



BOAT INSURANCE



# Smooth Sailing.

Boat Product Disclosure Statement  
and policy wording.

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## Part 1

### Product Disclosure Statement

#### The Purpose of the PDS

This Product Disclosure Statement ("PDS") is an important legal document that provides information You need to decide whether to purchase a Boat Policy from RAC Insurance Pty Limited ABN: 59 094 685 882 ("RAC Insurance").

Your current Policy Schedule forms part of this PDS and Policy Wording and together they form your insurance cover. Read these documents to ensure the cover suits your needs. Policy terms are set out in full in Part 2 of this PDS and Policy Wording.

This PDS is effective on and from 29 January 2007.

#### Who is the Insurer?

RAC Insurance is the insurer and the issuer of the Policy and this PDS. RAC Insurance is an authorised general insurance company and is Australian Financial Services Licensee No 231222.

RAC Insurance is jointly owned by RACI Pty Limited (an RACWA Group Company) and Vero Insurance Limited.

RAC Distribution Pty Ltd (an RACWA Group Company) is a corporate authorised representative of RAC Insurance and its ASIC authorised representative registration number is 238025. It and some of its employees are authorised to provide general advice and to arrange and enter into contracts of insurance on behalf of RAC Insurance.

RAC Distribution Pty Ltd has issued this Policy under a binder granted by RAC Insurance permitting it to issue insurance policies on behalf of RAC Insurance as if it were RAC Insurance.

## How to contact Us

You may contact RAC Insurance by writing to RAC Insurance Pty Limited, PO Box C140, Perth WA 6839.

## Important terms explained

When used in this PDS certain terms have a specific meaning. These are:

**Accident:** An unforeseen and unintended happening, that includes a series of incidents arising out of the one event.

**Anti-Theft Device:** A device manufactured specifically to stop the boat from being stolen. A padlock and chain/cable is not an anti-theft device under this Policy. Acceptable anti-theft devices include hitch restricting devices, alarms and GPS tracking devices.

**Boat:** The boat described in the current Policy Schedule and includes the hull, motors, masts, spars, rigging, sails, trailer and any other specified equipment and accessories.

**Excess:** The amount You may have to contribute if You make a claim. There may be more than one type of excess. The amount and type of excess are shown on your Policy Schedule. You must pay the excess on each claim that You make.

**Market value:** The cost of replacing the boat with a boat of the same make, model, age and condition as the boat immediately prior to its loss, damage or destruction.

**Policy Schedule:** The most recent insurance schedule We have given You that shows the insurance You have selected, the amount You are insured for and when the Policy starts and expires.

**Premium:** The amount You pay for your insurance. This includes GST and stamp duty.

**Reasonable precautions:** If the boat is kept:

- At your residence it must be kept within the boundary of your property, checked regularly and immobilised. This does not include street or verge parking.

- Away from your usual residence it must be kept in an RAC Insurance approved pen, mooring or hardstand facility, immobilised and secured against unauthorised entry and/or theft. To obtain details of RAC Insurance approved pen/mooring or hardstand facilities please contact Us on 13 17 03.

Regardless of where the boat is kept if on a trailer, the boat trailer must be fitted with an anti-theft device.

**Specified Equipment and Accessories:** Items such as safety equipment, anchors, oars, paddles, detachable canopies, spare propeller, two way radios, depth sounders, covers and all other equipment normally demountable, but excludes personal effects, fishing tackle and water-ski equipment.

**Sum Insured:** The maximum amount that We will pay as shown in the Policy Schedule.

## Significant features and benefits

The summary table below highlights some of the significant features and benefits of the Policy. There are limitations on page 4 and exclusions on pages 22-25 that apply so You should refer to these pages in the Policy Wording in Part 2 of this PDS for the full details of the insurance cover.

Features and Benefits You are insured for.	Boat Policy
Accidental Loss or Damage to the boat.	✓
Cover for Your New Boat up to 14 days after purchase of your new boat up to the sum insured or purchase price whichever is less.	✓
Legal Liability up to \$10,000,000 inclusive of legal costs.	✓
Malicious Acts that result in loss, damage or destruction to the boat.	✓

Features and Benefits You are insured for.	Boat Policy
Market Value – the amount We pay You less any excess in the event of the boat being a total loss.	✓
Salvage, Salvage charges & costs not exceeding the sum insured.	✓
Theft by violent and forcible removal.	✓

### When benefits are available

You can claim on this Policy subject to the, terms and conditions of the Policy Wording in Part 2 of this PDS:

- For accidental loss or, damage to the boat.
- For theft of the boat or theft of any part of the boat or its specified equipment and accessories.
- Loss or damage to the boat caused by malicious acts.

Legal Liability cover up to \$10,000,000 inclusive of legal costs for accidental death, bodily injury or damage to property caused by the insured boat.

### Significant risks associated with holding this product

Some significant risks related to holding this Policy are outlined below, however for full details of all Policy benefits, conditions and exclusions please refer to the Policy Wording in Part 2 of this PDS and Policy Wording.

#### Limits on Claims

Irrespective of the sum insured on the Policy Schedule there are limits to what We will pay in relation to any one event:

- Up to \$10,000,000 inclusive of legal costs for legal liability.
- Reasonable costs not exceeding the sum insured to minimise loss or damage, removal of the boat to safety or destruction of the boat whichever is necessary under the circumstances.

- The market value or sum insured whichever is lesser in the event of the boat being a total loss.

#### Time Limits

We will not pay for any loss, destruction or damage caused by storm, flood or fire within the first 48 hours, unless You purchased the boat immediately before You took out the Policy, or

Your Policy commenced or your Policy started immediately after the expiry of another Policy covering the same risk.

The Policy requires You to immediately make a report to the police if You suspect that the boat has been stolen, lost, maliciously damaged or an attempt has been made to steal or maliciously damage the boat.

#### Exclusions

Your Policy will not provide cover in some circumstances, as there are certain exclusions that apply. This means that We may refuse to pay a claim. For full details of exclusions that apply to this Policy refer to the exclusions listed on Page 22 in Part 2 of this PDS and Policy Wording.

#### Excess

When You make a claim You will be asked to pay the excess if applicable. The amount and types of excess are shown on your Policy Schedule and in the Policy Wording. Depending on the circumstances You might have to pay more than one type of excess when You make a claim.

We will decide whether You will pay the excess to Us or to a third party such as a repairer.

#### The different types of excess

##### Basic Excess:

You will be asked to pay a basic excess when You make a claim unless You have paid an additional premium to remove it. The basic excess varies depending on the sum insured and type of the boat. The summary table details the basic policy excesses:

Applies to boats up to \$50,000 Sum Insured

For trailed power boats	\$0
For cruisers	\$200
For yachts	\$200
For trailer sailers	\$100
For windsurfers	\$100
Theft of windsurfer	\$200
For trailed power boats where the water skiers extension has been selected	\$150

Applies to boats over \$50,000 Sum Insured

\$50,001 - \$60,000	\$200
\$60,001 - \$70,000	\$250
\$70,001 - \$80,000	\$300
\$80,001 - \$90,000	\$350
\$90,001 - \$100,000	\$400

Applies to Multihull Yachts over \$50,000 Sum Insured

\$50,001 - \$100,000	\$500
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**Imposed Excess:** In addition to the basic excess, the Company may apply an imposed excess to your Policy. The amount of any imposed excess will be based on your individual risk details and claims experience. This amount will be applied to your Policy from inception date or from your renewal date. If there is an imposed excess the amount will be shown on the Policy Schedule.

## Calculating what You pay

When calculating your premium We consider many factors including the age of the youngest operator, the sum insured, the type of boat, how and where the boat is kept, the maximum speed capability of the boat, the

owners insurance and claims history, any additional covers You have chosen, whether the boat is financed and whether You choose to pay your premium in instalments. Government charges are then added to the premium to calculate the final amount payable.

If We offer to renew your policy, the amount of your premium will be shown on your renewal notice or policy schedule which You receive prior to the renewal policy expiry date. The premium is subject to change if any of your details change and those details are relevant to Our decision of whether to insure You and, if so, on what terms.

The following table is a guide to the significant factors which We take into account in determining your premium and how these factors impact on the amount of your premium. Please note that the factors identified below are significant factors only – there may be additional factors which can also impact upon your premium which are not identified below. The way in which different factors impact your premium may change from time to time.

Rating Factor	Lower Premium	Higher Premium
The make, age and value of the boat	Standard make Older boat Low value Lower speed capacity	Luxury make New boat High value Higher speed capacity
Whether You have modified the boat	No modifications	Some modifications (such as non-standard or performance enhancing changes)
The suburb where the boat is kept	Low risk suburb	High risk suburb
How the boat is used	Private purposes	Non private purposes

Rating Factor	Lower Premium	Higher Premium
Your claims history	Nil claims in the immediate past policy term	Made one or more claims in immediate past policy term
Is the boat trailed, moored or penned	Trailed boat	Moored or penned at yacht club/ marina
Optional covers chosen	No optional covers chosen	Racing or water skiers extension chosen
How You Pay	For the whole year at once	By monthly/ half yearly instalment a 10% loading will apply to the annual premium

## Other fees and charges

In addition to the premium and the excess You may have to pay other fees and charges.

**Cancellation Fee:** If You cancel your Policy during the Policy year a cancellation fee of 10% may be applied to your refund.

**Instalment payments:** If You pay your premium by instalments (6 monthly or monthly), a 10% premium loading will apply. This amount is included in the premium shown on your Policy Schedule.

**Instalment default loading:** Where multiple instalment payments have been rejected in a policy term, renewal may be invited with an additional 10% administration loading.

## GST

This Policy is subject to GST. If You are registered for GST You may be able to claim an Input Tax Credit in respect of the GST We collect from You. Please refer to page 26 in Part 2 of this PDS and Policy Wording for more information.

If You are unsure about the taxation implications of your Policy You should seek advice from your accountant or tax professional.

## How to make a claim

In the event of loss, damage or destruction to the boat please contact Claims First Assist on 13 17 03 for assistance.

## Cooling off period

If You are not completely satisfied with your Policy, You can cancel it within 28 days of the start date ('cooling off period') and receive a full premium refund providing no claims have been made.

You have the right to cancel the Policy at other times. Please see 'Cancellation of this Policy' on page 27 in Part 2 of this PDS and Policy Wording.

## Updating Our Product Disclosure Statement and Policy Wording

The information contained in this Product Disclosure Statement and Policy Wording is current at the time of preparation. There may be more up to date information available and You may obtain this by calling 13 17 03 or by visiting Our website [rac.com.au](http://rac.com.au). If You request a paper copy of any updates We will provide these free of charge. It it becomes necessary, We will issue a Supplementary or replacement Product Disclosure Statement.

This Product Disclosure Statement and Policy wording is effective on and from 29 January 2007.

## General Insurance Code of Practice

RAC Insurance participates in the General Insurance Code of Practice. This is a scheme to provide a better understanding between policyholders and their Insurance Company. The scheme requires Insurance Companies to have documented Internal Complaint and Dispute Resolution procedures for policyholders who feel they have been treated unfairly by their Insurance Company.

The scheme is a free service provided by Insurance Companies.

## Complaint & Dispute Resolution Procedure

We have an internal process to assist You if You feel You, or anyone claiming against You feel they have been treated unfairly by Us.

You, or their complaint will be reviewed by a person who has the authority to alter a previous decision.

## How to get help

**Step 1.** Talk to a Customer Service Consultant or, if it is in relation to a claim, the Claims Officer managing your claim. If your concerns are not resolved then the matter will be referred to a Team Leader or a Manager who will review the issue and respond to You within fifteen business days. We will agree reasonable alternative timeframes if We need to get relevant information or complete an investigation.

**Step 2.** If the matter is still not resolved to your satisfaction You can ask the Team Leader or a Manager to refer your dispute to Our Dispute Resolution Manager for review.

The Dispute Resolution Manager will respond to You within fifteen business days. We will agree on a reasonable alternative timeframe if We need additional time. We will keep You informed of the progress of Our

review of your dispute at least every ten business days.

The decision of the Dispute Resolution Manager is the final review undertaken by RAC Insurance.

If You are not satisfied You can refer the matter to The Insurance Ombudsman Service, which is an independent external procedure. The Service can review most disputes and We will advise You what action You can take for matters not referable to the Service.

## The Insurance Ombudsman Service

The service is free to policyholders. A fee and conditions apply to third party claims.

## How to use the Service

First make sure that You have given Us a reasonable chance to resolve your dispute.

If You are still not satisfied, You can lodge your dispute with the Service within three months of Us informing You of Our final decision.

Your dispute will be investigated by a Case Manager, a panel, adjudicator or referee will make a decision and inform You and Us of their decision. The decision will be binding on Us but not on You. You have one month to decide whether You want to accept the determination.

If You do not accept the decision within this period then the determination will not be binding on Us.

The Insurance Ombudsman Service can be contacted by:

Telephone: 1300 780 808

Mail: Insurance Ombudsman Service Limited  
PO Box 561 Collins St West,  
Melbourne VIC 8007

Email: [ios@insuranceombudsman.com.au](mailto:ios@insuranceombudsman.com.au)

## Privacy

We collect, store and use your personal information in accordance with the Privacy Act.

We may use your personal information to update You on Our other products and services. We may pass on your personal information to other entities for promotional purposes. These entities may be associated with Us, operate under RAC's Brand, or be agents, contractors or allied organisations. You may stop your personal information from being used for this purpose at any time by contacting Us on 13 17 03.

If You make a claim under this Policy We may pass on your personal information to Our assessors, investigators, repairers, suppliers, contractors, other insurance companies, Our related companies, legal and professional advisers, for the purposes of dealing with your claim. By taking out this Policy You agree to Us disclosing your personal information to these organisations and individuals. Your failure to consent to this disclosure may mean that We cannot provide You with benefits under the Policy.

If the interest of a financier is noted on this Policy and this Policy is not renewed due to non-payment, or is cancelled during the currency of the Policy, by taking out this Policy, You consent to RAC Insurance providing details of the non-renewal or cancellation to the financier.

You have a right of access to your personal information. Please call 13 17 03 for further details.

## Policies where premiums are paid by instalments

If You have elected to pay your Policy premium by instalments, the premium You pay will include an additional amount.

If You pay by instalments, We have the right to:

- Refuse to pay your claim if an instalment has remained unpaid for more than 14 days;

- Cancel this Policy from the date the instalment was due for payment if the instalment remains unpaid for more than 1 month.

If You pay your instalments by direct debit from your bank account and if your bank account details change, You will need to advise Us of your new bank account details not less than 2 business days before your next instalment is due. If You pay your instalments by credit card and your credit card details change, You must contact Us not less than 2 business days before your next instalment is due.

If You have elected to pay your premium by instalments and the payment dishonours due to lack of funds in your account, We may charge You for any direct or indirect costs which We incur, arising from the payment being dishonoured.

## Direct Debit Service Agreement

- RAC Insurance will initiate direct debit payments as instructed and in accordance with this service agreement outlined below.
- Debit payments will be made on or around the date due. RAC Insurance will not issue individual confirmation of payments made.
- RAC Insurance will give You not less than 14 days written notice if RAC Insurance proposes to vary details of this arrangement, including the amount and frequency of payments.
- If You wish to defer any payment this requires at least 2 business days notice or alter any of the details referred to in the Schedule, You must either telephone RAC Insurance on 13 17 03 or write to RAC Insurance at GPO Box C140, Perth WA 6839.
- Any queries concerning disputed debit payments must be directed to RAC Insurance in the first instance. Customers may obtain details of the claims process by contacting RAC Insurance on 13 17 03 or at any RAC Branch.
- Direct debiting is not available on the full range of accounts at all financial institutions. If in doubt, You

should check with their financial institution before completing this Direct Debit Request.

- You should ensure that the account details given are correct by checking them against a recent statement from the financial institution at which the account is held.
- It is your responsibility to have sufficient cleared funds available in the account to be debited to enable debit payments to be made.
- If a debit payment falls due on any day which is not a business day, the payment may be taken on the last business day prior to the due day or on the next business day.
- If a debit payment is returned unpaid, You may be charged a fee for each unpaid item.
- To cancel a Direct Debit Request or to stop individual debit payments You must give at least 7 business days notice to RAC Insurance.
- Except to the extent that disclosure is necessary in order to process debit payments, investigate and resolve disputed transactions or is otherwise required by law, RAC Insurance will keep details of the customer's account and debit payments confidential.

## Important information

It is important that You fully understand the cover provided by this Policy and suggest that You read the entire Policy Wording.

This Policy does not cover You for everything that can cause damage to your boat. **PLEASE READ THE POLICY CAREFULLY AND IF THERE IS SOMETHING YOU DO NOT UNDERSTAND, PLEASE CONTACT US.**

You should place your PDS and Policy Wording and current Policy Schedule in a safe place.

You should keep any evidence of value of property and proof of ownership (receipts, valuations, owner's manual or warranty books etc) as We may ask You to provide them if You make a claim. If You cannot prove that You owned an item We may not pay You for it.

## Part 2

### Product Disclosure Statement – Policy Wording

## RAC Insurance Boat Policy

For the premium, We will provide You with the insurance cover described in this Policy for the period shown in the current Policy Schedule.

Your 'Plain English' BOAT POLICY consists of:

- This booklet which contains Our standard Boat Policy Wording, and
- The Policy Schedule issued by Us when You take out, renew or change your insurance.

## Duty of disclosure

Before You enter into this contract of insurance with Us, You must tell Us anything that You know, or a reasonable person in the circumstances could be expected to know, is relevant to Us in deciding whether to insure You and, if so, on what terms. You must do this each time You renew or change your Policy. **IF YOU ARE UNSURE ABOUT SOMETHING THEN TELL US.**

If You do not tell Us about anything that You know is relevant We may:

- Refuse to pay a claim, or
- Reduce the amount of your claim, or
- Cancel your Policy, or
- Treat your Policy as if it never existed (if You intentionally kept information from Us).

## Definitions

### Accident

An unforeseen and unintended happening, that includes a series of incidents arising out of the one event.

## **Accidental Loss or Damage**

Means physical loss and/or damage which occurs by accident, including theft and malicious damage.

## **Anti-Theft Device**

A device manufactured specifically to stop the boat from being stolen. A padlock and chain/cable is not an anti-theft device under this policy. Acceptable anti-theft devices include hitch restricting devices, alarms and GPS tracking devices.

## **Boat**

The Boat described in the current Policy Schedule and includes hull, motors, masts, spars, rigging, sails, trailer, specified equipment and accessories.

## **Excess**

The amount You must contribute towards each claim. No Excess is payable in respect of claims arising out of death or personal injuries under the Liability Cover provided by this Policy. The amount of Excess payable by You under this Policy is shown in the current Policy Schedule.

## **Hull**

Includes deck, cabin, deck hardware and fixtures and fittings on deck or below deck that would not normally be demountable.

## **Market Value**

The cost of replacing the boat with a boat of the same make, model, age and condition as the boat immediately prior to its loss, damage or destruction. We may use recognised industry publications as a guide to calculate the amount.

## **Motor/s**

Includes inboard motors, inboard-outboard motors, outboard motors, power tilts and trims, jet units, propellers, fuel tanks and batteries.

## **Navigational Limit(s)**

All inland waters within Australia and coastal waters within 200 Kilometres from the mainland coast of Australia.

## **Private Use**

The boat is only used for personal pleasure or recreational sporting activities. Private use does not include boats that are for hire, charter or reward.

## **Reasonable precautions**

If the boat is kept:

- At your residence it must be kept within the boundary of your property, checked regularly and immobilised. This does not include street or verge parking.
- Away from your usual residence it must be kept in an RAC Insurance approved pen, mooring or hardstand facility, immobilised and secured against unauthorised entry and/or theft. To obtain details of RAC Insurance approved pen/mooring or hardstand facilities please contact Us on 13 17 03.

Regardless of where the boat is kept if on a trailer, the boat trailer must be fitted with an anti-theft device.

## **Sails**

Includes all sails for the boat, whether in use or not.

## **Specified Equipment and Accessories**

Includes safety equipment, anchors, oars, paddles, detachable canopies, spare propeller, two way radio/s, depth sounders, covers and all other equipment normally demountable but EXCLUDING personal effects, fishing tackle and water-ski equipment.

## **Sum Insured**

The maximum amount We will pay as shown in the Policy Schedule.

## **Terrorism**

An act including but not limited to the use of force or violence and/or threat, of any person or group of persons done for or in connection with political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

## **Theft**

- The unlawful taking of the boat, or
- The violent and forcible removal of items permanently fixed to the boat, or
- The violent and forcible removal of items secured in a locked cabin or locked locker space.

## **Trailer**

The Trailer described in the current Policy Schedule and its winch.

## **Us, We, Our**

RAC Insurance Pty Limited.

## **You**

The person or persons named as the Insured in the current Policy Schedule.

## **Your Family**

Your spouse, your children who permanently reside with You.

## **This policy covers**

Accidental Loss or Damage to the boat whilst in private use within the Navigational Limit.

Cover is provided whilst the boat is in transit on the Trailer by road, rail or ship in Australia, provided the boat is designed to be towed on the trailer and all statutes and laws regarding the towing of the boat on trailer are complied with.

## **Additional Benefits**

### **Cover for your replacement boat**

If You replace the boat, We will cover the replacement boat up to the Sum Insured shown in the current Policy Schedule or the purchase price whichever is the lesser, only if:

- (a) You give Us details of the replacement boat within 14 days of buying it and
- (b) You pay Us any additional premium that We may request within 14 days from the date of request.

## **Salvage, Salvage Charges and Costs**

If the boat gets into difficulties or is accidentally damaged, We will pay the reasonable cost not exceeding the Sum Insured of:

- Minimising loss or damage, or
- Removing the boat to safety, or
- Destroying the boat which ever is necessary in the circumstances.

## **Liability Cover**

The cover includes your liability for legal costs when Our lawyers appear or act for You in connection with accidental death or bodily injury to a person or damage to property caused by the boat.

In providing legal liability cover, We will pay no more than \$10,000,000 inclusive of legal costs.

## **Limits of cover**

We will not cover legal liability:

- (a) For death or bodily injury to You or a member of your family who lives with You or any other person covered by this policy,
- (b) For damage to property which You or a member of your family who lives with You or any other person covered by this policy own or have in their custody or control,
- (c) Whilst the boat trailer is attached to a motor vehicle,
- (d) For the accidental death or bodily injury of a person who is employed or contracted by You, or should have been covered by any compulsory compensation insurance,
- (e) When the boat has been entrusted to another person for sale,
- (f) When any of General or Specific exclusions in this Policy apply,
- (g) To or caused by water-skiers towed by this boat unless the water-skiers extension is shown on your Policy Schedule,
- (h) If the boat was in the control of any person who is

not legally permitted to be in control in accordance with all relevant statutes, regulations, by-laws and ordinances,

- (i) If the boat was in the control of any person who was under the influence of alcohol or drugs,
- (j) If your boat is in the care, custody or control of any boat-builder or repairer, or is being handled by yacht or marine operator staff,
- (k) For any fines or penalties and/or aggravated, punitive or exemplary damages,
- (l) Arising out of towing any person/s or object/s in the air,
- (m) If the boat was being used in a manner which resulted in a deliberate exposure to exceptional danger, or any wilful or reckless act.

## Optional Extensions

The following extensions will only apply where individually shown in the current Policy Schedule and You have paid the appropriate premium.

### Racing Extension – Sail Craft

If You have elected Racing Extension – Sail Craft We will cover You under this Policy for replacement or repair of the sails, masts, spars, standing and running rigging lost or damaged by an insured peril whilst the boat is in a race to the extent only of two thirds of the reasonable cost of replacement or repair up to a maximum of two thirds of the sum insured for such items.

No cover is provided under this Policy where a yacht is participating in an ocean race which is in excess of 200kms from start to finish unless You give Us prior notice and We agree in writing to provide cover for each specific event or race.

### Water Skiers Extension

If You have elected Water Skiers Extension We will cover You under this Policy against legal liability in respect of accidental death or bodily injury to or caused by a water skier/s towed by the boat, while being towed by the boat, or preparing to be towed or after being towed but

before boarding the boat or returning to shore.

### Limits of Cover

No cover is provided under this Policy for racing extension – sailcraft or water skiers extension when, the boat:

- (a) Is in the control of any person who is not legally permitted to be in such control in accordance with all relevant statutes, regulations, by-laws and ordinances,
- (b) Is in the control of any person who was under the influence of alcohol or drugs,
- (c) Does not have another adult person in addition to the person in control of the boat on board, who in accordance with relevant legal requirements, is observing the water skiing activities at the time of any incident giving rise to a claim.

## Method of claim settlement

In the event of a claim under this Policy, We may, at Our option subject to the payment of any applicable excess, choose to:

- Pay You the Sum Insured or Market Value, or
- Repair or replace the boat, or
- Pay You the reasonable cost of repairing or replacing the boat, its specified equipment & accessories.

We will pay You the cost of reasonable repairs and/or replacements required to bring the property as near as possible to its appearance and condition immediately prior to the claim. We may deduct an amount for wear, tear and depreciation.

Where We have paid You the sum insured or market value for either the hull, motor, sails, accessories or trailer then that item is no longer covered by your policy and the total agreed value of your policy shown on your current Policy Schedule is reduced by the sum insured or market value for that item or items.

## General Exclusions

This Policy will not provide cover for accidental loss or damage if, at the time the event which results in a claim under it, the boat:

- (a) Was outside the navigational limits as defined,
- (b) Was in the control of any person who is not legally permitted to be in control, in accordance with all relevant statutes, regulations, by-laws and ordinances. You will not be prejudiced if You were not the person in control of the boat and You can satisfy Us that You had no reason to suspect that the person in control was not legally permitted to be in control,
- (c) Was a power boat being used in a race, trial, test or contest,
- (d) Was being let on hire, conveying fare paying passengers or being used for other than private and pleasure purposes,
- (e) Was in the control of any person who was under the influence of intoxicating liquor or of any drug. You will not be prejudiced if You were not the person in control of the boat and You can satisfy Us that You had no reason to suspect that the person in control was not under the influence of intoxicating liquor or of any drug,
- (f) Was in the control of any person who has been refused marine liability insurance,
- (g) Was not in a proper state of repair and seaworthiness. You will not be prejudiced if You could not reasonably have known that the boat was in an unseaworthy state,
- (h) Was being used to convey any load in excess of that for which it was designed and constructed and being used with inadequate freeboard.

## Specific Exclusions

### This Policy does not cover:

- (1) Accidental loss or damage:
  - (a) To moorings,
  - (b) To sails or protective covering caused by the force of the wind or water, unless the loss or damage was as a result of the boat colliding or being stranded, sunk, burnt or on fire,
  - (c) To sails, masts, spars or rigging which occurs while the boat is racing unless We agree in writing to cover the boat for racing and You have paid the appropriate premium or the loss or damage was as a result of the boat colliding or being stranded, sunk, burnt or on fire,
  - (d) As a result of depreciation, wear, tear and deterioration, vermin, rusting or other forms of corrosion, electrolysis, osmosis, faulty manufacture, latent or inherent defect, or lack of maintenance,
  - (e) Caused by repairing, servicing or a maintenance operation,
  - (f) Caused by invasion, war whether declared or not, rebellion, revolution, or theft following any of these events,
  - (g) Caused by or resulting from any act of terrorism that involves any biological, chemical or nuclear pollution or contamination,
  - (h) Caused by anything nuclear or radioactive,
  - (i) Caused by or during seizure of the boat by a person lawfully authorised to seize it,
  - (j) Caused by the misappropriation or wrongful conversion of the boat by a person who had been entrusted with it,
  - (k) Covered under any other Policy of insurance You were required by law to have,
  - (l) Arising from any contract of indemnity or agreement entered into which imposes any

additional liability or precludes any recovery action from any other person,

- (m) Arising from pollution or contamination,
  - (n) Caused by towing any person/s or object/s in the air,
  - (o) Arising from collision or impact with water or wind,
  - (p) To the boat while it is in the possession of a person as part of the person's stock in trade or whilst on consignment,
  - (q) To accessories and equipment not specified in the Policy,
  - (r) To a motor caused by or resulting from seizure and/or overheating unless caused by an accident which is an accepted claim under this policy.
  - (s) To an outboard motor when secured to the insured boat in a manner other than that specified or recommended by the Manufacturer of the motor and the boat.
- (2) Any deliberate or intentional acts by You, your family or any persons using the boat with your permission.
  - (3) Any consequential loss.
  - (4) Mechanical, structural or electrical failures or breakdown.

### **We may refuse a Claim or cancel this Policy or do both if:**

- (a) You are not accurate and truthful in any statement You make when You apply for this Policy or in connection with a claim,
- (b) You do not keep the boat in good repair, unless You can show to Our satisfaction that it was not reasonably possible for You to have been aware that the boat was not in good repair,
- (c) You have not taken all reasonable precautions to protect the boat, which is covered by this Policy,
- (d) You do not report the matter to the police immediately You suspect that the boat has been stolen, lost, maliciously damaged, or an attempt has been made to steal or maliciously damage the boat,

(e) You do not advise Us if the risk changes in any way,

(f) You have elected to pay your Policy premium by instalments and:

- An instalment has remained unpaid for more than 14 days, in which case We may refuse to pay your claim; or
- If an instalment remains unpaid for more than 1 month, in which case We may both refuse to pay your claim and cancel this Policy.

## **General Conditions**

### **Prevent further accidental loss or damage.**

You must take all reasonable precautions to prevent any further loss or damage to the boat and other insured property. In particular following the submersion of the insured boat or motor You should:

- Flush out, clean, oil and dry the motor,
- Dry all other electrical equipment and components.

We will cover the reasonable cost of such work if your claim is accepted. Should no preventative action be taken your claim for damage to the motor or electrical equipment may not be met.

### **Claims**

Before We will give You any of the insurance cover in this Policy, You must promptly provide full details of your claim to Claims First Assist on 13 17 03.

You must provide proof of ownership and value of any lost, damaged or stolen property. Proof could include receipts, valuations, warranties, surveys or logbooks for your boat and its accessories.

We have the sole right to make admissions of liability, settle any claims against You and to defend You. We may refuse You protection if You make admissions of liability, settle, attempt to settle or defend any claims made against You without Our consent in writing.

After an occurrence which gives rise to a claim under this policy We may take possession of the damaged property and deal with it in a reasonable manner. If, however, We do not, You may not abandon the damaged property to Us.

### **Repairs**

You or the repairer must make the boat available for inspection by Us and obtain written authority to proceed with repairs before We will accept responsibility for their cost.

### **Paying Your Excess**

You must pay any applicable excess on each claim You make, or We will be unable to settle your claim.

### **Goods and Services Tax (GST)**

If We make a payment to You, the amount payable will be reduced by the amount of any Input Tax Credit ('ITC') that You are or would be entitled to claim for the repair or replacement of the insured property or other goods or services covered by that claim payment. If You are entitled to an Input Tax Credit for the premium, You must inform Us of the extent of that entitlement at or before the time You make a claim under this Policy. We will not cover You for any GST liability arising from misstatement by You in relation to your entitlement to an Input Tax Credit.

### **Co-operation**

Any benefits which this Policy provides to You depends on You giving Us all the information and help that We require, including attending court to give evidence. You must assist Us even where We have paid your claim, for We may wish to attempt to recover the amount of Our payment from the party who caused You to suffer loss or damage. If You receive any letters, notices or court documents which relate to a happening which resulted or could result in a claim under this Policy, You must send these papers to Us immediately.

### **Notices**

We will give You any notice in connection with this Policy in writing. It will be effective if it is delivered:

- To You personally,
- Or posted to your address last known to Us, or
- By fax or electronically using details that You have supplied to Us where it is permitted by law.

### **Changes to this policy**

If You seek a change to this Policy, and We agree to it, the change becomes effective when We give You written notice of Our agreement to it.

### **Cancellation of this policy**

#### **By You**

You may cancel this Policy by notifying Us. If You do, We will deduct from the premium You have paid to Us an amount which covers the shortened period for which You have insured with Us, Our cancellation costs and any non-refundable government charges and refund to You what is left of the premium.

#### **By Us**

If We cancel this Policy, We shall do so by giving You notice in writing. If We do, We will deduct from the premium You have paid to Us an amount to cover the shortened period for which You have been insured by Us, any non-refundable government charges and refund to You what is left of the premium.

### **Total loss**

If We pay You the Sum Insured in respect of any one claim, all cover under this Policy will cease with effect from the date of such payment and no refund of premium will be payable to You.

## Salvage

When your claim has been paid as a total loss, your boat becomes Our property.

## Transfers

We may refuse a claim, or cancel this Policy, or do both, if You transfer your interest in the Boat insured without prior notice and acceptance by Us. This provision does not apply if your interest passes to a lessor, mortgagee or owner under a hire purchase agreement or to a legal personal representative on your death.

## Alteration on renewal

The Company may when inviting renewal, alter the terms and conditions of this Policy. This may include imposing an excess, the amount will be shown on your renewal notice.

A handwritten signature in black ink, appearing to read 'B. Stocks', with a stylized flourish at the end.

Signed for RAC INSURANCE PTY LIMITED.

Brendan Stocks

Chief Executive Officer

RAC Insurance Pty Limited

ABN 59 094 685 882

AFS Licence Number 231222

## Metropolitan Branches

**Booragoon:** Shop 312, Garden City Shopping Centre  
Riseley Street

**Carousel:** Shop 1098, Westfield Carousel  
1382 Albany Highway

**Mandurah:** Shop 112, Centro Mandurah, Pinjarra Road

**Morley:** Shop 1, Morley Market Shopping Centre  
Bishop Street

**West Perth (Head Office):** 832 Wellington Street

**Whitfords:** Shop 15, Westfield Whitford City  
Corner Marmion & Whitfords Avenue

## Regional Branches

**Albany:** 110 Albany Highway

**Bunbury:** Shop 20a, Bunbury Forum Shopping Centre  
Sandridge Road

**Geraldton:** Shop 29, Centro Northgate, Chapman Road

**Kalgoorlie:** Corner Hannan & Porter Streets

## General Enquiries

**13 17 03**

Visit [rac.com.au](http://rac.com.au) or any RAC branch listed above.

## TTY (numbers for the hearing impaired)

All general enquiries 9301 3113

(8.00am to 8.30pm, Monday to Friday  
and 8.30am to 5.00pm Saturday)

RAC Insurance Pty Limited ABN 59 094 685 882

AFS Licence Number 231222



**INSURANCE**

RAC members are happier