v. other aquatic sport including but not limited to sailing or seamanship, or in connection with the use of aquatic sport equipment,
 - vi. any other off-Vessel or land-based activity, unless caused by such Passenger(s) or other person(s) being run down or struck by the Vessel;
 - e. occurring to any person while not on board the Vessel or its Tender, except:
 - i. to Passengers whilst getting on or off the Vessel or its Tender when Optional Extension 3. Passenger Liability is noted on Your Policy Schedule; or
 - ii. where Personal Injury has been caused by such person(s) being run down or struck by the Vessel or its Tender;
2. Personal Injury or property damage
 - a. caused by or to any marina operator, port authority or other maritime authority personnel whilst they are in control of the Vessel;
 - b. occurring to any person or property while the Vessel is attached to, or when it breaks away from or detaches from a motor vehicle;
 - c. which is caused by any intentional, deliberate or wilful act by You or with Your knowledge;
 - d. caused by or to any tradesperson or company which is engaged in the repair or service or maintenance of the Vessel or its cargo;
3. any liability imposed by the provisions of:
 - a. any workers' compensation, accident compensation, general maritime law or similar legislation; or
 - b. any industrial award or agreement or determination or any contract of employment or workplace agreement;
4. any direct or indirect payment by You under workmen's compensation or employers' liability acts and any other statutory or common law, general maritime law or other liability whatsoever in respect of accidents to or illness of any tradesperson or company or any other persons employed in any capacity whatsoever by You or others which is engaged in the repair or service or maintenance of Your Vessel or with its cargo;
5. liability assumed by You under any contract, undertaking or agreement unless that liability would have attached in the absence of the contract, undertaking or agreement. However, this exclusion shall not apply to a contract:
 - a. for which We have agreed to extend Cover, and the contract(s) is specified in Your Policy Schedule; or
 - b. for the provision of a berth, mooring or storage facility for the Vessel;
6. any claim arising directly or indirectly from pollution or contamination by any substance other than the Cover provided under
 - a. the TOMPA Clause; and/or

- b. Optional Extension 2. Pollution Liability where such Cover has been purchased;
- 7. fines or penalties of any kind;
- 8. any criminal, regulatory, maritime or traffic proceedings;
- 9. actions which are brought against You in a court or tribunal outside Australia or a court or tribunal that applies laws other than the law of a State or Territory of Australia;
- 10. any loss of use, or any consequential loss;
- 11. any Specialist Operations as follows:
 - a. Specialist Operations; or
 - b. dredging activities including but not limited to loss and/or damage to pipes, cables and/or any underground or underwater structures or installations, of any description; or
 - c. damage to property where such property consists of land or fixed property and where such damage is caused by vibration or by the removal or weakening of support to land, buildings or any other property; or
 - d. underwater excavation and/or construction including the lifting, cutting, drilling, crushing or depositing of spoil, or pile driving;
- 12. acts of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power;
- 13. derelict mines torpedoes bombs or other derelict weapons of war;
- 14. strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
- 15. confiscation or expropriation;
- 16. capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat;
- 17. the detonation of an explosive or any weapon of war caused by any person acting maliciously or from a political motive.

ADDITIONAL BENEFITS

The following Additional Benefits apply to all sections of this Policy and are subject to the terms, conditions and exclusions of this Policy.

The limits which apply to each Additional Benefit specified below are in addition to the Insured Amount specified in Your Policy Schedule, except 1. Diving Equipment, Fishing Gear, Catering and Aqua Sport Equipment; 2. Leased Equipment (excluding Diving Equipment, Fishing Gear, and Aqua Sport Equipment) and 3. Parts & Equipment Ashore, unless stated otherwise.

We will Cover You for:

1. Diving Equipment, Fishing Gear, Catering and Aqua Sport Equipment

- a. Accidental damage to Your Diving Equipment, Fishing Gear, catering and Aqua Sport Equipment and Accessories owned by You or in Your care, custody or control (excluding Passengers' baggage and personal effects) while such Equipment is not in use; and
- b. theft of Your Diving Equipment, Fishing Gear, catering and Aqua Sport Equipment and Accessories provided there is visible evidence of forcible and violent entry into the securely locked Vessel or a securely locked compartment within the Vessel in which said items are stored.

The maximum We will pay under this Additional Benefit is limited to \$10,000 for any one event, or as otherwise set out in Your Policy Schedule, subject to a Deductible of \$500 each claim.

All Diving Equipment, Fishing Gear, catering and Aqua Sport Equipment carried on the Vessel(s) shall be included in the Insured Amount of the Vessel(s) unless otherwise stated in Your Policy Schedule.

2. Leased Equipment (excluding Diving Equipment, Fishing Gear, and Aqua Sport Equipment)

Equipment and Accessories and Machinery not owned by You but installed for use on the insured Vessel(s) and for which You have contractual responsibility. We will not pay more than Your contractual liability for such Equipment and Accessories and Machinery.

All Equipment and Accessories and Machinery installed on the Vessel(s) and not owned by You shall be included in the Insured Amount of the Vessel(s) unless otherwise stated in Your Policy Schedule.

3. Parts & Equipment Ashore

Vessel(s) parts, Equipment and Accessories, and Machinery up to an Insured Amount of \$50,000 or as otherwise set out in Your Policy Schedule for any one event, whilst any such parts, Equipment and Accessories, and Machinery is in transit to or from the Vessel(s) or whilst temporarily ashore for the purpose of repair, refit or overhaul, subject to a Deductible of \$1,000 or the Deductible shown in Your Policy Schedule, whichever the greater, each claim.

This Additional Benefit does not provide Cover for parts, Equipment and Accessories, and Machinery held ashore for the purposes of storage only.

All Parts and Equipment in transit or whilst temporarily ashore for the purpose of repair, refit or overhaul shall be included in the Insured Amount of the Vessel(s) unless otherwise stated in Your Policy Schedule.

4. Personal and Crew Property

Personal property of You or Your employees which were carried on the Vessel(s), subject to Us paying a claim under this Policy for loss or damage to the Vessel(s), up to \$5,000 for any one person, and up to \$5,000 in the aggregate, for each and every loss or series of losses caused by one insured event to personal property on board the Vessel(s) at the time of the incident, excluding watches, mobile phones, tablets, PDA and laptop computers, mobile GPRS units, jewellery, precious metals and stones, money (which means any coin or banknote), bullion, cheques (including travellers cheques), credit / debit or other card sales vouchers, securities, shares, bonds, deeds, bills of exchange, or any documents that represent money or title (including certificates).

5. Tender Towing

Accidental damage to Your Tender while it is being towed in the water.

ADDITIONAL BENEFITS

6. Land Transit of Vessel

Accidental damage to the Vessel

- a. and Your Trailer whilst under tow by a motor vehicle, but excluding loss or damage to the tyres or wheel rims of Your Trailer caused by braking, punctures, cuts or bursts; or
- b. whilst conveyed by a professional boat transport carrier, including loading and unloading from the conveyance provided the transport distance from the start of the journey to the final destination does not exceed 300km within Australia; or
- c. whilst conveyed by a professional boat transport carrier, including loading and unloading from the conveyance, for distances exceeding 300km within Australia, but only if You have advised Us beforehand and We have agreed in writing to extend the Cover. We may require a variation to Your Deductible and/or additional Premium.

Claims under this Additional Benefit are subject to a Deductible of \$500 or 1% of the combined Insured Amount of the Vessel(s) and its Trailer, whichever is the greater.

7. Refit / Alteration Clause

Accidental damage to the Vessel(s) whilst laid up, afloat or ashore including hauling out and launching or on trial trips within the Navigational Limits of this Policy during the period of refit, overhaul and/or structural alterations of the Vessel(s) provided that the work undertaken does not:

- a. exceed a contract value of \$50,000; and/or
- b. involve a change in Your Vessel's dimensions, tonnage or purpose; and/or
- c. involve major repairs to the Hull of the Vessel or alteration to the Hull, involving fibreglass or composite material work, cutting, welding or hot work,

unless otherwise agreed by Us in writing and noted in Your Policy Schedule.

8. Fixed Fire Appliance Discharge Clause

Clean-up costs arising from and/or loss or damage caused by spontaneous and complete discharge of any fixed fire suppression system fitted aboard the Vessel(s) in the absence of any fire, explosion or other event deemed to be a system trigger.

In no case shall this Additional Benefit apply:

- a. where the fire suppression system is being tested, fitted, maintained, recharged or otherwise in use or being worked upon; or
- b. to Cover the cost of system recharge.

The maximum We will pay under this Additional Benefit is \$20,000 any one event and a Deductible of \$500 shall apply for each and every claim.

9. Acquired Companies Clause

Any company, subsidiary company or firm formed or purchased by You during the Period of Insurance provided that:

- a. You hold a controlling interest; and
- b. You advise Us of the existence of the company or firm within a reasonable time frame during the Period of Insurance, from the date of signing the purchase contract or date of formation.

Unless otherwise Covered by Additional Benefit 17. Additional Vessel Inclusion Clause, this Additional Benefit does not Cover any new or additional Vessel(s) in which You may hold a controlling interest.

10. Cross Liability Clause

Each person or company comprising 'You' is Covered in the same manner as if that party is the only person or company named in this Policy as You. It is further agreed that We will waive all subrogation rights or rights of action We may acquire against any of the parties comprising You provided always that the act is not unlawful and the limit of indemnity shall apply inclusive of this clause.

ADDITIONAL BENEFITS

11. Chartered Vessel Clause

Should the Vessel be chartered by a subsidiary company of the Assured, and in the event of loss or damage to the Vessel caused by perils insured under this Policy, We will waive Our rights of subrogation against such charterer, except to the extent that any such charterer has insurance cover for such liability, loss or damage provided always that the subsidiary company of the Assured is a subsidiary for purposes of the Corporations Act 2001 (Cth).

12. Errors and Omissions Clause

You are not to be prejudiced

- a. by an unintentional or inadvertent omission, error, incorrect valuation or incorrect description of the Vessel, interest, risk, charter or voyage; or
- b. where the insurance is arranged in the joint names of more than one Assured, by an unintentional or inadvertent failure of any Assured to observe and/or comply with the terms of this Policy through circumstances beyond Your control,

provided always that

- i. notice is given to Us as soon as practicable on discovery of any fact or circumstance referred to above or any fact or circumstance that materially changes the nature or extent of the risk insured by this Policy; and
- ii. the act or circumstance is not unlawful; and
- iii. this clause is subject to Clause 14 of the Conditions of this Policy – Due Care;
- iv. this clause is subject to any additional terms, conditions and/or Premium which may be agreed between You and Us as a result of such fact or circumstance referred to above.

The limit of indemnity in Your Policy shall apply inclusive of this clause.

13. Pilot, Tug and Line Boat Non-Liability Clause

This Policy shall not be prejudiced by reason of any agreement limiting or exempting the liability of pilots, tugs or operators of towing vessels, and/or their owners or operators when You or the Vessel's charterers accept such contracts in accordance with standard industry form contracts or are compelled to accept such limitation of liability by law.

14. Radio and Aids to Navigation Clause

Radio apparatus and Equipment, echo sounders, navigating Equipment and other apparatus or Equipment used for the purpose of communication or as aids to navigation or safety devices, portable cargo containers (such as refrigerator boxes, etc.) when permanently installed in the insured Vessel, tank cleaning Equipment, also Equipment consisting of projection machines, sound apparatus and motion picture film shall be covered by this Policy and included within the Insured Amount of the Hull, even when not owned by You, provided You have assumed liability therefor; but Our liability (either as to amount or as to the risks Covered) shall not exceed Your liability or liability to which We would be subject if the property were fully owned by You, whichever shall be least.

15. Transportation and Laying-Up Clause

The Vessel is Covered whilst laid up, afloat or ashore including hauling out or launching or on trial trips within the limits of the Policy.

Land transit is permitted within 50km from the place of hauling out to lay up site, whilst there and return including slipping, dry docking and repairs on land.

Land transit outside 50km radius and also sea transit is held Covered subject to prior notification to Us and payment of an additional Premium, if required, without diminution of Cover. Including General Average in respect of sea transport.

16. Bottom Painting Clause

If the Vessel is removed from the water to carry out repairs to damage caused by an event insured under this Policy, and as a consequence the Vessel's anti-fouling cracks peels or loses its in-water integrity solely by reason of the Vessel being out of the water under repair for such damage, then We will pay the cost of reapplying the anti-fouling, including any primer and scraping and painting preparation work required, in the following proportion:

If the Vessel is out of the water for damage repairs

ADDITIONAL BENEFITS

- a. within 6 (six) months of the previous bottom painting: up to 100% (one hundred per cent) of the cost of scraping and painting the bottom, but not exceeding \$100,000, will form part of the reasonable cost of damage repairs;
- b. between 6 (six) and 12 (twelve) months of the previous bottom painting: up to 50% (fifty per cent) of the cost of scraping and painting the bottom, but not exceeding \$50,000, will form part of the reasonable cost of damage repairs;
- c. between 12 (twelve) and 18 (eighteen) months of the previous bottom painting: up to 25% (twenty five per cent) of the cost of scraping and painting the bottom, but not exceeding \$25,000, will form part of the reasonable cost of damage repairs;
- d. more than 18 (eighteen) months after the previous bottom painting: there will be no claim payable for scraping and painting.

Any cost Covered under a) to c) above shall

- i. not exceed the Insured Amount of the Vessel; and
- ii. be included as part of the reasonable cost of repairs in respect of the damage caused by the event insured under this Policy; and
- iii. be subject to the applicable Policy Deductible(s).

There is no Cover under this Bottom Painting Clause if the Vessel is removed from the water for any other reason than to carry out repairs to damage caused by an event insured under this Policy.

17. Additional Vessel Inclusion Clause

Should You acquire an insurable interest in any additional vessel(s) during the Period of Insurance through either:

- a. purchase; or
- b. charter (on a bareboat basis only),

and for which You require Cover for Your insurable interest under Your Policy, then We will Cover such vessel(s), always subject to the terms, conditions and exclusions of this Policy, from the time You acquire the insurable interest, subject to:

- i. the insurable value of any such vessel not exceeding A\$500,000 in total; and
- ii. the vessel(s) being of similar type and operations to those noted in Your Policy Schedule; and
- iii. You notifying Us of any such additional vessel(s) within 30 days of acquiring the insurable interest; and
- iv. You paying such additional Premium at the agreed Policy rate for similar vessel(s) or as may be mutually agreed between You and Us,

or no Cover will be provided for such additional vessel(s).

18. Private Use Clause

Incidental private use of the Vessel is allowed provided You abide by all statutory rules and/or regulations governing such use for commercially registered Vessel(s).

For the purpose of this clause, "incidental" shall mean not more than 10% of the time the Vessel is in use, unless otherwise specified in Your Policy Schedule.

19. Sailboat Racing

Subject to Our prior written agreement, We will Cover the Vessel when it is being used within the Navigational Limits of the Policy by You, a family member, or an employee for the purpose of social yacht race events, provided that:

- a. the distance travelled during each yacht race does not exceed 15 nautical miles (measured by the most direct route of the course of the yacht race); and
- b. spinnakers are not used during the course of the yacht race.

20. Public Relations / Crisis Management

When We have agreed to pay a claim for loss, damage or liability under Your Policy, and provided You have obtained Our prior written consent, We will pay the reasonable costs incurred, up to a limit of \$50,000, for management by professional media and public relations consultants, in order to reduce or negate any adverse publicity or public reaction to Your business as a result of the insured event giving rise to the claim.

GENERAL EXCLUSIONS TO THIS POLICY

The following General Exclusions apply to all Sections of this Policy, including any Optional Extensions when noted on Your Policy Schedule.

Important Note:

General Exclusion 1. Radioactive Contamination, Chemical, Biological, Bio Chemical & Electro Magnetic Weapons Exclusion Clause and General Exclusion 2. Sanction Limitation and Exclusion Clause shall be paramount where they conflict with any terms contained in this Policy. In the event of conflict between these two Clauses, General Exclusion 1. Radioactive Contamination, Chemical, Biological, Bio Chemical & Electromagnetic Weapons Exclusion Clause shall prevail.

We will not pay for:

1. Radioactive Contamination, Chemical, Biological, Bio-Chemical & Electromagnetic Weapons Exclusion Clause

loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from:

- a. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- b. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- c. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- d. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. This Exclusion 1.d does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
- e. any chemical, biological, bio-chemical, or electromagnetic weapon.

2. Sanction Limitation and Exclusion Clause

any claim or provide any benefit hereunder to the extent that the provision of such Cover, payment of such claim or provision of such benefit would expose Us to any sanction, prohibition or restriction under United Nations resolutions or trade or economic sanctions, laws or regulations of Australia, the European Union, Singapore, Switzerland, United Kingdom, or United States of America.

3. Marine Cyber Endorsement Clause (LMA5403)

1. Subject only to paragraph 3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.
2. Subject to the conditions, limitations and exclusions of the Policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.
3. Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, paragraph 1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

4. Communicable Disease Exclusion

1. Notwithstanding any provision to the contrary within this insurance agreement, this insurance agreement excludes any loss, damage, liability, claim, cost or expense of whatsoever nature, directly or indirectly caused by, contributed to by, resulting from, arising out of, or in connection with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease regardless of any other cause or event contributing concurrently or in any other sequence thereto.
2. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or

GENERAL EXCLUSIONS TO THIS POLICY

agent from any organism to another organism where:

- 2.1 the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- 2.2 the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- 2.3 the disease, substance or agent can cause or threaten bodily injury, illness, damage to human health, human welfare or property.

5. Certain Causes of Loss

liability, loss, damage, cost or expense directly or indirectly caused by or arising from the Vessel:

- a. not being maintained
 1. in a Seaworthy condition; and/or
 2. in compliance with any statutory or licensing requirements or legislation applicable;
- b. engaging in racing, speed tests or endurance trials, other than the Cover provided under Additional Benefit 19. Sailboat Racing;
- c. being designed to exceed 50 knots;
- d. being operated at a speed greater than its maximum design speed, or with a Motor(s) more powerful than recommended by the manufacturer;
- e. being operated with more than the maximum number of Passengers it is licensed to carry, or a load greater than that recommended by the manufacturer;
- f. being operated outside of any limits imposed by any certificate of construction or performance;
- g. being used for operations which are of a different nature or type to those You previously declared to Us, unless You have Our prior written agreement to extend the Cover under this Policy to allow such operations;
- h. when the registered or rated capacity of any on-board lifting devices have been exceeded;
- i. using, carrying or storing explosives;
- j. from any hot work, welding, heating and cutting or similar application of heat being carried out on the Vessel, whether for repairs or otherwise, unless carried out in accordance with the Australian Standard AS1674.1- Safety in welding and allied processes, and any subsequent replacement or update thereto.

6. Asbestos

liability, loss or damage arising out of any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of, contributed to or aggravated by or in any way involving asbestos, asbestos fibres, asbestos products or by-products or derivatives of asbestos, including, but not limited to:

- a. mining, processing, transport, distribution and / or storage of asbestos;
- b. manufacture of asbestos;
- c. processing of asbestos;
- d. installation, removal, cleaning up, decontamination, control or treatment of asbestos;
- e. the inhalation of, or fears of the consequences of exposure to or the inhalation of asbestos; or
- f. any property damage (including the resultant loss of use of such property).

7. Silica

any liability or expense directly or indirectly arising out of, resulting from, in consequence of, contributed to or aggravated by or in any way involving the inhalation of, or exposure to, silica or any materials containing silica in any form or quantity whatsoever.

8. Small Craft (excluding Tender)

loss or damage to, or liability or expense directly or indirectly caused by or contributed to by or arising from:

- a. Surf-skis, surfboards, inflatable donut, banana craft and windsurfers or any similar water craft whether towed behind the Vessel or otherwise;

GENERAL EXCLUSIONS TO THIS POLICY

- b. Jet-skis, wave runners, kayaks, canoes, paddle or pedal boats, sailing catamarans or any similar water craft whether towed behind the Vessel(s) or otherwise, other than when such items are specified in Your Policy Schedule.

9. Cargo

loss or damage to, or liability arising out of, any type of cargo carried on-board the Vessel(s).

10. Punitive, Aggravated and Exemplary Damages

loss, damage, liability or expense directly or indirectly caused by or contributed to, or arising from, any ruling against You for payment of punitive, aggravated, exemplary or multiple damages.

11. Sails and Covers

liability, loss or damage to sails and/or protective covers caused by the force of the wind unless there has also been damage caused to the mast(s) or spars, rigging or supporting frames of the Vessel.

12. Terrorism

liability, loss, damage, cost or expense directly or indirectly caused by or contributed to by or arising from

- a. any act of terrorism; and/or
- b. any action or steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

For the purpose of this Exclusion, an act of terrorism shall mean an act, including but not limited to the use of force or violence and/or the threat thereof, by or of any person(s) or group of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for or in connection with political, religious, ideological or similar purposes, including the intention to:

- i. influence a government or any political division within it for any purpose; and/or
- ii. influence or intimidate or put in fear the public or any section of the public.

If We assert that any loss, damage, liability or expense is not Covered by reason of this Exclusion clause, the onus will be on You to prove the contrary.

13. Operations outside Navigational limits

liability, loss, damage, cost or expense directly or indirectly caused by or arising from Your Vessel operating or being outside the Navigational Limits specified in Your Policy Schedule unless You have advised Us and We have agreed to extend Cover in writing.

This exclusion will not apply where Your Vessel goes beyond the Navigational Limits specified in Your Policy Schedule:

- a. as a result of circumstances beyond the reasonable control of the person in charge or control of the Vessel; or
- b. to reasonably respond to an unforeseen emergency,

in which case We will continue to provide Cover, provided that as soon as reasonably practicable:

- i. the Vessel returns within the Navigational Limits (except in the case of Actual or Constructive Total Loss); and
- ii. You notify Us of the circumstances taking the Vessel beyond the Navigational Limits.

14. Illegal or Unlawful Operations

loss or damage to, or loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the Vessel:

- a. being used for an unlawful or illegal purpose;
- b. being operated without, or in contravention of, any applicable permit, approval, licence, registration, classification or survey requirement, or being operated outside any limits imposed on the Vessel by such documents, or in contravention of any laws;
- c. being under the control of any person (including You) who is not licensed in accordance with the applicable laws to operate the Vessel, unless You did not know or could not reasonably have known that the person was not so licensed;

GENERAL EXCLUSIONS TO THIS POLICY

- d. being under the control of any person (including You) who You know or could reasonably have known is under the influence of alcohol or any drug or with an amount of alcohol or drugs in Your/their breath or blood which exceeds the amount permitted by law;
- e. being towed on a Trailer by a motor vehicle by a driver with Your express or implied consent who was not licensed to drive the vehicle in accordance with the applicable law(s), unless You did not know or could not reasonably have known that the driver was not licensed to drive the vehicle.

15. Moorings

loss or damage to the Vessel, or any liability, loss, damage, cost or expense directly or indirectly caused by or arising from the Vessel, if any mooring(s) leased or owned by You:

- a. is not appropriately sited so as to moor the Vessel safely; or
- b. is not of a suitable design and weighting for the Vessel; or
- c. has with Your knowledge not been kept in good working order, inspected annually and maintained in accordance with all applicable laws, regulations and safety standards.

16. LP Gas installations

liability, loss, damage, cost or expense directly or indirectly caused by or arising from any LP gas installations which have not been fitted, approved and serviced by licensed or authorised LP gas installers and compliance plates affixed as required.

17. Warranties or Conditions Precedent to Cover or Liability

liability, loss, damage, cost or expense if at any time during the Period of Insurance:

- a. the Vessel is not skippered, manned, operated, in survey, carrying all necessary permits, approvals and/or licensed in accordance with any applicable laws, regulations and requirements of the government and/or regulatory authorities of the State and/or Territory and/or Commonwealth; or
- b. the Vessel's Class (if applicable), whether registered with a Classification Society or otherwise, is not maintained; or
- c. any warranty or condition precedent to cover or liability which may be specified in Your Policy Schedule is not complied with,

to the extent permitted by law.

GENERAL CONDITIONS OF THIS POLICY

The following General Conditions apply to all Sections of this Policy, including any Optional Extensions noted in Your Policy Schedule.

1. Law and Jurisdiction

This Policy is subject to Australian law and jurisdiction and will be interpreted in accordance with the laws of Australia.

2. Cancellation

- a. You may cancel this Policy by giving Us written notice in advance.
- b. Where all of or part of the Premium has been funded by a lending institution, and provided that institution holds a legal right over this Policy by virtue of assignment and irrevocable power of attorney to exercise all rights and powers under and in respect of the Policy, then it is agreed that upon written request to Us, this Policy may be cancelled at the request of the lending institution, once substantiation of default and debt has been made and provided to Us. We will then return to the lending institution (via Your insurance intermediary where applicable) daily pro-rata Premium for the unexpired Period of Insurance.
- c. We may cancel this Policy in accordance with applicable law:
 - where there is non-payment of Premium to Us, when due; or
 - pursuant to the War and Strikes Termination Clause in Section 1.

We will effect cancellation of this Policy by giving seven (7) days' written notice of cancellation to You or Your insurance intermediary (where applicable). Cancellation will become effective at 4.00pm on the seventh day from the date the notice of cancellation was given.

- d. In the event the Insurance Contracts Act 1984 (Cth) applies:

We may cancel this Policy in accordance with that Act. Upon cancellation by Us, except cancellation for fraudulent non-disclosure or fraudulent misrepresentation, You are entitled to a refund of the Premium for the unexpired Period of Insurance.

- e. This Policy will be cancelled automatically at the time of:
 - i. any change, suspension, discontinuance, withdrawal or expiry of the Vessel's Class or Certificate of Operation, provided that if the Vessel is at sea such automatic termination shall be deferred until the Vessel arrives at her next port;
 - ii. any change in the ownership or flag, transfer to new management, or charter on a bareboat basis, or requisition for title or use of the Vessel, provided that if the Vessel has cargo on board and has already sailed from her loading port or is at sea in ballast such automatic termination shall be deferred until the Vessel arrives at her final port of discharge if with cargo or at port of destination if in ballast.

In the event of cancellation, We will refund Premium for the unexpired Period of Insurance, unless the Vessel has suffered an Actual or Constructive Total Loss, in which case Cover will end for the Vessel at the date it becomes an Actual or Constructive Total Loss, and no refund of Premium will be payable for the unexpired Period of Insurance. The daily Premium will be calculated by dividing the Premium by the number of days of the Period of Insurance. Some government taxes and duties are not refundable.

Unless We agree otherwise in writing, no return of Premium shall be payable as a result of Your Vessel being laid-up and/or not in use.

3. Goods and Services Tax

The amount of Premium paid by You for Your Policy includes an amount for GST on the Premium. As You are a commercial entity, You must inform Us of the extent to which You are entitled to an Input Tax Credit for that GST amount each time that You make a claim under Your Policy.

No payment will be made to You for any GST liability that You may incur on the settlement of a claim if You do not inform Us of Your entitlement or correct entitlement to any Input Tax Credit.

Despite the other provisions of this insurance (including provisions in the wordings, Your Policy Schedule or any endorsement) Our liability to You will be calculated taking into account any Input Tax Credit to which You are entitled for any acquisition which is relevant to Your claim, or to which You would have been entitled were You to have made a relevant acquisition.

GENERAL CONDITIONS OF THIS POLICY

4. Government Taxes and Duties

You must pay all levies, taxes, imposts and/or charges, including but not limited to stamp duty and other similar charges which may be payable to or required to be paid to any government in Australia whether acting through any agency, instrumentality or otherwise in relation to Your Policy.

5. Tax Provisions

Notwithstanding the payment provisions contained in this Policy, We will pay the claimant or payee in respect of the cost of repairs or replacement to make good the loss, the amount(s) payable as detailed in this Policy:

- a. plus the amount of any GST due in respect of the payment, where the claimant or payee cannot claim an Input Tax Credit; or
- b. less any input tax credits available to the claimant or payee in respect of the payment, where the claimant or payee can claim an Input Tax Credit.

6. Joint Insurance

A claim made by any one of the individuals or entities named as the Insured in Your Policy Schedule is a claim made by all of the individuals or entities named as the Insured. Similarly, any statement, act or omission made by any individual or entity named as the Insured in Your Policy Schedule is assumed to be made by all individuals or entities named as the Insured.

7. Notices

Where there is more than one of You, any notice given by Us under Your Policy to any one of You will be deemed to be notice given to all of You.

8. Other Interested Parties

You must let Us know the names and interests of any other party (e.g. financiers, mortgagees, owners or lessors) who You require to be Covered by this Policy. We will protect their interests only if You have informed Us about them and they are noted on Your Policy Schedule.

We will however recognise a government agency or Your personal representative in the event of Your death or incapacity whether temporary or permanent.

All Persons entitled to any benefit under Your Policy will be bound by the terms of Your Policy.

9. Co-insurance

If, at the time of any loss or damage to the Vessel(s), there is any other current insurance, whether effected by You or any other person or persons, covering the same Vessel, We will not be liable (where legally entitled) for more than Our proportion of the loss, damage or expense.

10. Payment of Limit of Indemnity (applicable only to Legal Liability Optional Extensions)

We may at any time pay to You the appropriate Limit of Liability (after deducting from it any amounts already paid) or a lesser amount for which a claim or claims may be settled. In doing so We will relinquish the conduct of, and shall be under no further liability in connection with, such claim or claims except for costs and expenses incurred before We made such payment. This condition only applies to Section 2 Legal Liability Optional Extensions and any other legal liability Covers if noted in Your Policy Schedule.

11. Subrogation Clause

When We settle a claim, We may endeavour to pursue recovery rights against any third party who caused or contributed to loss or damage to the Vessel(s) and / or Your third party liability. You authorise Us to act in Your name in such recovery action, and undertake to give Us reasonable assistance in such actions.

We may not be liable to pay any benefits under this Policy for loss or damage if You agree or have agreed to limit or exclude any right of recovery against any third party who would be liable to compensate You with respect to that damage to the extent that Your loss would have been recoverable from that person but for the agreement.

GENERAL CONDITIONS OF THIS POLICY

12. Waiver Clause

Measures taken by You or Us with the object of saving, protecting or recovering the Vessel(s) shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

13. Under-insurance

We require You to insure each Vessel for its full current insurable value. If You do not, You may be under-insured. In the event that We Cover You for repairable loss or damage to Your Vessel, We may reduce Our payment proportionally to the extent You have under-insured Your Vessel, as outlined in the Marine Insurance Act 1909 (Cth) and Insurance Contracts Act 1984 (Cth) where relevant.

If the actual value of the Vessel or Equipment and Accessories insured under this Policy, at the time of loss or damage, is higher than the Insured Amount as shown in Your Policy Schedule, the amount We will pay will be limited to the Insured Amount specified in Your Policy Schedule, or as outlined in the How Much We Will Pay section of this Policy unless We recover an amount greater than the Insured Amount, and if that occurs, We will pay You that greater amount less Our administrative and legal costs incurred.

14. Due Care

You must, at all times, take appropriate care:

- a. in the operation of the Vessel(s);
- b. to protect the Vessel(s) from loss or damage;
- c. following an event causing loss or damage to take reasonable steps to minimise loss or prevent further loss or damage; and
- d. to preserve rights against any other party who may have responsibility for the loss, damage or liability.

15. Each Vessel is a Separate Insurance

Where more than one Vessel(s) (excluding Tender) is insured under Your Policy, each Vessel(s) is deemed to be a separate insurance.

16. Floating Marine Property

Where the Interest Insured on Your Policy Schedule is a marina or similar property, all references to "Vessel" are hereby replaced with "floating marina property including related pylons, or as otherwise described in Your Policy Schedule."

17. Prohibited by Law

Where this Policy provides any indemnity to You which is prohibited by law, this Policy will be varied by operation of this clause so that this Policy does not respond to the extent that the indemnity is prohibited by law.

18. Cyclone and Named Windstorm Deductible

Notwithstanding any provision to the contrary in this Policy, any claim for loss damage cost or expense to the Vessel(s) which is caused by climatic or atmospheric conditions, storm surge or sea surge resulting from a cyclone or named windstorm, shall be subject to the cyclone Deductible amount shown in Your Policy Schedule, other than for Actual or Constructive Total Loss, in which case the cyclone Deductible shall not apply, unless otherwise stated in Your Policy Schedule.

HOW MUCH WE WILL PAY

Cover - Vessel(s)

Subject to the terms, conditions, limitations, exclusions and the Insured Amount and maximum Limit of Liability shown in Your Policy Schedule,

1. if the Vessel is an Actual or Constructive Total Loss, We will:
 - a. pay You, or other parties agreed with You, the Agreed Value or up to the Sum Insured Limit shown in Your Policy Schedule; or
 - b. replace the Vessel(s) with one of similar age and condition,
and the Deductible noted in Your Policy Schedule will not apply, unless otherwise stated in Your Policy Schedule;
2. if the Vessel(s) is damaged, We will pay the reasonable costs of repairing the Vessel(s) or part or item or replacing the damaged or lost part or item(s) but not exceeding the Agreed Value or Sum Insured Limit shown in Your Policy Schedule of the entire Vessel(s), or item or part, less the Deductible noted in Your Policy Schedule;
3. if any item of Equipment and Accessories is less than 10 years old from time of manufacture, and is lost or damaged to the extent that it cannot be repaired, We will pay for its replacement without deduction, new for old, less the Deductible noted in Your Policy Schedule. This benefit does not apply to any item of Equipment and Accessories which is aged 10 years or more from time of manufacture, a lifeboat or Tender, or equipment contained therein, for which an amount for depreciation will be deducted in making a settlement.

You remain fully insured for up to the Insured Amount shown in Your Policy Schedule following a claim, except where Your claim is for an Actual or Constructive Total Loss, in which case Your Policy will end in respect of the Vessel(s) as at the date of the loss with no refund of Premium.

Insured Amount Clause

The Insured Amount (where stated) in Your Policy Schedule in respect of Hull, Machinery, fixtures and fittings, Equipment and Accessories and Tender shall represent separate Insured Amounts for the purpose of calculating the maximum amount payable in respect of each item when a claim is made under this Policy.

Claims Preparation Clause

We will Cover such reasonable professional fees and such other expenses necessarily incurred by You and not otherwise recoverable, for preparation of claims recoverable under this Policy, and We shall indemnify You for such reasonable fees and expenses.

The maximum We will pay under this clause shall not exceed \$25,000 for any one claim. Any General Average condition of this Policy shall not apply to this Clause.

Cover - Legal Liability

When any of the Section 2. Legal Liability Optional Extensions are noted in Your Policy Schedule, then subject to the terms, conditions, limitations and the maximum Limit of Liability shown in Your Policy Schedule, at Our option We will pay the costs of:

- a. the amount(s) We negotiate on Your behalf, subject to the maximum Limit of Liability shown in Your Policy Schedule; or
- b. all sums which You become legally liable to pay as compensation for physical loss or damage to third party property or Personal Injury;
- c. the claimant's legal expenses and any interest awarded;
- d. legal costs incurred with Our consent in addition to the above;
- e. the additional benefits shown in the Section "Additional Benefits" where applicable,

less the Excess noted in Your Policy Schedule.

CLAIMS RESPONSIBILITIES

What You Must Do

If there is any event which may result in a claim, You must take the following steps:

1. Notify Us as soon as reasonably possible of any circumstances likely to give rise to a claim under this Policy.
2. Contact Our claims team by telephone on 1800 684 669 (1800 NTI NOW).
3. Take such measures as may be reasonable for the purpose of averting or minimising a loss and take all reasonable precautions to prevent further loss, damage or deterioration. Reasonable costs associated with these actions will be considered in the claim, subject to the Cover provided by Section 1: Loss or damage to Your Vessel, clause 10. Salvage Costs.
4. Make a report to the Police and/or other appropriate bodies if there is injury, malicious damage, theft or attempted theft to Your Vessel.
5. Submit as soon as possible all written particulars, supporting documentation and correspondence regarding the event including invoices, statements or other documents evidencing the amount being claimed.
6. Complete Our claim form where required.
7. Assist Us and any surveyor We might appoint to report on the loss/damage.
8. Do not make any admission of liability, take any action which may be considered to be an admission of liability, or repudiate, settle or make an offer on any third party claim without Our prior written consent.
9. Do not authorise repairs to Your Vessel without Our prior written consent.
10. Where other parties may be liable:
 - a. Do not release those parties from liability and ensure all rights against those parties are properly preserved;
 - b. Deliver to the parties responsible a notice of intention to claim; and
 - c. Notify Us of the circumstances and provide Us with copies of all relevant documents.
11. Notify Us of any other insurance that also provides insurance for any claim under Your Policy.
12. Not make any false declaration or statement in support of any claim under Your Policy.

What We May Do

1. We may give to and obtain from any other insurers, insurance reference bureaux and credit reporting agencies any information relating to Your credit or insurance history as well as insurance claims information.
2. Subject to the extent of Coverage provided, We may be entitled but not obliged to control or take over the conduct of the investigation defence and settlement of any claim suit or proceeding against You which is or is likely to be the subject of indemnity under this insurance Policy.
3. Subject to the extent of Coverage provided, We shall have full discretion in the conduct, defence or settlement of any claim. This includes the right to instruct lawyers to provide advice as to Your liability and to represent You. This includes Our rights to settle or defend a claim against You by another party.
4. Subject to the provisions of the Insurance Contracts Act 1984 (Cth) or Marine Insurance Act 1909 (Cth), whichever is applicable, We have the right to recover or obtain contribution from any person against whom You may be able to claim and the right to take action in Your name.
5. You and any other person entitled to benefit under this Policy must not hinder these rights and must give Us all such information and cooperation as We may reasonably require.
6. Fraudulent Claims:
If any claim is fraudulent or false in any respect We may refuse to pay the whole or part of the claim to the extent permitted by law, and may also be entitled to cancel the Policy.



NATIONAL OFFICE

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