



NAUTILUS MARINE
INSURANCE

BOAT INSURANCE

AND

**PRODUCT DISCLOSURE
STATEMENT**

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This document was prepared on 5th December 2008 and tells you about this Nautilus Boat insurance to help you decide if the cover is right for you and whether to use our services. It also contains information about the remuneration received by us and other entities involved in the distribution of the Nautilus Boat Insurance, the services we offer and how any complaint you have is dealt with. Any advice provided in this document is general only and does not take into account your individual circumstances. You should carefully read it, and any other documentation we send you such as your Certificate of Insurance to determine if it is appropriate for you. Keep them in a safe place for future reference.

About the Insurer

This insurance is underwritten by Wesfarmers General Insurance Limited trading as Lumley Insurance (ABN 24 000 036 279 AFSL 241 461) (Lumley) of Lumley House 309 Kent Street Sydney NSW 2000

About Nautilus and its services

Nautilus Marine Insurance Agency Pty Ltd (ABN 34 100 633 038 AFSL 227186) of 28-32 George Street, Sandringham, Victoria 3191 (Nautilus) is the administrator of this insurance as agent for the Insurer. Nautilus has been given a binding authority by Lumley which allows it to enter into this policy and handle and settle claims for it, subject to the terms of the binder authority. In dealing in the policy Nautilus acts for Lumley and not you.

Both Lumley and Nautilus are Australian Financial Services Licensees and are authorised under their licenses to deal in and provide advice on this general insurance product.

Our commitment to you

At Nautilus we aim to give you boat insurance with no surprises. The information we send you about your cover aims to be simple and straightforward, to make it easy for you to understand what is included in your cover and what isn't.

Protection

Our Boat insurance is designed to give you simple and easy to understand cover for your boat, to protect you in the event of a crisis such as a collision, sinking, fire, storm or theft. Plus Nautilus gives you added benefits, which may not be covered by other insurers, to help you get back to enjoying your boat sooner.

Money back guarantee

If you decide that this insurance doesn't meet your needs, for whatever reason, and you have not made or are not entitled to make a claim, you can return the policy within 21 days of the start of your insurance. You will receive a full refund of any premiums paid (less any taxes or duties we cannot recover), no questions asked. It's called your Cooling Off Period and it's as simple as that.

No Claim Bonus

At Nautilus we will reward you with a no claim bonus discount on your premium when you buy the policy if you have not experienced a recent pleasure craft related claim.

A minimum premium applies. This means that your discounted premium, after taking into account your no claim bonus, cannot be less than the minimum premium payable.

We tell you what your discount is when you apply for the policy.

For more information on the minimum premium, see the Determining your Premium section below.

If you hold the policy with us for three consecutive years and make no claims, we will apply our maximum no claim bonus discount for all future renewals of the policy with us.

Understanding

So that you understand exactly what your Boat insurance covers and does not cover, make sure you read the cover sections as well as the limits and exclusions that apply, clearly listed on the following pages. Specific exclusions for each cover are listed next to the insured events to make it simple. Also read the general exclusions which apply to all covers.

Service

Our Nautilus Team is here to answer any questions you have about your cover. If you have any questions about this insurance or would like to update or change your cover, please:

- contact your broker
- call 1300 780 533
- email customerservice@nautilusinsurance.com.au.
- write to Nautilus Marine Insurance Agency
28-32 George Street, Sandringham, Victoria 3191
- visit www.nautilusinsurance.com.au

A summary of your cover

The following is a summary of your Nautilus Boat insurance. Full details are contained later in this PDS, which you should read carefully to ensure you get the most out of your cover.

Peace of mind

With this insurance your boat is protected against accidental loss or damage, including the following major events:

- Theft;
- Impact;
- Sinking;
- Fire;
- Storm;
- Malicious Damage;
- Transit Damage;
- Pollution claims.

You also have the option to add:

- Extended racing cover for sailboats;
- Liability cover for waterskiing and/or aquaplaning activities;
- Lay up cover.

Additional benefits

Depending on the cover selected by you we may also include cover for

- Full sailboat racing cover up to 100 nautical miles;
- Fishing, diving and waterskiing/aquaplaning equipment;
- Personal effects;
- Your legal liability if you need to pay compensation to another party;
- Emergency land transit for your boat;
- Salvage charges;
- Personal accident cover;
- Your boat while being used for:
 - Voluntary rescue work;
 - Time trials.
- Lost Keys
- Repatriation costs
- Tournament Coverage and Fee Reimbursement

Applying for cover

When you apply for this insurance, you will need to complete a proposal. We will use and rely on the information supplied by you to decide the terms of cover we will provide. We provide cover to you on the terms contained in this document and any other document that we tell you forms part of the terms and conditions of your cover, including the most recent Certificate of Insurance.

The Certificate of Insurance will contain important information relevant to your insurance including the period of insurance, your premium, details of your insured property, the excess(es) that will apply to you and others and whether any standard terms have been varied by way of endorsement.

All of these make up the “policy” with us. You need to keep these documents in a safe place together with receipts and other evidence of ownership and value of items you insure.

A summary of your cover

Before expiry we will send you a renewal notice which tells you whether we will renew and on what terms. The renewal notice will tell you what is required.

Determining your premium

When you buy your insurance we tell you the premium you must pay and note it in your Certificate of Insurance. To determine it we consider factors such as the cover you want, the boat you want to insure, the limits and excesses that will apply and your insurance history. It also includes an administration fee and amounts that take into account our obligation to pay any relevant compulsory government charges, taxes or levies (e.g. Stamp Duty and GST) for your insurance.

A minimum premium applies for this insurance irrespective of any discount that applies. The amount of premium we charge will not be less than this amount.

We set these out in your Certificate of Insurance.

Things you should do when purchasing insurance

Understand this insurance

Nautilus Boat insurance is designed to protect your boat against some of the most common events such as impact, sinking, fire, theft and storm (see page 12).

It also provides a broad range of additional benefits which may not be offered by all insurers (see pages 13-16) and the option to add extra cover such as extended sailboat racing cover (see pages 17-18).

There are limits to the cover provided and while some of these are fixed, others may be extended by simply notifying us of the items you own and their value.

There are also exclusions which apply to certain events (see pages 12-18), as well as general exclusions which apply to all cover under this insurance (see pages 21-22).

Certain words have defined meanings you need to understand (see pages 23-25).

You should read this PDS in full to ensure you understand the insured events and benefits as well as the limits and exclusions to this cover.

Work out what cover suits you and how much insurance you need

You need to ensure that the cover is suitable for your needs and that the level of cover provided is adequate.

You can choose two types of cover:

Market value – we pay up to the market value (i.e. the cost to replace the item with a similar item of the same age and condition), but never more than the sum insured listed on your Certificate of Insurance.

Agreed value – we pay the amount we agree with you for the relevant item(s). You must obtain a valuation from an authorised boat dealer or boat broker and we must agree and accept the valuation. The agreed values will be listed on the Certificate of Insurance.

The agreed value option is not available to personal watercraft.

A separate agreed value (called a sum insured) will apply to each of the hull, motor, mast, spars, rigging & sails, trailer and equipment and accessories. The maximum amount that we will pay for any item not listed with an agreed value on the Certificate of Insurance will be its current market value.

You are responsible for deciding the amount of your sum insured. If you are having difficulties working out the values please seek the advice of a professional valuer.

Understand your Duty of Disclosure

We rely on the information you provide us with, to decide whether to insure you and the terms on which we will insure you and you have a Duty of Disclosure to us.

To comply with your Duty of Disclosure before you enter into the policy or vary, renew, extend, reinstate or replace it, you must tell us everything that you know, and which a reasonable person in the circumstances, could be expected to know, is relevant to our decision whether to insure you and, if so, on what terms.

You do not have to tell us anything that is common knowledge that we should know through our business, that reduces the risk of a claim or that we tell you we do not need to know.

If you fail to comply we may be entitled to reduce or deny any claim you make and/or cancel the policy. If you fraudulently keep information from us or deliberately make false statements we may avoid your contract and treat your insurance as if it never existed.

Things you must do after purchasing insurance

Keep your boat and equipment in good condition and repair and always protect them

You must maintain your boat and equipment in a good state of repair and condition. Any loss or damage caused by poor maintenance is not covered under the policy. You must also make reasonable efforts to protect your boat and equipment from any loss or damage. If you make a claim and knew about something that could cause loss or damage to your property and you did not make reasonable efforts to avoid it before the loss or damage occurred, then your claim may not be paid. If you do suffer loss or damage to your boat and equipment you must also make reasonable efforts to prevent any further loss or damage.

If your boat is kept on a mooring you must make sure that the mooring is in good order and repair. This means that the mooring must be well maintained and serviced on at least an annual basis.

Keep proof of ownership of your property

When you make a claim for loss or damage, we will require proof that you owned the item and of its value or your claim may not be paid.

The easiest way to do this is by keeping receipts, valuations and other forms of purchase confirmation such as model and serial numbers.

Tell us if you modify your boat or change its use

You must tell us if you modify your boat from the manufacturer's original specifications or if there is a significant change in the use of your boat.

If you do not provide us with this information you may not be covered in the event of a claim.

When you provide this information to us we may alter the terms and conditions of the policy and this may involve the payment of an additional premium. Alternatively, we may cancel the policy or decide not to offer renewal.

Ensure your premiums are always paid

You are responsible for ensuring that your premiums are paid or your cover could be put at risk.

Please call us if you are ever unsure about your premiums.

Meeting your other obligations

You will need to meet other conditions of the policy, such as claims conditions, or we may reduce or refuse to pay a claim and/or cancel the policy.

Insuring your boat

What is your “boat”?

For the purpose of the policy your boat is comprised of the:

- hull;
- motors, including fuel tanks;
- mast, spars, rigging and sails;
- trailer;
- equipment and accessories;
- boat tender.

Your boat does not include modifications you have not told us about or which are not shown on your Certificate of Insurance. It does not include contents or personal effects as defined but limited cover is provided for these items.

What is an excess?

An excess is the amount you contribute when a claim is accepted under this insurance. The excess applicable to your cover is shown on your Certificate of Insurance.

There is no excess for claims involving death or bodily injury under the Personal Accident and/or Legal Liability cover provided by the policy.

Other party's interests

We only cover your interest in the insured property, unless we specifically include cover for the interest of another party.

You must tell us of the interests of all parties (e.g. credit providers or other owners) who you want to be covered by the policy. We will cover their interests only if you have told us about them and we have noted them on your Certificate of Insurance.

If you have borrowed money to buy your boat

If a credit provider is noted as having an interest in your boat on your Certificate of Insurance and, if you have a claim and we agree to settle on a cash basis, we have the option of making this payment to the credit provider in full or part settlement of your claim.

In this situation, we will pay the credit provider the amount we agree to settle the claim, up to the amount outstanding under your loan account.

Goods and Services Tax (GST)

Any claim payments made under this insurance will be based on GST inclusive costs, up to the relevant sum insured, market or agreed value or maximum amount that we pay. However, if you are or would be entitled to claim any input tax credits for the repair or replacement of insured property or for other things covered, we will reduce any claim under the policy by the amount of such input tax credits.

Reinstatement of sum insured for certain claims

When we pay a claim for your boat that is not a total loss, or repair an item, the relevant sum insured for your boat or item will be automatically reinstated to the same amount shown in the Certificate of Insurance unless we tell you otherwise in writing.

If your Boat is a Total Loss

If there has been a total loss claim paid, your boat or item will become our property and we will keep the proceeds of any salvage sold.

There is no premium refund payable if we settle a claim for your boat on a total loss basis.

Making a claim

What happens if you need to make a claim?

We understand that it can be very stressful if you need to make a claim. Our claims team will be there to help you with advice and assistance when you need it most.

If an event occurs that is likely to result in a claim, the following checklist will help you ensure that you have done everything you need to do, so that your claim can be assessed quickly. Not all items may be applicable to your claim.

First you should:

- do what you can to prevent any further loss, damage, cost or liability;
- tell the police if the event involves theft, attempted theft, malicious damage or impact;
- call us on 1300 780 533;
- contact your broker.

You must never, without our consent:

- admit guilt, fault or liability (except where required by law);
- offer or negotiate to pay a claim;
- approve any repairs or arrange replacements (other than emergency repairs necessary to minimise or prevent further loss or damage);
- dispose of any damaged property.

We will also require you to:

- provide us with the proof that we require regarding lost or damaged items;
- help us manage the claim, which may include us inspecting your boat or asking you questions, or you providing written statements to us under oath;
- keep items that have been damaged and allow us to inspect them or assess repair costs;
- allow us to take possession of damaged property that is the subject of a claim;
- send us any communication you receive relating to the

claim (including telling us of pending court proceedings or offers of settlement);

- help us as we work to negotiate, defend or settle any claim made under the policy and to exercise for our benefit your legal right of recovery against any other party;
- tell us about any other insurance that may be relevant to the claim.

What happens after you make a claim?

If your boat or other item is covered under the policy we will at our discretion:

- repair or replace your boat or item;
- pay you the reasonable cost of repairing or replacing your boat or item less any applicable depreciation and/or contribution; or
- pay you the agreed value or market value of your boat or item (whichever is applicable).

However, we will never pay more than the relevant sum insured or limit specified in this document or on your Certificate of Insurance less any applicable excess.

Making a claim

If we pay you the reasonable cost of repairing or replacing your boat or item our payment will be based on the cost required to repair or replace it as near as possible to its appearance and condition immediately prior to the claimed loss or damage.

If we accept your claim we will pay for damage to mechanical and electrical components of the motor, up to its agreed value or market value (whichever is applicable), on a new for old basis for motors up to five (5) years of age. Where possible we will use the manufacturer's genuine parts.

Other important matters

How claims impact your no claim bonus

If you have a claim under the policy your no claim bonus will be reduced on renewal.

If you have held this policy with us for three consecutive years and have not made a claim, your no claim bonus will not be reduced as you will have earned our Maximum No Claim Bonus discount for all future renewals of the policy.

Expenses to avoid or minimise loss

If your boat gets into difficulties or sustains damage in an accident we will pay the reasonable cost to minimise loss or damage such as:

- removing your boat to safety (including emergency towing);
- drying all the electrical equipment on the motor(s);
- cleaning and oiling of the motor(s) by a qualified mechanic.

You do not need our authority to take such action if it is an emergency and you are unable to contact us to obtain our authority. You must advise us as soon as possible after the action has been taken.

These emergency costs are in addition to the sum insured for your boat shown on your Certificate of Insurance.

Geographic limits and period of insurance

Cover is only provided under the policy in relation to events causing loss damage or liability which occur:

- within the geographic limits specified on your Certificate of Insurance. All cover provided by the policy will be automatically suspended when your boat clears Australian Customs and Immigration for the purpose of leaving Australian waters and will recommence when it clears Australian Customs and Immigration on return; and
- during the period of insurance.

However we will provide cover in the following circumstances:

- if your boat goes beyond the geographic limits to reasonably respond to an unforeseen emergency;
- if your boat goes beyond the geographic limits because of circumstances beyond the reasonable control of the person in charge or control of your boat;
- if you advise us you will go beyond the geographic limits and we agree to extend cover in writing.

What you are insured against

Your Nautilus Boat insurance covers your boat for loss or damage caused by any of the following Insured Events.

Insured Event – You are covered for:	Our Exclusions – You are not covered for the following: (see also General Exclusions on pages 21-22):
<p>Accidental Loss or Damage</p> <p>We will cover you for accidental loss or damage to your boat and contents. This includes damage caused by fire, storm, impact, sinking and any other event not specifically excluded by the policy.</p>	<ul style="list-style-type: none"> • Loss or damage to an outboard motor when secured to a boat or boat tender in a manner other than that specified or recommended by the manufacturer of the motor, boat or boat tender; • Loss or damage specifically excluded under the other Insured Events listed in the policy.
<p>Theft</p> <p>We will cover you for the theft of the boat and/or its contents and personal effects.</p>	<ul style="list-style-type: none"> • Theft by someone who is using the boat with your consent; • Theft of fishing gear, diving equipment, water ski equipment, contents and personal effects unless there is physical evidence of violent and forcible entry into your boat or the loss involves violent and forcible removal of the items from the place of storage.
<p>Malicious Damage</p>	<p>Loss or damage caused by you or a person acting with your express or implied consent.</p>
<p>Transit Damage</p> <p>We will cover you for loss or damage sustained in an accident which occurs while your boat is being transported on its own trailer by road, rail or ship.</p>	<p>Loss or damage if:</p> <ul style="list-style-type: none"> • your boat is not designed to be normally transported on a boat trailer; • you have not complied with all statutory requirements.

Additional benefits

The policy is extended to include the following additional benefits when your boat is lost or damaged as a result of one of the Insured Events detailed on Page 12.

Additional benefits	Our Exclusions – You are not covered for the following: (see also General Exclusions on pages 21-22):	Cover Limit
<p>Sailboat Racing Cover We will cover loss or damage while you are competing in a sailboat race of up to 100 nautical miles in your boat.</p>	<p>All trimarans participating in a sail boat race other than social club racing up to 25 nautical miles</p>	<p>Sum insured</p>
<p>Personal Effects We will cover loss or damage to personal effects owned by you and your passengers, which are being used or stored on your boat at the time of loss or damage.</p>	<p>Loss or damage to personal effects other than clothing, shoes, waterproof gear, prescription glasses, prescription sunglasses and manchester. Loss or damage unless the items were on or being used or stored on your boat at the time of loss. Loss or damage under this benefit when a total loss has been paid for your boat.</p>	<p>\$10,000 in total</p>
<p>Fishing, diving, waterskiing and aquaplaning equipment We will cover loss or damage to your fishing, diving, waterskiing and aquaplaning equipment.</p>	<p>Theft unless there is physical evidence of violent and forcible entry into your boat or the loss involves violent and forcible removal of the items from the place of storage. Loss or damage unless the items were on or being used with your boat at the time of loss.</p>	<p>\$1,500 per item, \$10,000 in total</p>
<p>Emergency Land Transit We will pay the cost of towing your boat in an emergency to your home or the nearest place where repairs can be made. No excess is applicable to a claim for this additional benefit and our payment will be in addition to the sum insured for your boat.</p>		<p>\$5,000 in total</p>

Additional benefits

The policy is extended to include the following additional benefits when your boat is lost or damaged as a result of one of the Insured Events detailed on Page 12.

Additional benefits	Our Exclusions – You are not covered for the following: (see also General Exclusions on pages 21-22):	Cover Limit
<p>Lost Keys We will cover you for the loss or theft of the keys of your boat or Personal Watercraft including the costs associated with recoding the new keys. Nil Excess.</p>		\$500 in total
<p>Repatriation costs We will pay the reasonable travel costs for you and/or your immediate family members to return to your home city after an event occurs which results in a claim payable under this policy. The cover provided by this benefit will only be paid if the loss or damage sustained by your boat necessitates your immediate return home. Nil Excess.</p>		\$1,000 in total
<p>Tournament Coverage and Fee Reimbursement We will cover you for the loss of entry fees paid by you should a claim payable under this policy cause you to miss or withdraw from a fishing tournament. The cover provided by this benefit will only be paid if the loss or damage sustained by your boat necessitates your withdrawal. Nil Excess.</p>	Any other financial loss.	\$500 in total

Additional benefits

The following additional benefits are included in your Nautilus Boat insurance.

Additional benefits	Our Exclusions – You are not covered for the following: (see also General Exclusions on pages 21-22):
<p>Personal Accident</p> <p>You are covered for:</p> <ul style="list-style-type: none"> • death; • an injury causing permanent and total loss of: <ul style="list-style-type: none"> – sight of an eye; – the use of a limb; – the thumb or any finger; <p>caused directly and solely by an accident which occurs while you are using your boat for private pleasure purposes or voluntary rescue work.</p> <p>We will pay:</p> <ul style="list-style-type: none"> • the personal accident sum insured noted on the Certificate of Insurance for claims involving death, permanent and total loss of use of a limb or the total loss of sight of an eye; • up to 20% of the personal accident sum insured noted on the Certificate of Insurance for claims involving permanent and total loss of the thumb or any finger. <p>We will also pay your reasonable costs up to \$1000 for certain emergency expenses you incur as a result of the personal accident providing that the costs are not covered by Medicare, workers compensation or another government or private scheme or arrangement. You must produce receipts for all costs incurred.</p>	<p>The cover under this additional benefit only applies to individual(s) that are listed as an insured on the Certificate of Insurance.</p> <p>If more than one individual is listed as an insured on the Certificate of Insurance the amount payable to the individual claiming under this additional benefit will be limited to the amount payable, divided by the number of individuals shown on the Certificate of Insurance as insureds.</p> <p>Our payment is subject to the individual claiming under this additional benefit obtaining medical attention for the injury from a registered medical practitioner and undergoing any medical examination requested by us.</p> <p>You are not covered for:</p> <ul style="list-style-type: none"> • death, permanent and total loss of the use of a limb or the permanent and total loss of sight of an eye occurring twelve months after the date of the accident; • or self inflicted death or injury. <p>No compensation for emergency expenses is payable to the extent that the payment of which would constitute “health insurance business” as defined under the National Health Act, 1953 (Cth) or would result in a breach of the provisions of the Health Insurance Act, 1973 (Cth) or any replacement, substituted or succeeding legislation.</p>

Additional benefits

The following additional benefits are included in your Nautilus Boat insurance.

Additional benefits

Temporary cover extension

If we have invited renewal of your policy and you have been at sea in your boat for a period of more than 24 continuous hours and the period of insurance expiry date falls in that period, we will provide a temporary extension of the period of insurance until 24 hours after your boat arrives at its next port.

Voluntary rescue work

We extend cover under this policy for loss or damage caused by the Insured Events detailed on Page 12 where you use your boat for voluntary rescue work.

Consignment

We extend cover under this policy for loss or damage caused by the Insured Events detailed on Page 12 while your boat is on consignment for sale at a recognised marine dealership. Lay up cover is not available while your boat is on consignment.

Time trials

We extend cover under this policy for loss or damage caused by the Insured Events detailed on Page 12 while your boat is engaged in time trials conducted under the control or regulation of your Power Boat Club or Association or equivalent body to a maximum speed of 25 knots.

Replacement Boat

Cover is provided if you purchase another boat to replace the boat described on the Certificate of Insurance, and you have:

- notified us within 21 days of its purchase; and
- we have agreed to cover it under the policy; and
- you have agreed to pay us the premium we require for it.

Salvage

If your boat is damaged or sinks accidentally and we agree to recover it or the law requires that it must be removed, we will pay the reasonable costs of the salvage charges incurred for the removal/recovery of the wreck. This cost will be paid in addition to the sum insured for your boat noted on your Certificate of Insurance.

Moored Boat - Nil Excess

In the event of a claim for loss or damage to the boat while moored, at its usual berth, private jetty, pontoon (as shown on the Certificate of Insurance) or ashore within a commercial marina we will not deduct your excess.

Marina Indemnity

We extend cover to include liability imposed upon you by the terms and conditions of any lease or agreement for the provision of a berth, mooring or storage facility.

Optional benefits

The following optional benefits can be added to your Nautilus Boat insurance for an additional premium. If taken, these benefits will be shown on your Certificate of Insurance.

Optional benefits – You can add to your cover: (only applicable if we have agreed to provide the cover and if specified as covered in the Certificate of Insurance)	Our Exclusions – You are not covered for the following: (see also General Exclusions on pages 21-22):	Cover Limit
Extended Sailboat Racing Cover option This optional benefit extends cover under the policy for loss or damage caused by the Insured Events detailed on Page 12, while you are competing in a sailboat race of more than 100 nautical miles in your boat.		Sum insured
Water-skiing and Aquaplaning Activities option This optional benefit extends the legal liability section of the policy to cover you or any person allowed by you to control your boat and the observer (within the requirements of any law) against legal liability for: <ul style="list-style-type: none"> • accidental death or bodily injury to a water skier or aquaplaner (including you) towed by your boat; • accidental death or bodily injury to any person caused by a water skier or aquaplaner being towed by your boat; • accidental damage to another person's property caused by a water skier or aquaplaner being towed by your boat This benefit will also cover the water skier or aquaplaner being towed by your boat for their legal liability to others for accidental death or bodily injury or damage to another person's property.	In addition to the legal liability exclusions listed on page 16, the following exclusions will apply to this optional benefit. Liability arising out of water skiing or aquaplaning when: <ul style="list-style-type: none"> • there is not a legally competent observer in addition to the driver on board your boat at the time of the accident; • an aerial device or ski ramp is being used; • a ski mast, ski pole or ski tower are being used unless it has been professionally designed, manufactured and installed; • involved with competition water-skiing/wakeboarding or water-ski racing of any description unless we have agreed and extended your cover in writing. Liability arising out of the towing of: <ul style="list-style-type: none"> • any person by a personal watercraft that breaches any statutory requirements; • any device not designed and professionally manufactured for the purpose of being towed behind a boat (e.g. tyre tubes or surfboards). 	Legal liability sum insured

Optional benefits

Optional benefits – You can add to your cover: (only applicable if specified as covered in the Certificate of Insurance)	Our Exclusions – You are not covered for the following: (see also General Exclusions on pages 21-22):	Cover Limit
<p>Lay Up Cover option</p> <p>If you take this option, the cover for your boat is restricted to accidental loss or damage caused by the Insured Events detailed on Page 12, occurring while the boat is within the gates, walls or fence of your home address (or at any location you have advised us of and we have agreed to cover in writing) as specified on the Certificate of Insurance. This restriction in cover gives you a monthly discounted premium and only applies during the period specified on the Certificate of Insurance.</p>	<p>Loss or damage while in transit unless your boat is being taken to or from a marine dealership for servicing and maintenance.</p>	<p>Sum Insured</p>

Liability cover

We will cover your legal liability

To pay compensation as a result of an accident which is caused by your negligence or the negligence of someone using your boat with your permission:

- **when using your own boat which causes:**
 - accidental death or bodily injury to a person other than you;
 - accidental damage to other people's property;
 - accidental death or bodily injury to you when another person allowed by you is in control of your boat.
- **when using a substitute boat which causes:**
 - accidental death or bodily injury to a person other than you;
 - accidental damage to other people's property; provided that:
 - you have permission from the owner to use the substitute boat;
 - your boat is not being used at the time;
 - you or any member of your household do not own or have any interest in the substitute boat.

If you are entitled to cover under any other policy we will only be liable under this section of the policy for the amount that your liability exceeds the limits of cover under any other policy.

The amount we will pay

We will pay the cost of compensation and legal fees and expenses that you or any other person covered by the policy is liable for provided that we consent to the costs of any legal fees and expenses you or they incur in writing before they are incurred.

We will also pay for legal liability imposed upon you by the terms and conditions of a lease or agreement for the provision of a berth, mooring or storage facility which you may own or use.

The maximum amount we will pay under this cover is the liability amount shown on the Certificate of Insurance in total for all claims that arise from any one accident. This maximum includes all legal fees and expenses.

Accidental discharge, release or escape of fuel or lubricants and clean up after an accident

We will cover you for:

- property damage caused by or arising from a sudden unexpected and unintended discharge directly or indirectly arising from the release or escape of fuel or lubricants from your boat occurring at a clearly identifiable time and place during the period of insurance,
- the cost of cleaning an accident site following an Insured Event provided that you are liable for the clean up, or
- any fines or penalties imposed on you for a breach of any federal, state or local environmental protection legislation, providing that the breach was not caused by wilful negligence or misconduct by you or any person in possession of your boat with your permission to a maximum of \$50,000 during the period of insurance.

We will pay no more than \$500,000 (inclusive of legal costs and any fines or penalties) for any one accident or discharge or series of accidents or discharges arising out of the same event in relation to this cover.

Exclusions to your liability cover

We will not pay for legal liability that arises:

- from bodily injury, illness or death:
 - to you or any person covered by the policy unless specifically covered elsewhere in this PDS;
 - to any person allowed by you to control your boat;
 - to a person who is covered or should have been covered by any compulsory compensation insurance, including any compulsory third party insurance;
 - either caused by, directly or indirectly from, or in any way connected to the activity of scuba diving;
- from loss or damage to:
 - any property owned by you or in your physical or legal control;
 - any property owned by, or in the physical or legal control of, a person allowed by you to control your boat;
 - third party property arising while your boat is being towed by a vehicle or from the boat breaking away from or accidentally becoming detached from the towing vehicle;

- from waterskiing or aquaplaning activities unless the optional benefit for “Waterskiing and Aquaplaning Activities” has been selected by you and has been noted on your Certificate of Insurance;
- while your boat is in the charge of or physical control of boat builders, repairers, yacht clubs or marina operators unless for emergency purposes to minimise any loss or damage covered under the policy;
- other than from the motors, masts, spars, rigging, sails, equipment and accessories being on and/or used on the insured boat, boat tender or trailer;
- out of the towing of any persons or objects in the air;
- from the transmission of any disease;
- from asbestos or any product containing asbestos;
- from any event or liability for which you are required by law to hold an insurance policy;
- for any penalties, fines, punitive or exemplary or aggravated damages for which you are liable except as otherwise specifically provided within this liability cover;
- for actions brought against you in a court outside Australia or a court that applies law that is not Australian law.

Specific exclusions for claims involving the accidental discharge, release or escape of fuel or lubricants.

We will also not pay any legal liability that arises from:

- your own wilful negligence or misconduct;
- the wilful negligence or misconduct of any person in possession of your boat with your permission;
- fuel or lubricants not being used in connection with the operation of your boat at the time of loss.

General exclusions

Like most insurance policies, there are general exclusions that apply to all covers.

You are not covered for any loss or damage caused by or resulting from, or the costs incurred from or of:

- your boat while competing in a sailboat race of more than 100 nautical miles unless the optional benefit for Extended Sailboat Racing Cover has been selected by you and has been noted on your Certificate of Insurance;
- the failure to maintain your boat in good order and repair, or in a proper state of seaworthiness and in compliance with any statutory requirements;
- wear and tear, mould, gradual deterioration, timber rot, delamination, vermin, corrosion, electrolysis, osmosis or marine growth;
- inherent defects, structural faults, faulty workmanship or faulty design;
- damage to sails caused by normal wear and tear and/or wind or water;
- the use of your boat or any boat covered by the policy

for hire, charter or reward of any kind unless you have advised us and we have agreed to extend cover in writing;

- any illegal or deliberate action by you, or someone acting with your express or implied consent;
- your boat or any boat covered by the policy having been fitted with a motor more powerful than that recommended by the manufacturer of the hull;
- the lawful seizure, confiscation, nationalisation or requisition of your boat or any other item covered by the policy;
- the mooring for your boat or any boat covered by the policy not being:
 - of a suitable design and weighting for the boat;
 - appropriately sited;
 - in good order and regularly maintained on an annual basis;
- while your boat or any boat covered by the policy being under the control of:
 - an unlicensed person when a license is necessary;
 - a person without adequate experience to reasonably

control the boat;

- a person under the influence of alcohol or drugs;
- a person who has been refused boat insurance within the last five years unless you have advised us of the refusal and we have agreed in writing to cover that person under the policy.

This exclusion does not apply if you can prove that:

- you did not know or had no reason to suspect that the person in control of the boat fell into any of the aforementioned categories;
- it was reasonable for that person to assume control of the boat as a result of an unforeseen emergency.
- while your boat or any boat covered by the policy is being used for powerboat racing or speed tests, unless you have advised us and we have agreed to extend cover in writing;
- a lack of reasonable care, protection and/or security of your boat or any boat covered by the policy or other insured property;

General exclusions

- your boat or any boat covered by the policy exceeding the speed limit shown on your certificate of insurance;
- the use of your boat or any boat covered by the policy or other insured property for any unlawful or illegal purpose.

You are not covered for any loss or damage caused by or resulting from, or the costs incurred from or of:

- false or fraudulent representation by you or any person who is acting with your express or implied consent. We may refuse payment of the claim and/or cancel the policy under these circumstances;
- war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or by contamination or pollution by chemical, biological or nuclear agents which results from an act of terrorism;
- pollution or contamination except as otherwise specifically covered in the policy;
- an incident involving your boat whilst it is outside the geographic limits noted on your Certificate of Insurance

unless otherwise specified in this insurance or unless you have advised us and we have agreed to extend cover in writing;

- a bushfire or named cyclone within the first 48 hours of the start of the policy unless you bought your boat on the start date of the policy or you transferred a boat insurance policy, with equivalent cover, from another insurance company without interruption in cover;
- electronic or mechanical derangement of electronic equipment, data, virus, malfunction or processing error;
- mechanical, structural, electrical or electronic breakdown or malfunction unless directly caused by one of the insured events listed earlier in this PDS;
- the modification of your boat and/or motor from the manufacturer's specifications unless you have advised us and we have agreed to extend cover in writing;
- mechanical parts that are not in accordance with the manufacturer's original specifications;
- a motor caused by or resulting from seizure and/or overheating unless caused by an accident which is otherwise an accepted claim under the policy;
- radioactivity or the use, existence or escape of any

nuclear fuel, nuclear material or nuclear waste;

- improving or altering your boat.

You are also not covered for:

- any consequential loss or loss of profit;
- your liability under any contract other than for a lease or agreement for the provision of a berthing, mooring or storage facility;
- your liability if you have agreed to or accepted liability without our prior agreement;
- acts or omissions by you or someone with your consent, if the acts are unlawful or are intended to be done with reckless disregard for the consequences.

Goods and Services Tax (GST)

This insurance does not cover any amount of GST or any fine, penalty or charge that you are liable for because of a failure to disclose or a mis-statement made by you in relation to your entitlement to an input tax credit. You must tell us if you become aware that the extent of your entitlement to an input tax credit for your premium, disclosed to us is incorrect.

What do our words really mean?

accident/accidental

means an event that you did not expect or intend to happen.

agreed value

means the amount(s) we agree to insure your boat for as shown on your Certificate of Insurance. A separate agreed value will apply to each of the hull, motor, mast, spars, rigging & sails, trailer and equipment and accessories.

boat

means the boat described in the Certificate of Insurance, including its hull, motors (including fuel tanks), masts, spars, rigging and sails, trailer, equipment and accessories and boat tender. It includes any replacement boat.

It excludes modifications you have not told us about or which are not shown on your Certificate of Insurance,

boat tender

means an auxiliary boat or dinghy used as a lifeboat or means of transportation between your boat and shore. The boat tender must be marked with the same registration number as the boat listed on your current Certificate of Insurance and not registered in its own right.

Certificate of Insurance

means the latest certificate of insurance we give you. We give you a certificate of insurance when you first buy the policy or whenever any part of the policy is changed or when the policy is renewed.

contents

means portable household goods, appliances, refrigerators, microwave ovens, televisions, glassware, crockery, cutlery and cooking utensils while on your boat only. **contents** does **NOT** include antiques, ornaments, works of art, jewellery, precious stones, furs, curios, collectibles, items that contain gold and silver, bonds, cash, credit cards, cheques and any similar financial

items, cameras, mobile phones, electronic organisers, tools of trade, bicycles, computers, software and computing equipment.

diving equipment

means recognised and commercially manufactured sports diving equipment including regulators, tanks and buoyancy compensation devices owned by you.

equipment and accessories

means items manufactured and intended for use on your boat that are portable or not permanently attached to the hull.

Equipment includes depth sounders, marine radios/transceivers, navigation equipment, fish finders, tools, fishing gear, water ski and diving equipment.

Accessories include boat covers and canopies, batteries, portable fuel tanks, anchors, paddles, oars, tender and similar items used for safety equipment as required by law.

What do our words really mean?

excess

means the amount you must contribute when a claim is accepted under the policy.

fishing gear

means rods, reels, tackle and other similar equipment owned by you and used for the purpose of recreational/sport fishing.

geographic limit (s)

means all waters within Australia and those waters off the coast of Australia as restricted or noted on your Certificate of Insurance.

hull

means the shell of the boat, deck, fixtures and fittings either on or below deck that are not normally removable and would normally be sold with the boat.

lay up

means the period nominated by you during which you do not use your boat and you keep it on its trailer at the address shown on your Certificate of Insurance.

malicious damage

means intentional damage to your boat by someone other than you and without your consent.

market value

means the retail value of items of a similar type, age and condition, with adjustment for special features if any. We may use recognised industry publications to calculate the amount.

motor

means stern drive units, inboard and outboard engines as described in the Certificate of Insurance and include the propeller, shaft, gearbox, skeg, jet unit, wiring harness, instruments, portable fuel tank, control cables and generator.

period of insurance

means the period of time that you are covered by the policy. This period is shown on your Certificate of Insurance.

personal effects

means personal items belonging to you or any passenger which are being used or stored on your boat at the time of loss. The cover for personal effects is limited to clothing, shoes, waterproof gear, prescription glasses, prescription sunglasses and manchester.

policy

means your insurance contract with us. It includes this document, your insurance application and the Certificate of Insurance including any endorsements issued by us. Throughout this document your policy may be referred to as 'Boat Insurance' or alternatively as 'Nautilus Marine Private Pleasure Boat Insurance'.

replacement boat

means a boat purchased by you to replace your boat, which has been notified to us within 21 days of its purchase and which we have agreed to cover in accordance with the policy and for which you have agreed to pay us the premium we require.

What do our words really mean?

salvage

means either the action of saving your boat in a time of peril or what is left of your boat after it has suffered loss or damage.

salvage charges

means reasonable charges and expenses which are incurred in salvage or in preventing or minimising loss or damage to your boat.

sum insured

means for an agreed value policy the sum(s) insured specified in the Certificate of Insurance for any item(s).

This is the maximum amount we will pay in relation to the relevant item(s).

For a market value policy the maximum amount we will pay for any item(s) will be the lesser of either the sum insured listed on your Certificate of Insurance or the market value of the lost or damaged property.

tools

means those tools used for the normal operation of the boat.

total loss

means the loss of your entire boat or damage to your boat which we consider to be uneconomical to repair.

trailer

means a vehicle designed to be towed by a motor vehicle and used in transporting boats as described in the Certificate of Insurance. It must be roadworthy, and in a condition that complies with registration requirements.

you, your

means the person or persons named as the insured on your Certificate of Insurance.

If more than one person is named as the insured, we will treat a statement, act, omission or claim of any one of those people as a statement, act, omission or claim by all those people.

water ski equipment

means commercially manufactured water ski equipment owned by you.

we, us, our

means Nautilus Marine Insurance Agency Pty Ltd in its capacity as agent for Lumley.

Our obligations to you

Renewing the policy

At least 14 days before the policy expires we will send you or your agent/broker a renewal notice, outlining our renewal terms, if any. You are not obliged to renew the policy with us.

Cancelling your insurance

You can cancel the policy at any time by calling us. We will explain the cancellation process to you.

We will refund any premium you have paid, less an amount that covers the period for which you were insured, unless there has been a total loss.

We can cancel your insurance to the extent permitted by law, for example if you do not comply with the policy terms and conditions, fail to pay your premium, make a fraudulent claim or if you did not comply with your Duty of Disclosure or misrepresented information when you entered into the policy. If we cancel the policy we will send you a cancellation letter.

Confirming Transactions

You may contact us in writing or by phone to confirm any transaction under your insurance if you or your adviser do not already have the required policy confirmation details.

General Insurance Code of Practice

Lumley adheres to the General Insurance Code of Practice developed by the Insurance Council of Australia. It abides by the Code's standards of conduct in carrying out its business. Please contact Lumley if you would like more information on the code.

How we protect your privacy

We value your privacy. Our Privacy Policy, available at www.nautilusinsurance.com.au or by calling us, sets out how we protect your personal information. We collect, store and use your personal information to determine whether to offer cover, to administer your and our rights under the policy (e.g. to handle claims) and to provide you with and inform you about insurance and insurance related services we can provide. If we do not collect this information we may not be

able to do any of these things.

We may communicate your personal information to our service providers for these purposes (e.g. other insurers, loss assessors, claims handlers, lawyers and accountants). This will always be done as permitted by the relevant privacy legislation.

If you wish to stop receiving information about the insurance and insurance related services we can provide, you can call us or email – customerservice@nautilusinsurance.com.au

You also have a right to seek access to and correct your personal information held by us. If you would like to do this please call us.

How we resolve your complaints

We welcome every opportunity to resolve any concerns you may have with our products or service. In the first instance contact your nearest Nautilus Marine Insurance Agency Office. If you are not satisfied with their response you can request that their manager address your concern.

Our obligations to you

If your concern is still not resolved to your satisfaction please write to our Internal Dispute Resolution Committee (IDRC) at: Nautilus Marine Insurance Agency, 28-32 George Street, Sandringham VIC 3191 Your concern will be investigated by an officer with full authority to deal with the complaint and we will inform you of the outcome within fifteen working days of receiving your letter.

If you are not satisfied with the decision of our IDRC, you may be able to access the services of an independent external dispute resolution body called the Financial Ombudsman Service Limited (FOS).

You may access FOS by contacting them using the following details:

Telephone: 1300 78 08 08 (9am – 5pm AEST)
Fax: (03) 9613 6399
Mail: GPO Box 3, MELBOURNE VIC 3001
Email: info@fos.org.au

If you require further information about our dispute resolution process, please contact us.

Updating this PDS

We may need to update this PDS from time to time if certain changes occur where required and permitted by law. We will issue you with a new PDS or a Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, we may issue you with notice of this information in other forms or keep an internal record of such changes (you can get a paper copy free of charge by calling us).

Contacting us

If you or your advisor need to contact us, have any questions or would like further information regarding this information, phone 1300 780 533.

Other Important Information

Distribution of this insurance by boat dealers

Pursuant to ASIC Class Order CO 05/1070, certain persons, including selected boat dealers, finance companies, yacht clubs and occasionally other persons have been authorised by Nautilus as its general insurance distributors to deal in this insurance on Nautilus' behalf.

These persons are not authorised to provide any advice on this insurance and have no binding authority to enter into any policy or settle any claim or otherwise act on behalf of Lumley.

Any person who provides financial services to you as Nautilus's general insurance distributor will tell you that they are acting in that capacity.

Distributors' remuneration

Distributors receive a commission whenever you enter into a policy arranged by them (including renewals and some variations which increase the premium payable).

The commission excludes GST and is a percentage of Lumley's base premium (i.e. premium excluding Lumley's actual or estimated liability for stamp duty, fire service levy, GST or any other government charges, taxes, fees or levies). The commission is included as part of your premium.

How Nautilus is remunerated for the services provided?

Nautilus also receives a commission whenever you enter into a policy arranged by them or their boat dealer distributors (including renewals and some variations which increase the premium payable).

Lumley may also advance it other money in the period to cover marketing and other costs and expenses which is agreed on a case by case basis.

For its services in administering this insurance for Lumley, Nautilus may be paid a profit share amount in relation to all Boat Insurance policies entered into in each annual period.

The amount Nautilus can receive is a percentage of the net profit amount (if any) which is determined by Lumley and is based on the total premium excluding certain costs, expenses, fees and liabilities in relation to the policies (e.g. taxes and charges on the policy, reinsurance costs, claims payments, commission paid and administrative costs) over a 12 month period.

If there is no net profit in the annual period, Nautilus receives no profit share. Any profit share amount is paid 3 months after the annual period ends.

Nautilus will also charge you a fee when it provides dealing services for Lumley, which varies depending on the dealing service it provides you with. The fee is paid in addition to the premium and is specified in the Schedule.

Nautilus' staff receive an annual salary that may include bonuses based on performance criteria (which can include sales performance) and the achievement of company goals.

Other Important Information

Remuneration payable to referrers

Nautilus will in some cases pay a pre agreed fee and/or a commission which is a percentage of the premium, to persons who refer you to it if you buy the insurance. The amount paid will depend on the person who refers you and their level of involvement in the transaction.

Further information about remuneration

If you would like more details about the remuneration (including commission) or other benefits Nautilus, its distributors or referrers receive, please ask for it within a reasonable period after you receive this document and before this insurance is issued to you.



NAUTILUS MARINE
INSURANCE

Nautilus Marine Insurance Agency Pty Ltd (Nautilus)
ABN 34 100 633 038 AFSL 227186

28-32 George Street, Sandringham, Victoria 3191

Phone: 1300 780 533 Email: customerservice@nautilusinsurance.com.au

Website: www.nautilusinsurance.com.au