

S U R A MARINE



Commercial Vessel Insurance

Policy Wording

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Important Information

Introduction

This Commercial Vessel insurance Policy is designed for the insurance of commercially operated Vessels within Australia.

This booklet contains two separate parts:

1. General Information
2. Terms and Conditions

No Workers Compensation Cover

This Policy does not include workers compensation cover. Such cover is compulsory for employers, and You should arrange separate insurance.

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 financial services provider.

About Sura Marine

SURA Marine is a trading name of SURA Pty Ltd ABN 36 115 672 350, AFSL 294313 (called SURA Marine in this document).

SURA Marine distributes this insurance on behalf of the insurer. SURA Marine has an authority from the insurer to arrange, enter into/bind and administer this insurance for the insurer. This means that SURA Marine will be acting as agent for BHSI, not for You.

SURA Marine's contact details are:

Level 14, 141 Walker Street
North Sydney NSW 2060
PO Box 1813,
North Sydney NSW 2059
Phone: +61 2 9930 9500

About the Insurer

The insurer of this insurance product is Berkshire Hathaway Specialty Insurance Company (incorporated in Nebraska, USA) ABN 84 600 643 034, AFS License No. 466713 (called We, Us, Our or BHSI in this document).

BHSI's contact details are:

GPO Box 650
Sydney NSW 2001
Email: australia@bhspecialty.com

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 the Policy have a specific meaning that appear below when the word starts with a capital letter in this document. Other words may be specially defined to have a meaning when used in relation to a Policy section, term or condition.

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.

Act of Terrorism

An act, including but not limited to the use of force or violence and/or the threat thereof, by any person or group or persons, whether acting alone or on behalf of or in connection with any organisation or government, which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

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.

Deductible

The amount of each claim or time period to be borne by You before We are obliged to make any payment under the Policy. Our liability to indemnify You under the Policy applies only in respect of the claimed loss which exceeds the Deductible amount or time period stated in the Policy or the Policy Schedule (as applicable).

Any applicable Deductible will be advised to You before You agree to enter into a Policy with Us.

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 and which are owned by You.

Equipment and Accessories

Safety equipment installed or carried on the Vessel in accordance with statutory requirements and any other equipment carried on board the Vessel 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; or
- 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 and which are 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 or Motors/Machinery 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 specified as the “Period of Insurance” in the Policy Schedule, unless the Policy ends earlier in accordance with its terms or law, in which case the Period of Insurance ends at that earlier time.

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.

Policy

This document (except to the extent part of it is expressly excluded), the Policy Schedule and any other documents We agree with You will form part of Your policy that We issue. Together they form Your contract with Us. These are all important documents and should be carefully read together and kept in a safe place for future reference.

Policy Schedule

The document of that name which sets out the details of the insurance cover such as the Policy number, Period of Insurance, Total Sum Insured and any Deductible payable in the event of a claim. It is part of the Policy and should be read in conjunction with the other documents that form the Policy.

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 or other insured property (as applicable) after it has suffered loss or Damage.

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.

Navigating Limits

The geographical area of operation specified in the Policy schedule, but unless otherwise agreed and specified in the Policy schedule not exceeding the lesser of:

- a) those limits as defined in Your licence to operate;
- b) 250 nautical miles off the Australian mainland and Tasmania.

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

Berkshire Hathaway Specialty Insurance Company (incorporated in Nebraska, USA) ABN 84 600 643 034, AFS License No. 466713 in its own capacity and when acting through its agent SURA Pty Ltd ABN 36 115 672 350, AFSL 294313 trading as SURA Marine (SURA Marine).

You, Your, Yours

Any of the person or persons/company named as the “insured” in the Policy schedule (they are the contracting insured), and any person allowed by You to control Your Vessel (such persons are not contracting insureds and are only covered as third party beneficiaries to the extent provided by section 48 of the Insurance Contracts Act 1984 (Cth)). 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.

Part One: General Information

Your Duty of Disclosure

Where the Insurance Contracts Act 1984 (Cth) applies, before You enter into an insurance contract, You have a duty, 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.

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.

Where the Marine Insurance Act 1909 applies, before You enter into an insurance contract You must disclose to Us every material circumstance which is known to You, and You are deemed to know every circumstance which, in the ordinary course of business, ought to be known by You.

A “material circumstance” is one which would influence the judgement of a prudent insurer in fixing the premium, or determining whether it will take the risk.

In the absence of inquiry the following circumstances need not be disclosed, namely:

- any circumstance which diminishes the risk;
- any circumstance which is known or presumed to be known to Us. We are presumed to know matters of common notoriety or knowledge, and matters which an insurer in the ordinary course of its business, as such, ought to know;
- any circumstance as to which information is waived by Us;
- any circumstance which it is superfluous to disclose by reason of any express or implied warranty.

Whether any particular circumstance, which is not disclosed, be material or not is, in each case, a question of fact. The term circumstance includes any communication made to, or information received by, You.

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

If You fail to make such disclosure, We may treat the contract as if it never existed.

Subject to the above circumstances which need not be disclosed, where this insurance is effected for You by an agent, the agent must disclose to Us:

- every material circumstance which is known to them, and an agent to insure is deemed to know every circumstance which in the ordinary course of business ought to be known by, or to have been communicated to, them; and
- every material circumstance which You are bound to disclose, unless it come to Your knowledge too late to communicate it to the agent.

Misrepresentations

Under both the Insurance Contracts Act 1984 (Cth) and Marine Insurance Act 1909 (Cth) You have obligations not to make certain misrepresentations to Us.

Where the Insurance Contracts Act applies and You breach this obligation, 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.

Where the Marine Insurance Act applies, and You make a relevant representation that is untrue We may refuse to pay a claim and treat the contract as if it never existed.

Refer to the above Acts for more detail.

When We can Refuse to Pay or Reduce the Amount We Pay Under a Claim

We may refuse to pay or reduce the amount We pay under a claim to the extent permitted by law.

The situations in which We may refuse to pay or reduce the amount We pay under a claim under the Policy include (but are not limited to):

- when You apply for cover (this includes new business, variations and renewals) and You do not comply with Your obligations regarding pre contractual disclosures and representations to Us under the Insurance Contracts Act 1984 (Cth) or Marine Insurance Act 1909 (Cth) as applicable – see above for details of the Duty of Disclosure and Misrepresentations and Our rights in this regard;
- if You do not comply with or meet a term or condition (including where an exclusion applies or other limitation) of the Policy (All referred to as “**Terms**” when used below and in this document) – See “If You do not comply with or meet any Policy Term” below for more detail;
- if You make a fraudulent claim – See “Fraudulent Claims” below;

- where You have not or are not acting in accordance with Your duty of utmost good faith under the Insurance Contracts Act 1984 (Cth) or Marine Insurance Act 1909 (Cth) as applicable – See “Duty of Utmost Good Faith” below.

The amount of any claim entitlement can also be affected and/or reduced by any limits (including any time limits) or Deductible(s) that apply. The Policy sets out the relevant limits and Deductible(s) and when they apply to a claim.

If You do not comply with or meet any Policy term

We will only rely on any rights We have regarding the operation of or breach of a Term of the Policy to the extent permitted by law (including Our right to refuse or reduce a claim noted above). You need to seek Your own advice regarding all relevant legal rights You may have.

Terms allowing Us to refuse to pay or reduce a claim (in whole or part) by reason of an act by You or some other person that occurred after the Policy was entered into

Where the Insurance Contracts Act 1984 (Cth) is applicable, subject to Our rights in relation to Fraudulent claims explained below under that Act, by reason of section 54, where the effect of the Policy (this includes all terms or conditions, including any exclusion or other limitation) is to allow Us to refuse to pay or reduce a claim (in whole or part) by reason of an act by You or some other person that occurred after the Policy was entered into, We will exercise Our rights under the Policy as explained below (Refer to the Insurance Contracts Act 1984 (Cth) for full details).

Under section 54, an “act” by You or some other person includes an Omission and inaction and an act or Omission that has the effect of altering the state or condition of the subject-matter of the Policy or of allowing the state or condition of that subject-matter to alter.

How We exercise Our rights where section 54 applies (unless there is a Fraudulent claim)

- Where:
 - the act was necessary to protect the safety of a person or to preserve property;
 - it was not reasonably possible for You or the other person not to do the act; or
 - You prove no part of the loss that gave rise to the claim was caused by the act,

We will not refuse to pay or reduce the claim by reason only of that act.

- Where the act:
 - could not reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is provided by the Policy; or
 - could reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is provided by the Policy but You prove that some part of the loss that gave rise to the claim was not caused by the act, We may not refuse to pay the claim, so far as it concerns that part of the loss but,

We can reduce Our liability in respect of the claim by an amount that fairly represents the extent to which Our interests were prejudiced as a result of that act.

- Otherwise where the act could reasonably be regarded as being capable of causing or contributing to a loss in respect of which insurance cover is provided by the Policy, We may refuse to pay the claim.

Terms allowing Us to refuse or reduce a claim because of pre-existing defects or imperfections existing before the Policy was entered into

Only where section 46 of the Insurance Contracts Act 1984 (Cth) is applicable to the Policy:

- where a claim is made in respect of a loss that occurred as a result, in whole or in part, of a defect or imperfection in a thing; and
- where at the time when the contract was entered into You were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the defect or imperfection,

We may not rely on any provision included in the Policy that has the effect of limiting or excluding Our liability under the contract by reference to the condition, at a time before the Policy was entered into, of the thing. This does not apply if the Policy is in an excluded class to which section 46 does not apply (Refer to the Insurance Contracts Act 1984 (Cth) for full details).

Terms allowing Us to refuse or reduce a claim because of a pre-existing sickness or disability existing before the Policy was entered into

Only where section 47 of the Insurance Contracts Act 1984 (Cth) is applicable to the Policy:

- where a claim under the Policy is made in respect of a loss that occurred as a result, in whole or in part, of a sickness or disability to which a person was subject or had at any time been subject; and
- where, at the time when the contract was entered into, You were not aware of, and a reasonable person in the circumstances could not be expected to have been aware of, the sickness or disability,

We may not rely on a provision included in the Policy that has the effect of limiting or excluding Our liability under the Policy by reference to the sickness or disability to which You were subject at a time before the Policy was entered into (Refer to the Insurance Contracts Act 1984 (Cth) for full details).

Fraudulent Claims

Where the Insurance Contracts Act 1984(Cth) applies, where a claim is made fraudulently under:

- the Policy; or
- that Act against Us by a person who is not the insured,

We may refuse payment of the claim to the extent permitted by law.

Under section 56(2) of the Insurance Contracts Act 1984 (Cth) a court may, if only a minimal or insignificant part of the claim is made fraudulently and non-payment of the remainder of the claim would be harsh and unfair, order Us to pay, in relation to the claim, such amount (if any) as is just and equitable in the circumstances (Refer to the Insurance Contracts Act 1984 (Cth) for full details).

Where the Marine Insurance Act 1909 (Cth) applies, where a claim is made fraudulently under the Policy We may refuse payment of the claim and/or avoid the Policy to the extent permitted by law.

Duty of Utmost Good Faith

Where the Insurance Contracts Act 1984 (Cth) applies:

- Section 13 of that Act requires each party to the Policy to act towards the other party, in respect of any matter arising under or in relation to it, with the utmost good faith.
- Section 14 of that Act provides that if reliance by a party to the Policy on a provision of the Policy would be to fail to act with the utmost good faith, the party may not rely on the provision.

(Refer to the Insurance Contracts Act 1984 (Cth) for full details).

Where the Marine Insurance Act 1909 (Cth) applies, a contract of marine insurance is a contract based upon the utmost good faith, and, if the utmost good faith be not observed by either party, the contract may be avoided by the other party.

Terms Subject to Relevant Law

A term of the Policy will be applied to the extent is not unenforceable under relevant law.

Privacy Statement

In this Privacy Statement the use of "We", "Our" or "Us" means SURA Marine and BHSI 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:

- whether the information or opinion is true or not;
- 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 agents, facilitators, assessors, any insurance reference bureaus, credit reporting agencies 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.

General Insurance Code of Practice

We proudly support the General Insurance Code of Practice (the 'Code'). It does not apply where the Policy is a contract of marine insurance covered by the Marine Insurance Act 1909 (Cth).

The purpose of the Code is to raise the standards of practice and service in the general insurance industry.

The Code Governance Committee (CGC) is an independent body that monitors and enforces insurers' compliance with the Code.

For further information on the Code, please visit www.codeofpractice.com.au

For more information on the Code Governance Committee (CGC) go to <https://insurancecode.org.au>

Complaints and Disputes Resolution Process

Our complaints process

We view seriously any complaint made about Our products or services and will deal with it promptly and fairly.

If You have a complaint, please first try to resolve it by contacting the relevant member of Our staff.

If the matter is still not resolved, please then contact Our Internal Disputes Resolution Officer on (02) 9930 9500, or by email at IDR@SURA.com.au or by writing to Us at the address for SURA given above. They will seek to resolve the matter in accordance with the General Insurance Code of Practice and Our Dispute Resolution procedures.

You can contact Us if You want more information on Our procedures.

If You are not satisfied with the final decision, You may wish to contact the Australian Financial Complaints Authority (AFCA).

AFCA

The AFCA is a free independent external disputes resolution service provided to customers to review and resolve complaints where We have been unable to satisfy Your concerns, subject to its rules or terms of reference.

For further details You can visit their website at www.afca.org.au or contact them:

Australian Financial Complaints Authority
PO Box 3
Melbourne VIC 3001
Telephone: 1800 931 678
Email: info@afca.org.au

A complaint can be referred to AFCA at any time subject to its rules. AFCA only considers complaints (otherwise covered by its rules) referred to it within 2 years of Our final decision, unless AFCA considers special circumstances apply. If AFCA tells You that under its rules it cannot assist You or consider Your dispute, then You can seek independent legal advice. You can also access any other external dispute resolution or other options that may be available to You.

Goods and Services Tax (GST)

The amount payable by You for the Policy includes an amount for GST.

When We pay a claim, Your GST status will determine the amount We pay.

The amount that We are liable to pay under the Policy will be reduced by the amount of any Input Tax Credit (ITC) that You are or may be entitled to claim for the supply of goods or services covered by that payment.

You must advise Us of Your correct Australian Business Number (ABN) and Taxable Percentage. Taxable Percentage is Your entitlement to an ITC on Your premium as a percentage of the total GST on that premium. Any GST liability arising from Your incorrect advice to Us of Your ITC entitlement is payable by You.

Where the settlement of a claim is less than the applicable Limit of Liability or the other limits applicable to the Policy, We will only pay the GST (less Your ITC) applicable to the settlement. This means that if these amounts are not sufficient to cover the whole claim, We will only pay the GST relating to Our share of the settlement for the whole claim. We will pay the claim by reference to the GST exclusive amount of any supply made by any business of Yours which is relevant to the claim.

GST and ITC have the same meaning as given to those words or expressions in A New Tax System (Goods and Services Tax) Act 1999 (Cth) and related legislation as amended from time to time.

Part Two: 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 the 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.

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.

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 the 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

We shall not be deemed to provide cover and We shall not be liable to pay any claim or provide any benefit under the Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us, Our parent company or Our ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the Commonwealth of Australia, United Kingdom or the United States of America.

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, conditions, limits and exclusions set out in the Policy.

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, conditions, limits and exclusions set out in the Policy.

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 the 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 the 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 at the time an event occurs which may give rise to a claim.

If the Policy does not meet Your requirements or if You would like Us to explain anything about the Policy, please contact Us or Your insurance broker.

1. What is covered

We will cover the Vessel specified in the Policy schedule which includes its:

- Hull;
- Motors/Machinery;
- Equipment and Accessories (excluding Sports Equipment, Fishing Equipment and Diving Equipment);
- sails, masts, spars, booms and fittings, spinnaker poles, standing and running rigging;
- trailer; and
- 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 Navigating Limits specified in the Policy schedule including while the Vessel is at any marina, slipway or location when laid-up ashore.

Personal Effects

We will cover Personal Effects belonging to You which were on board Your Vessel at the time of the insured loss or Damage.

Subject to a limit of five thousand dollars (\$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, the 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 or Diving Equipment;
- Personal Effects of any paying passenger unless You have requested and We have agreed to provide cover under Additional Optional Cover – 7.1. Passenger Liability.

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 which occur during the Period of Insurance:

3.1 Accidental Damage

- Accidental Damage; or
- Accidental sinking, provided the Vessel 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 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 its trailer, Motors/Machinery and Equipment and Accessories;
- Theft of part of the Vessel including its trailer, Motors/Machinery and Equipment and Accessories from:
 - a) the Vessel; or
 - b) the place of storage of the Vessel, trailer, Motors/Machinery or the Equipment and Accessories,

provide there is visible evidence of forcible and violent removal/entry into the Vessel or place of storage.

3.6 Malicious Damage

Malicious acts of persons, other than theft, including persons acting with malicious intent 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 the Vessel is designed to be normally trailered and You are complying with all applicable 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 and You have agreed to pay any additional premium that We may require. If You fail to inform Us beforehand We will not cover You for any claim arising out of the professional road transportation of Your Vessel (to the extent permitted by law).

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); or
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 dollars (\$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 Optional Extension 8.1 Loss of hire/income 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 while Your Vessel is 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; and
- 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 being committed by a charterer, master or member of Crew before it occurs.

4. Loss or Damage to Your vessel: What You are not covered for

The following exclusions apply to Section 3 – Loss or Damage to Your Vessel in addition to the exclusions set out in 10. Policy Exclusions.

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 the 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 a 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 before the insured event occurred. Where unrepaired Damage needs to be repaired with insured Damage then You may need to contribute to repair costs.

4.8 Financial loss

Financial loss which occurs because You cannot use Your Vessel unless You have requested and We have agreed to provide cover under the Optional Extension 8.1 Loss of hire/income.

4.9 Major Hull repairs or alterations

Loss, Damage, liability or expense while Your Vessel is undergoing Hull repair or alteration (e.g. extending the length of the boat, 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, and You have agreed to pay any additional premium that We may require.

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; or
- c) paying passengers, unless You have requested and We have agreed to provide cover under Optional Extension 7.1 Passenger Liability.

5.2 Accidental Damage to property

Accidental Damage to other people's property (excluding paying passengers and Crew caused by the use of Your Vessel, unless You have requested and We have agreed to provide cover under Optional Extension 7.1 Passenger Liability).

5.3 Wreck removal

If Your Vessel is Damaged or sinks Accidentally and We decide to recover it or the law requires that it must be removed, We will pay the reasonable costs of the removal/recovery of the wreck provided the Vessel was in Seaworthy condition at the time it was Damaged or sank.

These costs are recoverable in addition to the Total Sum Insured of Your Vessel and are subject to a limit of ten million dollars (\$10,000,000) each and every loss or series of losses caused by the one insured event and in the aggregate for the Period of Insurance. This limit of \$10,000,000 applies in total across sections 5.1, 5.2 and 5.3.

6. Legal Liability: What You are not covered for

The following exclusions apply to Section 5 – Legal Liability: What You are covered for in addition to the exclusions set out in 10. Policy Exclusions.

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 the 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 that 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 the 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 We have agreed to provide cover under Optional Extension 7.1 Passenger Liability.

6.7 Scuba diving and other activities

Death or bodily injury or property Damage caused by the activity of:

- a) scuba diving, diving or diving operations, or in connection with the supply, usage and/or instructions in the use of Diving Equipment, diving accessories and similar equipment;
- b) boom netting, water skiing or aquaplaning;
- c) snorkelling or tunnel diving;
- d) towing of persons or objects in the air including parasailing; or
- e) 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 We have agreed to provide cover under Optional Extension 7.2 Pollution Liability.

6.10 Towing of Vessels

Towing of another vessel unless the vessel is in distress and in response to a distress call from that other 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.

6.16 Disease

The carrying or passing on of any infectious disease or virus.

7. Legal Liability: Optional extensions

The following Optional Extensions are only covered where these are shown as being insured in the Policy schedule, and subject to the terms, conditions, limits and exclusions otherwise applicable under:

- a) Section 5. Legal Liability: What You are covered for;
- b) Section 6. Legal Liability: What You are not covered for; and
- c) the Policy.

7.1 Passenger Liability

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) Accidental death or bodily injury to a passenger while 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 on the Vessel;
- d) Accidental Damage to Personal Effects of a passenger while on Your Vessel, subject to a limit of two hundred dollars (\$200) any one item to a maximum of two thousand dollars (\$2,000) in total for any one passenger for any loss or series of losses caused by the one insured event, (unless a different amount is specified in the Policy schedule in which case the amount shown in the Policy schedule will apply).

You must agree to pay any additional premium We may charge for this extension.

7.2 Pollution Liability

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) 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; and
- b) 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; or

- 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 dollars (\$500,000) each and every loss or series of losses caused by the one insured event, (unless a different amount is shown in the Policy schedule in which case the amount shown in the Policy schedule will apply).

You must agree to pay any additional premium We may charge for this extension.

8. Optional extensions

The following Optional Extensions are only covered where these are shown as being insured in the Policy schedule, and subject to the terms, conditions, limits and exclusions otherwise applicable under the Policy.

8.1 Loss of hire/income

The cover under Section 3. Loss of or Damage to Your Vessel 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 as a result of an insured event which occurs during the Period of Insurance.

How much We will pay

- a) The maximum period of indemnity is thirty (30) consecutive calendar days (unless a different time period is specified in the Policy schedule in which case the time period shown in the Policy schedule will apply) after the application of the Deductible.
- b) The maximum daily indemnity is limited to five hundred dollars (\$500) per day (unless a different amount is shown in the Policy schedule in which case the amount shown in the Policy schedule will apply).
- c) The maximum amount payable by Us shall not exceed fifteen thousand dollars (\$15,000) in the aggregate any one loss or series of losses caused by the one insured event (unless a different amount is shown in the Policy schedule in which case the amount shown in the Policy schedule will apply).
- d) If there is a total or constructive total loss of the Vessel, the maximum amount payable by Us is fifteen thousand dollars (\$15,000) (unless a different amount is shown in the Policy schedule in which case the amount shown in the Policy schedule will apply).

Deductible

We will not cover loss of Net Income during the first thirty (30) days (unless a different time period is specified in the Policy schedule in which case the time period shown in the Policy schedule will apply) 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 otherwise excluded by the 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) any fine or penalty.

Basis of Claims Settlement

The Net Income for a claim under the 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 Net Income during the period of indemnity, the daily indemnity amount 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 We have paid You for a claim under this cover.

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 the Policy. The period the Vessel is prevented from earning Net Income will be counted irrespective of the expiry date of the Policy provided that repairs are completed within twelve (12) months of the expiry of the 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 the Policy provided that 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 the 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.

You must agree to pay any additional premium We may charge for this extension.

Sports, fishing and/or Diving Equipment

The cover under Section 3. Loss of or Damage to Your Vessel is extended to provide additional cover to You for the following:

- a) Accidental Damage to Your Sports Equipment, Fishing Equipment or Diving Equipment while on Your Vessel (excluding while in use); or
- b) theft of Your Sports Equipment, Fishing Equipment or Diving Equipment provided there is visible evidence of forcible and violent entry:
 - i) into the securely locked Vessel or securely locked compartment within the Vessel, or
 - ii) into the normal securely locked place of storage of the Vessel or equipment.

The maximum amount We will pay is twenty thousand dollars (\$20,000) in total with a limit of two thousand dollars (\$2,000) on any one item, unless a different amount is shown in the Policy schedule in which case the amount shown in the Policy schedule will apply.

You must agree to pay any additional premium We may charge for this extension.

9. What You must pay if You make a claim

9.1 Deductible

The amount specified in the Policy or the Policy schedule as the Deductible will be deducted from each and every loss except for claims for:

- total and/or constructive total loss; or
- death or personal injury.

10. Policy exclusions

The exclusions set out in this part apply to all cover sections and options provided by the Policy.

We will not cover You or any person allowed by You to control Your Vessel when:

10.1 Navigating Limits

Your Vessel is outside the Navigating 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 who 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 Towing 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.

You must agree to pay any additional premium We may charge where 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, or
- c) in good order and regularly maintained on an annual basis.

10.11 Repairs or alterations

Your Vessel is undergoing Hull repair or undergoing alteration unless You tell Us beforehand in writing, and We agree in writing to cover You.

You must agree to pay any additional premium We may charge for this extension.

10.12 Radioactive weapons, radiation, nuclear waste

The 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, 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; or
- any chemical, biological, bio-chemical, or electromagnetic weapon.

This exclusion 10.12 also excludes 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.

10.13 Terrorism

The Policy excludes any Act of Terrorism or an action taken to control, prevent or suppress or attempt to control, prevent or suppress an Act of Terrorism.

10.14 Trade Sanctions

The Policy excludes cover and We shall not be liable to pay any claim or provide any benefit under the Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose Us, Our parent company or Our ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the Commonwealth of Australia, United Kingdom or the United States of America.

11. General conditions and warranties

The insurance cover provided by the Policy is subject to the following additional conditions and/or warranties. If You do not meet any of the following conditions, We may reduce or refuse to pay a claim or cancel the Policy. See Part One: General Information “When We can Refuse to Pay or Reduce the Amount We Pay under a Claim” for further details.

11.1 Alteration of risk

You must give Us immediate notice in writing if there is any material change in the circumstances or nature of the risks covered by the Policy.

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 may not cover You under the Policy for that loss, Damage or liability to the extent that We have been prejudiced by Your agreement with that party. See Part One: General Information “When We can Refuse to Pay or Reduce the Amount We Pay under a Claim” for further details.

11.5 Survey/manning warranty

You warrant 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; and
- 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) who have an interest in the property to be covered by the Policy.

We can protect the interest of third parties if You have informed Us of such interest(s) and they are noted in the Policy schedule.

11.7 Automatic reinstatement

When an amount is paid under the Policy, the Total Sum Insured is automatically reinstated to the amount specified in the Policy schedule, provided that You pay or agree to pay Us any additional premium and government charges (where applicable).

11.8 Law and practice

The Policy will be governed in accordance with the laws of the Commonwealth of Australia. Any disputes arising out of the Policy will be subject to determination by any Court of competent jurisdiction within the Australian State or Territory in which the Policy was issued and according to the laws applicable to the jurisdiction.

11.9 Interpretation

In the Policy:

- a) headings are for convenience only and do not affect interpretation;

and unless the context indicates a contrary intention:

- b) a reference to a statute includes its delegated legislation and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- c) a word importing the singular includes the plural (and vice versa), and a word indicating a gender includes every other gender;

- d) "includes" in any form is not a word of limitations; and
- e) a reference to "\$" or "dollar" is to Australian currency.

12. Claims

12.1 What You must do

In the event of a 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; and
- 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, except as provided in the Policy.

Our consent shall not be unreasonably withheld or delayed. If You breach this requirement, We shall reduce the liability for this element of the claim by the extent to which We are prejudiced by the failure to seek Our prior consent, unless and to the extent those costs were incurred on an emergency basis in which You had no opportunity to first seek consent.

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; or
- b) settle or attempt to settle any claim or defend any claim.

Our consent shall not be unreasonably withheld or delayed. If You breach this requirement, We shall reduce the liability of the claim by the extent to which We are prejudiced by the failure to seek Our prior consent.

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 the Policy gives You depend on You giving Us full details of Your loss and the reasonable 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. See Part One: General Information "When We can Refuse to Pay or Reduce the Amount We Pay under a Claim" for further details.

13. How much We pay

13.1 Loss of or Damage to Your Vessel

Market Value

Cover under the 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.

The 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; and
- 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 or the Policy Schedule.

Agreed Value

If the Policy Schedule states the sum insured is 'agreed value', the value shown in the Policy Schedule is fixed between Us and You, and is the insured value of Your Vessel.

There are separate sums insured for:

- the Hull and Motors/Machinery;
- Equipment and Accessories; and
- 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; or
- 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. Our consent shall not be unreasonably withheld or delayed. If You breach this requirement, We shall reduce the liability of the claim by the extent to which We are prejudiced by the failure to seek Our prior consent.

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. The limit of liability for any optional covers under section 7 that We agree to cover You for are part of, and not in addition to the limit of liability.

15. Cancellation

Cancellation by You

You may cancel the Policy at any time by contacting Us and giving Us notice of cancellation. Cancellation will take effect from the date Your notice is received by Us or any other date if mutually agreed. If You do not exercise Your right to cancel Your Policy, it will continue in force and You will be required to pay the premium.

Cancellation by Us

We may cancel the Policy pursuant to any right at law and as set out in the Insurance Contracts Act 1984 (Cth) by giving You written notice to that effect. This includes where:

- You have:
 - failed to comply with the duty of utmost good faith;
 - failed to comply with the Duty of Disclosure at the time when the Policy was entered into;
 - made a misrepresentation to Us during the negotiations for the Policy before We entered into the Policy;
 - failed to comply with a provision of the Policy, including a provision with respect to payment of the premium;
 - made a fraudulent claim under the Policy or any other Policy of insurance (whether with Us or some other insurer) that provided insurance cover during any part of the period during which the Policy provides insurance cover; or
 - failed to notify Us of any specific act or Omission or failure that has occurred after the Policy is entered into where notification is required under the terms of the Policy.
- the effect of the Policy is to authorise Us to refuse to pay a claim, either in whole or in part, by reason of an act or Omission or failure of You or of some other person and, after the Policy was entered into, such an act or Omission or failure has occurred.

When We cancel the Policy, it will have effect from whichever of the following times is the earliest (unless We tell You otherwise):

- the time when another Policy of insurance replacing the Policy is entered into; or
- 4 o'clock in the afternoon of the third (3rd) business day after the day on which notice was given to You unless the Policy is in force because of section 58 of the insurance contracts act 1984 (Cth), in which case the cancellation will have effect from 4 o'clock of the fourteenth (14th) business day after the day on which notice was given to You.

Effect of cancellation

Your Policy with Us ends from the time of cancellation. You will not have cover for events occurring after that time.

However, cancellation of this insurance by Us or You does not affect the treatment of any claim for an event that happened happening before cancellation.

Premium refund

If You or We cancel the Policy We may deduct:

- a pro rata proportion of the premium for any time for which You have been covered. for example, if Your Period of Insurance is 12 months and You have been covered for six (6) months, the deduction for the time You have been covered will be half the annual premium; and
- any government taxes or duties paid by Us in relation to Your Policy We cannot recover.

However, in the event that You have made a claim under the Policy and We have agreed to the claim no return of premium will be made.

NSW

Level 14, 141 Walker Street
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Telephone: 02 9930 9500

SURA Pty Ltd ABN 36 115 672 350,
AFSL 294313 trading as SURA
Marine ("SURA Marine").

In providing any financial services
SURA Marine acts under a binder as an
agent of Berkshire Hathaway Specialty
Insurance Company (incorporated in
Nebraska, USA) ABN 84 600 643 034,
AFS License No. 466713

Thank You for receiving this
document electronically.
SURA Marine supports positive
initiatives for Our environment.

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