

# COMMERCIAL VESSEL INSURANCE POLICY

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# IMPORTANT INFORMATION

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## INTRODUCTION

This is the Commercial Vessel insurance policy which is designed for the insurance of commercially operated vessels within Australia. This booklet contains two separate parts:

1. General Information
2. Terms and Conditions

## PART ONE: GENERAL INFORMATION

This part of the booklet contains information you need to know before you take out a policy. Please read it carefully before taking out this insurance.

## PART TWO: TERMS AND CONDITIONS

This part of the booklet details all the terms, conditions and exclusions relating to the policy. It forms part of *your* legal contract with us.

If we issue you with an insurance policy, you will be given a policy schedule. The policy schedule sets out the specific terms applicable to *your* cover and should be read together with the policy terms and conditions.

The policy terms and conditions and the policy schedule we send to you are evidence of *your* legal contract with *us* so please keep them in a safe place for future reference. If you require further information about this product, please contact *your* insurance broker.

## ABOUT SURA MARINE

SURA Marine is a trading name of SURA Pty Ltd ABN 36 115 672 350, AFSL 294313. SURA Marine has developed this Commercial Vessel Insurance Policy which is issued by the insurer referred to below.

SURA Pty Ltd has an authority from the insurer to arrange, enter into / bind and administer this insurance for the insurer.

If you require further information, please contact your broker or SURA Marine.

### Our contact details are:

Level 14, 141 Walker Street, North Sydney, NSW, 2060  
PO Box 1813, North Sydney, NSW, 2060  
Phone: +61 2 9930 9500

## ABOUT THE INSURER

QBE Insurance (Australia) Limited ABN 78 003 191 035 AFSL 239545 is a member of the QBE Insurance Group Limited ABN 28 008 485 014 (ASX: QBE). QBE Insurance Group is Australia's largest international general insurance and reinsurance group, and one of the top 25 insurers and reinsurers in the world.

You should contact SURA Marine in the first instance in relation to this insurance, including in respect of any matters relating to claims.

## DEFINITIONS

Some key words and terms used in this policy have a specific meaning.

Wherever the following words or terms appear in italics in the policy, they mean what is set out below:

### Accident/accidental/accidentally

An unexpected and unintended event causing loss or *damage* and includes one accident or series of accidents arising out of the one insured event.

### Crew

Any person (including the skipper/master) working on board the vessel as an employee.

### Damage/damaged

Any form of physical harm to the vessel.

### Diving equipment

Tanks, regulators, buoyancy compensation device, fins, wet and dry suits, pumps and other similar equipment used for the purpose of recreational/sport diving owned by you.

### Equipment and accessories

Safety equipment installed or carried in accordance with statutory requirements and any other equipment carried on board and used in conjunction with the operation of the vessel including:

- detachable canopies
- vessel and power unit covers
- lifesaving equipment
- auto pilot
- electronic navigation equipment
- global positioning system
- two-way radios

as specified in the policy schedule.

### Fishing equipment

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

### Hull

The shell of the vessel, deck, cabin, superstructure, fixtures and fittings that are not normally removable and normally sold with the vessel.

### Latent defect

Any flaw in the material used in the construction of the *hull* and superstructure, *motors/machinery*, sails, masts, spars, standing and running rigging of the vessel that is not known to you and is not discoverable by a competent tradesperson carrying out a normal inspection.

### Legal liability

Your *legal liability* (responsibility in law) arising out of the use of the vessel to pay compensation for death or injury or *damage* to the property of other people, excluding any property owned by or in the physical or legal control of you.

### Motors/machinery

Inboard motors, outboard motors, stern drive units, jet units, gear boxes, propellers, shafts, skegs, fuel tanks including fuel lines, wiring harness and instruments, fixed generators and refrigeration machinery including ancillaries necessary for the operation of the machinery.

### Net income

Your total earnings, reflecting revenues adjusted for *running costs*, depreciation, interest, taxes and other expenses compared to the corresponding period of the previous year.

### Omission

A failure to act and includes a failure to do or say something.

### Period of insurance

The period for which the cover under *your* policy is in force. *You* will find the period of insurance in *your* policy schedule.

### Personal effects

Clothing, waterproof gear, shoes, wallets or purses, toilet articles, hats or caps, keys or pens, watches, jewellery, cameras and portable radios, compact disc players, MP3 players, but excluding money, credit cards, spectacles, sunglasses, mobile phones, pagers, consumable stores, compact discs, audio or video tapes.

### Running costs

Direct costs related to keeping the business operational compared to the corresponding period of the previous year.

### Salvage

What is left of the vessel after it has suffered loss or *damage*.

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### Seaworthy, seaworthiness

Your vessel is in good condition, well maintained, suitable, capable and properly equipped for use in usual sea or water conditions and is reasonably fit in all respects to operate safely and efficiently for its designed purpose. The vessel must:

- a) be designed for the intended usage;
- b) have a structurally sound and clean *hull*;
- c) have all mandatory safety gear on board (when operating on the water) and be in good condition;
- d) have all other parts in good condition, good working order and well maintained (e.g. motor, steering, anchor, pumps, navigational equipment etc.) and you can verify that the maintenance recommendations of the manufacturer have been carried out.

### Sports equipment

Water skiing and aquaplaning equipment together with associated equipment.

### Total sum insured

The amount *we* have agreed to insure *your* vessel for and is the total of the values for the *hull, motors/machinery, sails, masts, spars, standing and running rigging, equipment and accessories* and trailer. This will be specified in your policy schedule.

### Vessel

The vessel as specified in the policy schedule together with its *equipment and accessories*.

### We, our, us

QBE Insurance (Australia) Limited ABN 78 003 191 035.

### You, your, yours

Any of the person or persons/company named as the insured in the policy schedule, including any person allowed by you to control *your* vessel. If more than one person is named as the insured in the policy schedule, *we* will treat an act, omission, statement or a claim by any one of those persons as an act, omission, statement or a claim by all of them.

## GENERAL INFORMATION

### YOUR DUTY OF DISCLOSURE

Before *you* enter into an insurance contract, *you* have a duty, under both the Insurance Contracts Act 1984 (Cth) and the Marine Insurance Act 1909 (Cth), to tell *us* anything that *you* know, or could reasonably be expected to know, that may affect our decision to insure *you* and on what terms.

*You* have this duty until we agree to insure *you*.

*You* have the same duty before *you* renew, extend vary or reinstate an insurance contract

*You* do not need to tell us anything that:

- reduces the risk *we* insure *you* for;
- or is common knowledge; or
- *we* know or should know as an insurer; or
- *we* waive your duty to tell *us* about.

### NON-DISCLOSURE

If *you* do not tell us something

**Where the Marine Insurance Act 1909 applies:**

If *you* fail to comply with *your* duty of disclosure, *we* may avoid the contract of insurance from its beginning.

**Where the Insurance Contracts Act 1984 applies:**

If *you* do not tell *us* anything you are required to, *we* may cancel *your* contract or reduce the amount *we* will pay *you* if you make a claim, or both.

If *your* failure to tell *us* is fraudulent, *we* may refuse to pay a claim and treat the contract as if it never existed.

### PRIVACY STATEMENT

SURA Marine and QBE each have a privacy policy which sets out personal information they collect and how they collect, disclose, store and use it.

#### SURA Marine

In this Privacy Statement the use of “We”, “Our” or “Us” means SURA Marine and the Insurers unless specified otherwise.

In this Privacy Statement the use of personal information includes sensitive information.

We are committed to protecting the privacy of the personal information that *You* provide to Us.

The Privacy Act 1988 contains the Australian Privacy Principles which require Us to tell *You* that We collect, handle, store and disclose *Your* personal and sensitive information for the specific purpose of:

- deciding whether to issue a policy,
- determining the terms and conditions of *Your* Policy,
- compiling data to help develop and identify other products and services that may interest clients, and
- handling claims.

Personal information is information or an opinion about an identified individual, or an individual who is reasonably identifiable:

- a) whether the information or opinion is true or not;
- b) whether the information or opinion is recorded in a material form or not.

Sensitive information includes, amongst other things, information about an individual’s racial or ethnic origin, political opinions, membership of a political organisation, religious beliefs or affiliations, philosophical beliefs, membership of a professional or trade association, membership of a trade union, sexual orientation or practices, criminal record, health information about an individual, genetic information, biometric information or templates.

*You* have given Us *Your* consent to collect, use and disclose *Your* personal information in order to provide *You* with the relevant services and/or products.

When *You* give Us personal information about other individuals, We rely on *You* to have made or make the individual aware that *You* will or may provide their personal information to Us and the types of other parties and service providers We may provide it to, the relevant purposes We and the other parties and service providers will use it for, and how they can access it. If *You* have not done or will not do either of these things, *You* must tell Us before *You* provide the relevant personal information to Us.

We will protect *Your* information using physical, technical, and administrative security measures to reduce the risks of loss, misuse, unauthorised access, disclosure and alteration. Some of the safeguards that We use are firewalls and data encryption, physical access controls to Our data centres, and information access authorisation controls.

We disclose personal information to other parties and service providers whom We believe are necessary to assist Us and them in providing the relevant services and/or products. For example, in handling claims, We may have to disclose *Your* personal information to other parties and service providers such as Our claim management partner, other insurers, reinsurers, loss adjusters, external claims data collectors, investigators and

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agents, facilitators, assessors or other parties as required by law. We will limit the use and disclosure of any personal information provided by Us to them to the specific purpose for which We supplied it.

We may disclose Your personal information to Our insurers, reinsurers, related entities and service providers overseas where it is reasonably necessary for, or directly related to, the functions, services or activities we provide to you. When we transfer Your information to other countries, including countries which may not have data protection laws that provide the same level of protection that exists in Australia, We will protect the information as described in this Privacy Policy.

If You do not provide the personal information requested and/or do not provide Us with Your consent to the use and disclosure of Your personal information as set out in this Privacy Statement, Your insurance application may not be accepted, or We may not be able to administer Your Policy, or You may be in breach of Your duty of disclosure, the consequences of which are set out under the heading Duty of Disclosure in this document.

We will notify you as soon as possible if Your personal information is involved in a data breach that is likely to result in serious harm to You.

If You would like a copy of Our Privacy Policies, would like to seek access to or correct Your personal information, opt out of receiving materials We send, complain about a breach of Your privacy or You have any query on how Your personal information is collected, stored or used, or any other query relating to Our handling of Your personal information, please contact Us.

### QBE Australia

We will collect personal information when you deal with us, our agents, other companies in the QBE group or suppliers acting on our behalf. We use your personal information so that we can do business with you, which includes issuing and administering our products and services and processing claims. Sometimes we might send your personal information overseas. The locations we send it to can vary but include the Philippines, India, Ireland, the UK, the US, China and countries within the European Union.

Our Privacy Policy describes in detail where and from whom we collect personal information, as well as where we store it and the full list of ways we could use it. To get a free copy of it please visit [www.qbe.com.au/privacy](http://www.qbe.com.au/privacy) or contact our customer care unit.

It's up to you to decide whether to give us your personal information, but without it we might not be able to do business with you, including not paying your claim.

## THE GENERAL INSURANCE CODE OF PRACTICE

QBE Insurance (Australia) Limited is a signatory to the General Insurance Code of Practice.

You can access the Code at [www.codeofpractice.com.au](http://www.codeofpractice.com.au)

## RESOLVING COMPLAINTS & DISPUTES

At QBE we're committed to providing you with quality products and delivering the highest level of service.

We also do everything we can to safeguard your privacy and the confidentiality of your personal information.

### Something not right?

We know sometimes there might be something you're not totally happy about, whether it be about our staff, representatives, products, services or how we've handled your personal information.

#### Step 1 – Talk to us

If there's something you'd like to talk to us about, or if you'd like to make a complaint, speak to one of our staff. When you make your complaint please provide as much information as possible. They're ready to help resolve your issue.

You can also contact our Customer Care Unit directly to make your complaint. Our aim is to resolve all complaints within 15 business days.

#### Step 2 – Escalate your complaint

If we haven't responded to your complaint within 15 days, or if you're not happy with how we've tried to resolve it, you can ask for your complaint to be escalated for an Internal Dispute Resolution (IDR) review by a Dispute Resolution Specialist.

The Dispute Resolution Specialist will provide QBE's final decision within 15 business days of your complaint being escalated, unless they've requested and you've agreed to give us more time.

#### Step 3 – Still not resolved?

If you're not happy with the final decision, or if we've taken more than 45 days to respond to you from the date you first made your complaint, you can contact the Australian Financial Complaints Authority (AFCA). AFCA is an ASIC approved external dispute resolution body.

AFCA resolves insurance disputes between consumers and insurers, at no cost to you. QBE is bound by AFCA decisions - but you're not. You can contact AFCA directly and they'll advise you if your dispute falls within their Rules.

## Disputes not covered by the AFCA Rules

If your dispute doesn't fall within the AFCA Rules, and you're not satisfied with our decision then you may wish to seek independent legal advice.

### Privacy complaints

If you're not satisfied with our final decision and it relates to your privacy or how we've handled your personal information, you can contact the Office of the Australian Information Commissioner (OAIC).

## CONTACTING QBE'S CCU, ACFA OR THE OAIC

### How to contact QBE Customer Care

Phone: 1300 650 503 (Monday to Friday from 9am to 5pm, Sydney time, except on public holidays).  
Calls from mobiles, public telephones or hotel rooms may attract additional charges.

Email: [complaints@qbe.com](mailto:complaints@qbe.com), to make a complaint.  
[privacy@qbe.com](mailto:privacy@qbe.com), to contact us about privacy or your personal information.  
[customercare@qbe.com](mailto:customercare@qbe.com), to give feedback or pay a compliment.

Post: Customer Care,  
GPO Box 219,  
Parramatta NSW 2124

### How to contact AFCA

Phone: 1800 931 678 (free call)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Online: [www.afca.org.au](http://www.afca.org.au)

Post: Australian Financial Complaints Authority,  
GPO Box 3,  
Melbourne VIC 3001

### How to contact the OAIC

Phone: 1300 363 992  
Calls from mobiles, public telephones or hotel rooms may attract additional charges

Email: [enquiries@oaic.gov.au](mailto:enquiries@oaic.gov.au)

Online: [www.oaic.gov.au](http://www.oaic.gov.au)



# TERMS AND CONDITIONS

## OUR AGREEMENT WITH YOU

We agree, subject to the terms, limitations, exclusions and conditions contained in or endorsed on or otherwise expressed in the policy, to provide insurance as described in this policy.

This insurance is in consideration of the insured named in the policy schedule:

- a) having paid or agreed to pay the premium; and
- b) providing to the insurers a written application (proposal).

The policy wording, policy schedule (which expression includes any policy schedule substituted for the original policy schedule) and endorsements (if any) are to be read together.

## GST

The amount of premium payable by you for this policy includes an amount on account of the GST on the premium.

When we pay a claim, your GST status will determine the amount we pay.

When you are:

- a) not registered for GST, the amount we pay is the sum insured/limit of indemnity or the other limits of insurance cover including GST
- b) registered for GST, we will pay the sum insured/limit of indemnity or the other limits of insurance and where you are liable to pay an amount for GST in respect of an acquisition relevant to your claim (such as services to repair a *damaged* item insured under the policy) we will pay for the GST amount

We will reduce the GST amount we pay for by the amount of any input tax credits to which you are or would be entitled if you made a relevant acquisition. In these circumstances, the Input Tax Credit may be claimable through your Business Activity Statement (BAS).

You must advise us of your correct Australian Business Number and Taxable Percentage.

Any GST liability arising from your incorrect advice is payable by you.

Where the settlement of your claim is less than the sum insured/limit of indemnity or the other limits of insurance cover, we will only pay an amount for GST (less your entitlement for Input Tax Credit (ITC)) applicable to the settlement. This means that if these amounts are not sufficient to cover your loss, we will only pay the GST relating to our settlement of the claim.

We will (where relevant) pay you on your claim by reference to the GST exclusive amount of any supply made by any business of yours which is relevant to your claim.

GST, ITC, Business Activity Statement (BAS) and Acquisition have the same meaning as given to those expressions in A New Tax System (Goods and Services Tax) Act 1999 and related legislation as amended from time to time.

Taxable Percentage is your entitlement to an ITC on your premium as a percentage of the total GST on that premium.

## KEEPING US INFORMED

You must tell us as soon as possible:

- a) if there is any significant change in the condition or use of your vessel which may affect our decision to insure it,
- b) if there is any change in the management or ownership of your vessel, and/or
- c) if any event happens that could mean you will make a claim and/or a claim may be made against you by another person, you must tell us within thirty (30) days of the event happening.

If you do not keep us informed we may do the following:

- a) refuse to pay your claim, or
- b) reduce the amount we pay you for your claim under your policy, or
- c) cancel your insurance policy.

## IF MORE THAN ONE (1) PERSON IS INSURED BY THIS POLICY

If more than one (1) person is insured by this policy, an act, omission, statement or claim by any of the insured people has the same effect as an act, omission, statement or claim by all of those people.

## SANCTION LIMITATION CLAUSE

You are not insured under any section of this policy where a claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America, or any local autonomous sanctions.

## THIS INSURANCE CONTRACT

This insurance policy is a contract between *us* and you.

*We* will cover *your vessel* up to the *total sum insured* specified in the policy schedule during the *period of insurance*, subject to the terms and conditions set out in this policy wording.

*We* will also cover you for *your legal liability* for death or bodily injury to other people or *accidental damage* to other people's property that *your vessel* may cause during the *period of insurance*, subject to the terms and conditions set out in this policy wording.

The policy wording and the policy schedule together make up *our* contract with you. The policy schedule shows the terms and conditions that are specific to *your* policy and should be read together with this policy wording.

If there is any conflict between this policy wording and *your* policy schedule, the policy schedule prevails.

The policy schedule states:

- the names of the people who are insured under this policy,
- the amount for which *we* have agreed to cover *your vessel*, and
- other terms and conditions specific to *your* policy.

*We* will give *you* a new policy schedule with each renewal of, or change to, the policy and the most recent policy schedule is the only one which applies to *your* policy.

If the policy does not meet *your* requirements or if *you* would like *us* to explain anything about the policy wording, please contact *us* or *your* insurance broker.

## 1. WHAT IS COVERED

*We* will cover the *vessel* specified in the policy schedule which includes:

- the *hull*
- motors and machinery
- *equipment and accessories* (excluding sporting equipment)
- sails, masts, spars, booms and fittings, spinnaker poles, standing and running rigging
- trailer
- dinghy or tender used with *your vessel* which is capable of a speed of 20 knots or less while navigating or in transit within the navigational limits specified in the policy schedule including while the vessel is at any marina, slipway or location when laid-up ashore

### Personal effects

- *Personal effects* belonging to *you* which were on board *your vessel* at the time of the loss or *damage*
- Subject to a limit of five thousand Australian dollars (AUD 5,000) each and every loss or series of losses caused by the one insured event

## 2. WHAT IS NOT COVERED

Unless *we* specifically agree in writing, this policy does not cover:

- any *vessel* capable of a speed exceeding 50 knots
- moorings
- any dinghy or tender used with *your vessel* capable of a speed exceeding 20 knots
- *sports equipment, fishing equipment and diving equipment*
- *personal effects* of any paying passenger unless you have requested and *we* have agreed to provide the optional Passenger Liability extension (see Section 7.1)

Note: *Our* agreement to insure these items will be shown in the policy schedule.

### 3. LOSS OR DAMAGE TO YOUR VESSEL: WHAT YOU ARE COVERED FOR

We will cover *you* for loss or *damage* to *your vessel* caused by any of the following insured events:

#### 3.1 Accidental damage

- Accidental *damage*
- Accidental sinking provided it was in *seaworthy* condition at the time of sinking

#### 3.2 Latent defect

A *latent defect* within the *hull* or *motors/machinery* (excluding the cost and expense of replacing or repairing the defective part) causing loss or *damage* to *your vessel*

#### 3.3 Negligence of crew

Negligence of employed skipper, master and/or *crew*

#### 3.4 Negligence of repairers

The negligent act or breach of contract of the repairer in respect of any repair alteration or maintenance of *your vessel*.

#### 3.5 Theft

- Theft of the entire *vessel* including trailer, *equipment* and *accessories*
- Theft of part of the *vessel* including trailer, motors/ machinery, equipment and accessories from:
  - a) the *vessel*; or
  - b) the place of storage of the *vessel*, trailer or the *equipment* and *accessories*, provided there is visible evidence of forcible and violent removal/entry into the *vessel* or place of storage.

#### 3.6 Malicious damage

Acts of malicious persons, other than theft, including persons of malicious intent acting on behalf of or in connection with any political organisation

#### 3.7 Transit damage

- Accidental *damage* of *your vessel* during transit on its own trailer by road, rail or ship provided it is designed to be normally trailered and *you* are complying with all statutory requirements
- Accidental *damage* to *your vessel* whilst a professional road transporter is transporting *your vessel* provided *you* inform *us* beforehand and *we* have agreed in writing to extend cover

### 3.8 Other expenses incurred to avoid or minimise loss (salvage costs)

If *your vessel* gets into difficulties or is *damaged accidentally*, *we* will pay the reasonable costs to:

1. minimise loss or *damage*
2. remove the *vessel* to safety
3. dry all the electrical equipment in the power unit(s)
4. clean and oil the power unit(s)
5. tow (by land) *your vessel* to the nearest repairer in an emergency following a loss, limited to a total amount payable to seven hundred and fifty Australian dollars (AUD 750) for all claims during the *period of insurance*

You do not need *our* authority to take such action if it is an emergency and *you* are unable to contact *us* to obtain authority except where the Loss of Hire/Income extension applies where *we* must be notified before any repairs are carried out. However, *you* must advise *us* as soon as possible after the action has been taken.

These costs are recoverable in addition to the sum insured of *your vessel*. The additional amount *we* will pay is limited to the sum insured of *your vessel*.

### 3.9 Government Authority

Deliberate *damage* to *your vessel* caused by Federal, State, or Local Authorities exercising their rights under current legislation in order to prevent or minimise an environmental hazard/pollution resulting from an insured event and provided this has not resulted from your lack of due diligence

### 3.10 War

War, civil war, revolution, rebellion, insurrection, civil strife or any hostile act by or against a belligerent power caused to *your vessel* whilst afloat

### 3.11 Arrest or detention

- Impounding, arrest, detention, confiscation or any like act by governmental authorities as a result of an act committed by any charterer, master or *crew*
- Also covered are the reasonable legal fees and expenses incurred by *you* to obtain the release of *your vessel*

This coverage is subject to *you* being unaware of, or privy to, such an act committed by a charterer, master or member of *crew*.

#### 4. LOSS OR DAMAGE TO YOUR VESSEL: WHAT YOU ARE NOT COVERED FOR

We will not cover *you* for:

##### 4.1 Theft while on loan or hire

Theft by persons to whom *you* have loaned or hired *your vessel*.

##### 4.2 Intentional loss or damage

Loss or *damage* or sinking intentionally caused by *you* or a person acting with *your* express or implied consent unless required by law.

##### 4.3 Unseaworthiness or lack of repair

Any loss or *damage* or sinking caused by or arising from the unseaworthiness or lack of repair of *your vessel* including wear and tear, deterioration, wet or dry rot, rusting or other forms of corrosion, vermin, marine growth or delamination.

##### 4.4 Mechanical, structural or electronic failure

Mechanical, structural electrical or electronic failures unless caused by an *accident* covered by this policy.

We will pay for the resultant *damage* to *your vessel* due to the breakdown but not for the item that broke down.

##### 4.5 Damage to sails by wind

*Damage* to sails and protective covers caused by the force of wind while set unless there has also been *damage* caused to the masts and spars or the *vessel* has been stranded or in collision or contact with any external substance other than water.

##### 4.6 Error in design or construction

The cost of repairing or replacing any part of the *vessel* defective by reason of fault or error in design or construction.

##### 4.7 Unrepaired damage

Unrepaired *damage* to *your vessel*.

##### 4.8 Financial loss

Financial loss which occurs because *you* cannot use *your vessel* unless *you* have requested and *we* have agreed to provide the optional Loss of Hire/Income extension.

##### 4.9 Major hull repairs or alterations

Loss, *damage*, liability or expense while *your vessel* is undergoing major *hull* repair or alteration (e.g. extending the length of the boat, major refurbishment of deck, cabin and *hull* or replacing inboard engines) unless *you* tell *us* beforehand in writing and *we* agree in writing to cover *you*.

##### 4.10 Seizure, capture, arrest, restraint or detention

Loss, *damage* or liability arising directly or indirectly from capture, seizure, arrest, restraint, detention or attempted threat or any consequences thereof.

##### 4.11 Reduction in value

Any reduction in value of *your vessel* due to its age, condition or because of repairs or unrepaired *damage*

#### 5. LEGAL LIABILITY: WHAT YOU ARE COVERED FOR

We cover *you* and any person allowed by *you* to control *your vessel* against *legal liability* for:

##### 5.1 Accidental death or bodily injury

*Accidental* death or bodily injury to a person other than:

- a) *you*
- b) *your crew*
- c) paying passengers unless *you* have requested and *we* have agreed to provide the optional Passenger Liability extension

## 5.2 Accidental damage to property

*Accidental damage* to other people's property (excluding paying passengers and *crew* unless *you* have requested and *we* have agreed to provide the optional Passenger Liability extension), caused by the use of *your vessel*.

## 5.3 Wreck removal

The costs associated with *your vessel* being *damaged* or sinking *accidentally* and if *we* decide to recover it or if the law requires that it must be removed, *we* will pay the reasonable costs of the removal/recovery of the wreck provided it was in *seaworthy* condition at the time of sinking.

These costs are recoverable in addition to the *total sum insured* of *your vessel* and are subject to a limit of ten million Australian dollars (AUD 10,000,000) each and every loss or series of losses caused by the one insured event.

## 6. LEGAL LIABILITY: WHAT YOU ARE NOT COVERED FOR

*We* will not cover any liability, cost or expense in respect of:

### 6.1 Crew

Death or bodily injury to *you* or *your crew*.

### 6.2 Goods in custody or control

Loss of or *damage* to any cargo or property owned by *you* or *your crew* or in *your* custody or control or the cargo or property of any other person covered by this policy.

### 6.3 Detached trailer

Death or bodily injury or property *damage* caused by the use of a trailer while it is attached to a motor vehicle or it breaks away or *accidentally* detaches from the vehicle.

### 6.4 Intentional

Death or bodily injury or property *damage* intentionally caused by a person covered by this policy.

### 6.5 Compulsory insurance

Bodily injury to, or the illness or death of, a person who is covered (or should have been covered) by any compulsory compensation insurance, including any compulsory third party insurance and workers compensation insurance.

## 6.6 Fare paying passengers

Death or bodily injury to paying passengers unless *you* pay an additional premium and *we* agree to provide the optional Passenger Liability extension.

## 6.7 Scuba diving and other activities

Death or bodily injury or property *damage* caused by the activity of:

- scuba diving, diving or diving operations, or in connection with the supplying, usage and/or instructions in the use of *diving equipment*, diving accessories and similar equipment;
- boom netting, water skiing or aquaplaning;
- snorkelling or tunnel diving;
- towing of persons or objects in the air including parasailing, or
- any other similar activity involving swimming by persons carried by the *vessel*.

## 6.8 Tradesman, repairers, contractors

The liability of any tradesperson or company engaged in repair, service or maintenance of *your vessel*.

## 6.9 Pollution / contamination

Any claim arising directly or indirectly from pollution or contamination by any substance unless *you* pay an additional premium and *we* agree to provide the optional Pollution Liability extension.

## 6.10 Towing of vessels

Towing *vessels* unless the *vessel(s)* is in distress and in response to a distress call from another *vessel*.

## 6.11 Foreign jurisdictions

Actions that are brought against *you* in a court or tribunal outside Australia or a court or tribunal that applies laws other than the law of a state or territory of Australia.

## 6.12 Fines or penalties

Any fine or penalty.

### 6.13 Financial damage

Aggravated, exemplary or punitive damages.

### 6.14 Specialist operations

Specialist operations, including but not limited to excavation, construction, pile driving, drilling, cutting, crushing, dredging and/or the depositing of spoil.

### 6.15 Territorial Limits

Claims:

- a) made or actions instituted within any country, state or territory (outside Australia ) where the laws of that country, state or territory require insurance to be effected or secured with an insurer or organisation licensed in that country, state or territory to grant such insurance;
- b) claims made and actions instituted within the United States of America or Canada or any other territory coming within the jurisdiction of the courts of the United States of America or Canada;
- c) claims and actions to which the laws of the United States of America or Canada apply.

Provided that exclusion 8.15 (b) and 8.15 (c) do not apply to

- d) claims and actions arising from the presence outside Australia of any of *your* employees and/or directors or partners who are normally resident in Australia and who are not undertaking manual work or supervision work of any kind while in the United States of America or Canada.

The limit of liability in respect of coverage provided under exclusion 6.15 (d) is inclusive of all costs, expenses and interest as set out in clause 14.2 of this policy.

### 6.16 Disease

The carrying or passing on of any infectious disease or virus

## 7. LEGAL LIABILITY: ADDITIONAL OPTIONAL COVER AVAILABLE

The sections of this policy wording called:

- a) *Legal liability*: What *you* are not covered for and
- b) Policy exclusions: When *you* are not covered apply to these additional optional covers.

### 7.1 Passenger Liability

If *we* have agreed to cover *you* and have shown it in *your* policy schedule, *we* will cover *you* or any person allowed by *you* to control *your vessel* (within the requirements of any law) against *legal liability* for:

- a) *accidental* death or bodily injury to a passenger while being carried by the *vessel*;
- b) entering or leaving the *vessel* including a jetty, pontoon or wharf operated or maintained by *you*;
- c) *accidental* death or bodily injury to a passenger caused by food and drink prepared and served by *you*;
- d) *accidental damage* to *personal effects* of a passenger while on *your vessel*, subject to a limit of two hundred Australian dollars (AUD 200) any one item to a maximum of two thousand Australian dollars (AUD 2,000) in total for any one passenger for any loss or series of losses caused by the one insured event, (unless otherwise specified in the policy schedule).

### 7.2 Pollution Liability

If *we* have agreed to cover *you* and have shown it in *your* policy schedule, *we* will cover *you* or any person allowed by *you* to control *your vessel* (within the requirements of any law) against *legal liability* for:

- actual physical *damage* to property caused by sudden and *accidental* discharge, emission, spillage or leakage upon or into waters or land of oil, petroleum products, effluent or sewage from *your vessel* provided the discharge, emission, spillage or leakage does not arise from wilful negligence or wilful misconduct with *your* knowledge.
- any costs associated with the cleaning up of an *accident* site following an insured event provided that *you* were liable for the clean up and the discharge, emission, spillage or leakage was not caused by *your* wilful misconduct or negligence.

This extension of cover excludes:

- a) death, bodily injury or illness;
- b) contractual or assumed liability;
- c) any loss of use or consequential loss;
- d) breach of any Federal, State or Local legislation regulating or controlling the discharge, spillage, emission or leakage of oil or any other substance into navigable waters or elsewhere or removal of or liability for discharge, spillage emission or leakage.

Subject to a limit of five hundred thousand Australian dollars (AUD 500,000) each and every loss or series of losses caused by the one insured event unless otherwise shown in the policy schedule.

## 8. OPTIONAL EXTENSIONS

Only when it is specified in the policy schedule that the policy includes the following optional extensions, subject to the policy exclusions and general conditions, cover is extended as follows:

### 8.1 Loss of hire/income

This cover is extended to indemnify *you* for *your* loss of *net income* in consequence of the *vessel* being partially or totally prevented from earning *net income* as a result of loss or *damage* to the *vessel* occurring during the *period of insurance*.

#### How much we will pay

1. The maximum period of indemnity is thirty (30) consecutive calendar days (unless otherwise shown in the policy schedule) after the application of the deductible.
2. The maximum daily indemnity is limited to five hundred Australian dollars (AUD 500) per day (unless otherwise shown in the policy schedule).
3. The maximum amount payable by *us* shall not exceed fifteen thousand Australian dollars (AUD 15,000) in the aggregate any one loss or series of losses caused by the one insured event (unless otherwise shown in the policy schedule).
4. If there is a total or constructive total loss of the *vessel*, the maximum amount payable by *us* is fifteen thousand Australian dollars (AUD 15,000) (unless otherwise shown in the policy schedule).

### Deductible (excess)

We will deduct from the claim settlement the first thirty (30) days (unless otherwise shown in the policy schedule) that the *vessel* is prevented from earning *net income* as a result of the insured event forming part of the claim.

This deductible shall not apply in the event of a total or constructive total loss of the *vessel*.

### Exclusions

This cover excludes loss of *net income* arising from:

- a) loss, *damage* or occurrence excluded by this policy;
- b) any delay caused by the insolvency or inability to pay of *you* or *your* clients;
- c) loss, *damage* or expense caused by *your* wilful misconduct;
- d) loss, *damage* or expense caused by delay;
- e) loss, *damage* or expense caused by war, governmental acts, requisition or seizure by legal process;
- f) loss, *damage* or expense caused by civil commotions, riots, strikes, lockouts, sabotage, industrial action or other similar causes;
- g) loss, *damage* or expense caused directly or indirectly by radiation, radioactive material, nuclear process or from nuclear weapons or material;
- h) any fine or penalty.

### Basis of Claims Settlement

The actual revenue for a claim under this policy shall be evidenced by booking schedules for the corresponding period for the previous year. If no evidence can be provided to demonstrate that the *vessel* would have earned any income during the period of indemnity, the daily indemnity shall be limited to the *running costs* of the *vessel* for that period.

### Recoveries

Where a recovery for loss of *net income* is obtained from a third party, *we* are entitled to this recovery to the extent of the amount paid by them.

### Separate Repair Periods

Where, due to a single insured event, the *vessel* is prevented from earning *net income* on separate occasions (not exceeding 3) by reason of repairs, these separate occasions may be added together to arrive at the total claim, provided that repairs are completed within twelve (12) months of the expiry of this policy. The period the *vessel* is prevented from earning *net income* will be counted irrespective of the expiry date of this policy provided that repairs are completed within twelve (12) months of the expiry of this policy.

### Organisation of Repairs

All repairs shall be arranged with due diligence and promptness. We have the right to request *you* to incur any expense that would reduce *our* liability under this policy provided *we* shall pay for these expenses.

### Common Time/Simultaneous Repairs

Where *damage* repairs are carried out at the same time as other repairs for *your* account which are immediately necessary for safety purposes or to allow the *vessel* to earn *net income* and which are not claimable under this policy, the *net income* lost during as much time as is common to both classes of work in excess of the deductible shall be divided equally between *us* and *you*. If the time necessary to effect *damage* repairs is extended by any other repairs for *your* account, the period of indemnity is limited to the time that would have been taken to effect *damage* repairs caused by the insured event had they been effected alone.

### Notification

All possible claims are to be reported to *us* as soon as possible and *we* are to be notified before any repairs are carried out.

### 8.2 Sports, fishing and/or diving equipment

We agree to provide additional cover to *you* for the following:

- *Accidental damage* to *your* sports, *fishing equipment* and *diving equipment* while on *your vessel* (excluding while in use);
- Theft of *your* sports, *fishing equipment* and *diving equipment* provided there is visible evidence of forcible and violent entry:
  - a) into the securely locked *vessel* or securely locked compartment within the *vessel*, or
  - b) into the normal securely locked place of storage of the *vessel* or equipment.

The maximum amount *we* will pay is twenty thousand Australian dollars (AUD 20,000) in total with a limit of two thousand Australian dollars (AUD 2,000) on any one item unless otherwise shown in the policy schedule.

## 9. WHAT YOU MUST PAY IF YOU MAKE A CLAIM

### 9.1 Deductible (excess)

The amount specified in the policy schedule as the deductible will be deducted from each and every loss except for claims for:

- total and/or constructive total loss, and
- death or personal injury

## 10. POLICY EXCLUSIONS

The exclusions set out in this part apply to all cover options provided by this policy.

We will not cover *you* or any person allowed by *you* to control *your vessel* when:

### 10.1 Navigational limits

Your *vessel* is outside the navigational limits specified in the policy schedule.

### 10.2 Maximum design speed; excess passengers; construction limits; motor limits

Your *vessel* was being operated:

- a) at a speed greater than its maximum designed speed
- b) with a motor more powerful than recommended by the manufacturer
- c) with more than the maximum number of passengers or load recommended by the manufacturer
- d) outside the limits imposed by any Certificate of Construction and Performance, licence or similar document.



### 10.3 Alcohol or drugs

Your *vessel* or towing vehicle was in the control of *you* or any person with *your* express or implied consent while under the influence of alcohol or of any drug or had a percentage of alcohol or drugs in your/their breath or blood in excess of the percentage permitted by law in the place where the loss, *damage* or liability occurred.

This exclusion does not apply if *you* were not on board the *vessel* or in the towing vehicle at the time and can clearly demonstrate that *you* had no reason to suspect that the person in control would be under the influence of alcohol or any drug or had a percentage of alcohol or drugs in excess of legal limits.

### 10.4 Unlicensed persons

Your *vessel* was under the control of a person not licensed under the applicable law, unless *you* were not in the *vessel* at the time and can clearly demonstrate that *you* had no reason to suspect that the person was unlicensed.

### 10.5 Racing

Your vessel was being used in racing, speed tests or trials.

### 10.6 Unlawful purpose

Your *vessel* was being used for an unlawful purpose.

### 10.7 Licensing; registration; class; survey

Your *vessel* was being used without commercial licensing, registration, classification or survey requirements being complied with.

### 10.8 Towage by road

Your *vessel* was being towed on a trailer and the driver with *your* express or implied consent was not licensed to drive a vehicle in accordance with the law.

This exclusion does not apply if *you* were not in the vehicle at the time and can clearly demonstrate that *you* had no reason to suspect that the driver was unlicensed.

### 10.9 Transport by road

Your *vessel* is being loaded, unloaded or transported by a commercial carrier unless *you* tell *us* beforehand in writing, and *we* agree in writing to cover *you*

### 10.10 Seaworthiness

You do not keep the *vessel* in good order and repair, or in a proper state of *seaworthiness* and in compliance with any statutory requirements (e.g. Waterways Authority Regulations) including the mooring of *your vessel* not being:

- a) of suitable design and weighting for the *vessel*
- b) appropriately sited, and
- c) in good order and regularly maintained on an annual basis.

### 10.11 Repairs or alterations

Your *vessel* is undergoing major *hull* repair or undergoing alteration unless *you* tell *us* beforehand in writing, and *we* agree in writing to cover *you*.

### 10.12 Radioactive weapons, radiation, nuclear waste

This policy excludes loss, *damage*, destruction, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

In no case shall this insurance cover loss, *damage*, liability or expense directly or indirectly caused by or contributed to by or arising from:

- ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;
- any actual or alleged liability whatsoever for any claim or claims in respect of loss or losses directly or indirectly arising out of, resulting from or in consequence of asbestos;
- any chemical, biological, bio-chemical, or electromagnetic weapon.

Also excluded is any loss, destruction, *damage*, death, injury, illness, liability, cost or expense of any nature directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with any action taken in controlling, preventing, suppressing, retaliating against, or responding to or in any way relating to the above exclusions.

## 11. GENERAL CONDITIONS & WARRANTIES

The insurance cover provided by this policy is subject to the following additional conditions and/or warranties:

### 11.1 Alteration of risk

You must give *us* immediate notice if there is any material change in the circumstances or nature of the risks covered by this policy, or no claim arising after the change shall be payable unless *we* have agreed to the change in writing.

### 11.2 Authorisation

*We* may give to and obtain from any other insurers, any insurance reference bureaus and any credit reporting agencies any information relating to *your* credit or insurance history as well as insurance claims information obtained during the course of this policy.

### 11.3 Due care

At all times, *you* must take appropriate care in the operation of the *vessel* in *your* care, custody or control.

### 11.4 Preventing our right of recovery

Where another person is liable to compensate *you* for loss, *damage* or liability which is to be covered by *your* policy but *you* have agreed not to seek recovery of any monies from that person, *we* will not cover *you* under this policy for that loss, *damage* or liability.

### 11.5 Survey/manning warranty

Warranted that at inception and throughout the *period of insurance* the *vessel* must at all times be:

- registered and in current survey with the appropriate governmental authorities according to the type and class of operation and that its type and class are maintained
- operated within the specified limits as permitted by the appropriate governmental authorities
- in compliance with all regulations as required by the appropriate governmental authorities

- operated by a master or any other person in charge of the *vessel* who is the holder of a certificate of competency issued by the appropriate governmental authorities
- in compliance with any conditions attaching to or imposed by the registration of the *vessel*.

### 11.6 Third party interests

You must inform *us* of the interests of all third parties (e.g. financiers or lessors) to be covered by this policy.

*We* protect the interest of third parties only if *you* have informed them and such interest(s) are noted in the policy schedule.

### 11.7 Automatic reinstatement

When an amount is paid under this policy, the limit of liability is automatically reinstated to the amount specified in the policy schedule, subject to payment of an additional premium and government charges (where applicable).

## 12. CLAIMS

### 12.1 What you must do

For *us* to consider *your* claim, *you* must:

- a) promptly take all responsible precautions to prevent any further loss or *damage* to *your vessel* including electrical equipment and components which have been submerged and in the case of a motor, the flushing out and oiling of the motor and the drying out of its and all other electrical equipment and components
- b) make a report to the police if there is injury, malicious *damage*, theft or attempted theft of *your vessel*
- c) contact *us* and tell *us* details of what has happened
- d) complete *our* claim form and any other form *we* ask *you* to complete, and take it or mail it to *our* claims department at any of *our* offices

You must not authorise repairs to *your vessel* without *our* consent.

Only *we* have the right to settle or defend a claim against *you* by another party.

If *we* agree *you* have a claim, *you* should not, without *our* consent:

- a) make or accept any offer or payment or in any other way admit *you* are liable
- b) settle or attempt to settle any claim or defend any claim

## 12.2 When others may be liable

When other parties may be liable to *you* for the loss, *damage* or liability, *you* must hold the parties liable by delivering a notice of intention to claim, inform *us* of the circumstances and let *us* have a copy of all relevant documents.

*We* may exercise all *your* legal rights relating to the loss or *damage*. *We* may prosecute or defend any legal proceedings in *your* name and have full discretion in the exercise of *your* legal rights.

## 12.3 Your duty to co-operate

In the event of a claim, any benefits that this policy gives *you* depend on *you* giving us full details of *your* loss and the help that *we* require, including further written statements and documents *we* consider relevant. *We* may also require *you* to attend court to give evidence.

You must help *us* even after *we* have paid *your* claim. *We* may attempt to recover the amount of our payment from the person who caused *you* to suffer loss or *damage*, or *we* may want to defend *you* if it is alleged that *you* caused loss or *damage* to someone else.

You must send to us immediately any letters, demands, notices or court documents you receive relating to an *accident* that resulted or could result in a claim.

## 12.4 Fraud

If any claim in whole or part is fraudulent or false in any respect *we* may be entitled to avoid paying the claim or reduce the amount of the claim settlement. In some circumstances *we* may also be able to cancel *your* policy.

## 12.5 Sanctions Limitation and Exclusion Clause

You are not insured under this policy where a claim payment breaches any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America, or any local autonomous sanctions.

## 13. HOW MUCH WE PAY

### 13.1 Loss of or damage to your vessel

#### Market Value

Cover under this policy is on a market value basis unless *we* state in the policy schedule 'agreed value'.

*We* may decide either to repair or replace an item, or to pay the cost of replacing an item.

This amount that *we* will pay is determined by:

- comparing the value of the item with an item of equal age and condition
- the new replacement value less reasonable depreciation based upon the age and condition of the item
- the actual cost of an item of equal age and condition, whichever is the lesser

When *we* take the option of repairing an item, the amount that *we* pay is limited by the actual value of the item being repaired or the new replacement value less reasonable depreciation based upon the age and condition of the item.

In the event of a total loss *we* will pay *you* the sum insured (market value) of the item involved and take ownership of any *salvage*.

The maximum amount payable in respect of each item is as listed in the policy schedule.

#### Agreed Value

If the policy schedule states the sum insured is 'agreed value', in the absence of fraud, the value shown in the policy schedule is fixed between *us* and *you*, and is conclusive of the insured value of *your vessel*.

There are separate sums insured for:

- the *hull* and *motors/machinery*;
- *equipment and accessories* including sails, masts, spars, standing and running rigging, tender and trailer.

Your policy schedule lists the sum insured for each of these items separately. In the event of a claim, the maximum *we* will pay *you* for each item is the agreed sum insured for that item.

We may decide to:

- repair or replace an item
- pay *you* the reasonable cost of repairing or replacing the item involved
- pay *you* the agreed sum insured of the item involved and take ownership of any *salvage*

The maximum amount payable in respect of each item is as listed in the policy schedule.

### 13.2 Legal liability

If *you* are liable for them, *we* will pay the costs of:

- compensation, and
- legal fees and expenses

We will only pay the costs of legal fees and expenses *you* incur if *we* consent to them in writing before *you* incur them.

## 14. LIMIT ON WHAT WE PAY

### 14.1 Loss or damage to your vessel (Agreed or Market Value)

Our liability is limited to the amount specified in the policy schedule any one loss or series of losses caused by the one insured event (excluding applicable optional extensions specified in Section 8).

### 14.2 Legal Liability

The maximum *we* will pay is the amount specified in the policy schedule in total for all claims that arise from any one loss or series of losses caused by the one insured event inclusive of legal fees and expenses incurred by *you* with *our* consent or recoverable from *you* in connection with an insured event.

## 15. CANCELLATION

At any time, *you* may cancel this policy by giving *us* notice in writing.

We may cancel this policy only when permitted by law to do so.

Upon cancellation, *we* will refund a pro rata proportion of the premium received by *us* relating to the unexpired *period of insurance* but subject to a minimum premium of two hundred and fifty Australian dollars (AUD 250).

SURA Pty Ltd ABN 36 115 672 350,  
AFSL 294313.

Thank you for receiving this  
document electronically.

In providing any financial services  
SURA acts under a binder as an  
agent of QBE Insurance (Australia)  
Limited ABN 78 003 191 035, AFSL  
239545

SURA Marine supports positive  
initiatives for our environment.

# S U R A MARINE

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