



 TRIDENT MARINE INSURANCE

# COMMERCIAL VESSEL INSURANCE

Commercial vessel Insurance  
Policy Wording  
TM-CMH-1910

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## About this document

This Policy Document contains a Product Disclosure Statement (PDS) and Policy Terms and Conditions. The PDS is designed to assist You to make informed choices about Your insurance needs. In this Policy Document You will find information about costs of the product, Our dispute resolution process, Your cooling off rights and other relevant information, including other rights, terms, conditions, exclusions and obligations attaching to this product. Please read this document carefully to ensure You understand the terms and conditions of this product.

Other documents may form part of the PDS. Any such documents will be dated and will include a statement identifying them as part of the PDS. If any major omissions, updates or corrections need to be made to the PDS a Supplementary PDS may be provided. In either case the relevant document will be provided to You with the PDS.

The PDS was prepared on 1st November 2019 and is issued by Trident Insurance Group Pty Ltd on behalf of the Insurer.

## Our agreement with You

The PDS, Policy Terms and Conditions and the Policy Schedule form the legal contract between You and Us being the Policy. You pay Us the Premium, and We provide You with the cover You have chosen as set out in the Policy, during the Period of Insurance shown on Your Policy Schedule or any subsequent renewal period. Please keep them in a safe place for future reference.

The exclusions in the section(s) headed “When You are not covered” and conditions in the section headed “General conditions” apply to all types of cover.

The Excesses set out in the section headed “What You must pay if You make a claim – Excess” apply to all claims except where otherwise stated. The amount of any Excess that applies to Your Policy will be shown on Your Policy Schedule.

If You require further information about this product, please contact Us or Your Financial Services Provider.

## About Trident

Trident Insurance Group Pty Ltd (Trident) ABN 94 247 973 307, AFS Licence No. 237360 was formed in 1994 as an insurance services provider based in Western Australia. Since then its activities have expanded to include an Underwriting Agency service Australia wide. Trident are authorised to provide general financial products, advice and deal in general insurance products.

Trident has entered into a binding authority agreement with HDI Global Specialty SE - Australia (Insurer).

This agreement enables Trident to enter into, vary or cancel insurance products and handle and settle claims on behalf of HDI Global Specialty SE- Australia. When providing these services, Trident acts on behalf of the Insurer and does not act on Your behalf.

Trident Insurance Group Pty Ltd may be contacted at:

1st Floor, 186 Scarborough Beach Rd

MT HAWTHORN WA 6016

PO BOX 191

MT HAWTHORN WA 6915

Ph: 08 9202 8000

Fax: 08 9202 8010

Email: [info@tridentinsurance.com.au](mailto:info@tridentinsurance.com.au)

## Insurer

The Insurer of the Policy is HDI Global Specialty SE – Australia (HDI Global Specialty) (ABN 58 129 395 544, AFS License number 458776) and its registered address is Tower 1, Level 33, 100 Barangaroo Avenue, Sydney NSW 2000, Australia. The Insurer is regulated by the Australian Prudential Regulation Authority (“APRA”).

HDI Global Specialty SE is registered in Germany, with its registered office at Roderbruchstrasse 26, 30655 Hannover, Germany with registration number HRB211924 and authorised by Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”). It is authorised to carry on insurance Business in Germany under the German Insurance Supervisory Act (“Versicherungsaufsichtsgesetz”).

## SECTION 1: DEFINITIONS

When used in this Policy Document, the following words have a special meaning assigned to them, as follows;

Word or Term	Meaning
Accident/Accidental	An unexpected and unintended event causing loss or Damage and includes one Accident or series of Accidents arising out of the one event insured event.
Commercial vessel	The vessel as specified in the Policy Schedule together with its Equipment and accessories while being used as specified in the Policy Schedule for payment or reward.
Crew	Any person (including the skipper/ master) working on board the Commercial vessel as an employee
Damage	Any form of physical harm to the Commercial vessel.
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 Commercial vessel including: <ul style="list-style-type: none"> <li>• detachable canopies</li> <li>• power unit covers</li> <li>• lifesaving equipment</li> <li>• auto pilot</li> <li>• electronic navigation equipment</li> <li>• global positioning system</li> <li>• two-way radios</li> </ul> as specified in the Policy Schedule
Hull	The shell of the Commercial vessel, deck, cabin, superstructure, fixtures and fittings that are not normally removable and normally sold with the Commercial 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 Commercial vessel that is not known by 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 Commercial vessel to pay compensation for death or injury or Damage to Third Party property , 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.
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 this Period of Insurance set out in Your Policy Schedule.
Premium	The amount You pay for the insurance provided by this Policy, including any taxes and other government charges. (This is different from the Excess that You pay when making a claim).
Salvage	Either: (a) the action of saving Your Commercial vessel in a time of peril or (b) what is left of Your Commercial vessel after it has suffered loss or Damage.
Seaworthy	That the Commercial vessel must be reasonably fit in all respects, including the Hull, Motors/Machinery and Equipment and accessories during operation or mooring to encounter the ordinary perils of: <ul style="list-style-type: none"> <li>• protected waters, inland waters, rivers or lakes;</li> <li>• the sea and ports.</li> </ul>
Third Party/Third Parties	Any person other than You or your Family. See Special meanings above.
Total loss	If the Vessel is Damaged beyond an amount which We consider economical to repair or the loss of the entire Vessel.
Total Sum Insured	The amount We have agreed to insure Your Commercial 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 the Policy Schedule
We/Us/Our	Trident and/or the Insurer, HDI Global Specialty SE - Australia.
You/Your/Insured	Any of the person or persons/ company named as the Insured in the Policy Schedule including any person allowed by You to control Your Commercial 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.

## SECTION 2: THIS INSURANCE CONTRACT

Your Commercial vessel Insurance Policy is a contract between Us and You. It is a contract of Marine Insurance as defined by the Marine Insurance Act 1909 (Commonwealth).

We will cover Your Commercial 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 Your Legal liability for death or bodily injury to Third Parties or Accidental Damage to Third Party property Your Commercial 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. It states:

- the names of the people who are insured under this Policy,
- the amount for which We have agreed to cover Your Commercial 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 or Our agent.

### Your Duty of Disclosure

Under the Marine Insurance Act 1909, You have a Duty of Disclosure. The Act requires that before a policy is entered into, You must give Us certain information We need to decide whether to insure You and anyone else to be insured under the Policy, and on what terms. Your Duty of Disclosure is different, depending on whether this is a new Policy or not.

#### **New business**

Where You are entering into this Policy for the first time (that is, it is new business and is not being renewed, varied, extended or reinstated) You must tell Us everything You know and that a reasonable person in the circumstances could be expected to tell Us, in answer to the specific questions We ask. When answering Our questions You must be honest.

You have this duty until We agree to insure You

#### **Who needs to tell Us**

It is important that You understand You are answering Our questions in this way for Yourself and anyone else whom You want to be covered by the Policy.



### **If You do not tell Us**

If You do not answer Our questions in this way, We may reduce or refuse to pay a claim, or cancel the Policy. If Your non-disclosure is fraudulent, We may refuse to pay a claim and treat the Policy as if it never existed.

### **Renewals, variations, extensions and reinstatements**

Once Your Policy is entered into and is no longer new business then Your duty to Us changes. You are required before You renew, vary, extend or reinstate Your Policy, to tell Us everything You know and that a reasonable person in the circumstances could be expected to know, is a matter that is relevant to Our decision whether to insure You, and anyone else to be insured under the Policy, and if so, on what terms.

You have this duty until We agree to renew Your Policy.

### **You do not have to tell Us about any matter**

- that diminishes the risk
- that is of common knowledge
- that We know or should know in the ordinary course of our business as an insurer, or
- which We indicate We do not want to know.

### **If You do not tell Us**

If You do not comply with Your Duty of Disclosure We may reduce or refuse to pay a claim or cancel Your Policy. If Your non-disclosure is fraudulent We may treat this Policy as never having existed.

### **Privacy**

For the purposes of this Privacy Statement “We”, “Us” or “Our” includes HDI Global Specialty and Trident, unless specified otherwise.

HDI Global Specialty and Trident are bound by the *Privacy Act 1988* (Cth) which includes the Australian Privacy Principles (APPs), when collecting and handling Your personal information including health information.

We will only collect personal information from or about You for the purpose of assessing Your application for insurance and administering Your insurance Policy, including any claims You make or claims made against You.

We may need to disclose personal information to other entities within Our group, reinsurers (who may be located overseas, mainly in the United Kingdom and European Union), insurance intermediaries, insurance reference bureaux, credit reference agencies, Our advisers, Our agents, Our administrators and those involved in the claims handling process (including assessors, investigators and others), for the purpose of assisting Us and them in providing relevant services and products, or the purpose of recovery or litigation. If We disclose information to someone overseas, We will ensure that they are

subject to laws with equivalent protection as the *Privacy Act 1988* (Cth) or that they agree to hold and deal with Your personal information in a manner that affords You similar protection.

We may disclose personal information to people listed as co-insured on Your Policy and to family members or agents authorised by You. Disclosures may also be made to government, law enforcement, dispute resolution, statutory or regulatory bodies, or as required by law. We will request Your consent to any other purpose.

By providing Your personal information to Us, You consent to Us making the disclosures set out above which require consent. This consent to the use and disclosure of Your personal information remains valid unless You alter or revoke it by giving Us written notice. Without Your personal information We may not be able to issue insurance to You or process Your claim

You also have the opportunity to find out what personal information We hold about You and, when necessary, correct any errors in this information. Generally We will do this without restriction or charge. For further information about Our Privacy Policies or to access or correct Your personal information, please contact the Insurer at:

HDI Global Specialty SE – Australia  
Tower 1 Level 33  
100 Barangaroo Avenue  
Sydney, NSW 2000

Or contact Trident at:  
The Compliance Manager  
Trident Insurance Group Pty. Ltd ACN 066 347 224.  
PO Box 191, Mt. Hawthorn. WA 6915  
Tel: 08 9202 8000.

If You believe that We have interfered with Your privacy in Our handling of Your personal information You may lodge a complaint by contacting Us. We will attempt to resolve Your complaint in accordance with Our Privacy Complaints Handling Procedure.

If You would like more information about Our Privacy Complaints Procedure please contact Us.

HDI Global Specialty's Privacy Policy is set out on their website at [www.hdi-specialty.com](http://www.hdi-specialty.com)

Trident's Privacy Policy is set out on their website at <https://tridentmarine.com.au/information/privacy-notice/>

### **How to make a claim**

Please contact Us or Your Financial Services Provider to make a claim. We will only accept responsibility for repairs or payments to third parties under a claim where You have told Us about them beforehand and We have accepted Your claim.

## Dispute resolution

We will do everything possible to provide a quality service to You. However, We recognise that occasionally there may be some aspect of Our service or a decision We have made that You wish to query or draw to Our attention.

### Stage 1

We have a Complaints and Dispute Resolution Procedure which undertakes to provide an answer to Your complaint within 15 working days.

If You would like to make a complaint or access Our internal dispute resolution service please contact Trident Insurance Group Pty. Ltd and ask to speak to a dispute resolution specialist.

Trident as Agent for HDI Global Specialty aims to resolve the complaint at the time of initial contact. If this is not possible Trident will commit to responding to Your complaint within fifteen (15) working days of first being notified of the complaint.

To enable Trident to consider Your complaint fully and quickly, You will need to provide the following information:

- An explanation of the situation that led to the complaint;
- Any new information not currently in Trident's possession that may have a bearing on their understanding of the complaint; and
- A statement of any action that you would like Trident to take to resolve the complaint

Upon final consideration of Your complaint, Trident will inform You of the proposed resolution and the timeframe they will take to implement such a resolution.

### Stage 2

If You are not satisfied with Trident's response to Your complaint, You may escalate it as a dispute and HDI Global Specialty Internal Disputes Resolution Committee will review the matter. The Committee will be independent of the person who initially considered Your complaint.

HDI Global Specialty requests that You state the dispute in writing to:

#### **Internal Dispute Resolution Committee**

**HDI Global Specialty SE**

**GPO Box 3973**

**NSW 2001**

**Email: [ComplaintsAustralianBranch@hdi-specialty.com](mailto:ComplaintsAustralianBranch@hdi-specialty.com)**

The Disputes Resolution Committee will undertake to respond to Your queries or complaints within fifteen (15) working days.

The response will outline any reason for the decision and will inform You of any action HDI Global Specialty intends to take in resolution of the dispute.

### **Stage 3:**

If You are not satisfied with the HDI Global Specialty response, You can seek an external review via the Australian Financial Complaints Authority (AFCA), an ASIC approved external dispute resolution body.

This national body is for consumers and resolves certain insurance disputes between consumers and insurers at no cost to You.

The Australian Financial Complaints Authority contact details are:

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

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

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001

HDI Global Specialty is bound by the independent review and determination of the AFCA.

## **Cancelling Your Policy**

### **How You may cancel this Policy**

- You may cancel this Policy at any time by telling Us in writing that You want to cancel it. You can do this by giving the notice to Us or Your Financial Services Provider.
- Where 'You' involves more than one person, We will only cancel the Policy when a written agreement to cancel the Policy is received from all persons named as the Insured.

### **How We may cancel this Policy**

- We may cancel this Policy in any of the circumstances permitted by law by informing You in writing in accordance with the Insurance Contracts Act 1984 (Cth).
- We will give You this notice in person or send it to Your address last known to Us.

### **The Premium**

Where the Policy is cancelled We will refund to You the proportion of the Premium for the remaining Period of Insurance but subject to a minimum Premium of \$250. If We have paid a claim for Total Loss no refund Premium will be given.

### **Cooling-off information**

If You want to return Your insurance after Your decision to buy it, You may cancel it and receive a full refund. To do this You may notify Your Us or Your Financial Services Provider electronically or in writing within 21 days from the date the Policy commenced.

This cooling-off right does not apply if You have made or are entitled to make a claim. Even after the cooling-off period ends, You still have cancellation rights however Your Financial Services Provider may deduct certain amounts from any refund for administration costs or any non-refundable taxes.

### **Providing proof**

So that Your claim can be assessed quickly You should keep the following:

- Receipts or other confirmation of purchase, and
- valuations.

We may ask You for these if You make a claim. You must be able to prove to Us that You have suffered a loss that is covered by this Policy before We will pay You for it.

We may ask You for these if You make a claim.

### **Costs of dismantling, diagnosis and reassembly**

In addition to the obligations contained in the Section 'Your duty to co-operate', where You make a claim for loss or Damage to Your Vessel, We may in some circumstances, require You to:

- dismantle Your Vessel; or
- authorise Us to dismantle Your Vessel, so We can assess Your claim to determine the relevant loss or Damage and/or decide if Your claim is valid

If You do not agree to this We may refuse to assess or pay Your claim.

Where We determine that the claimed loss or Damage to Your Vessel is:

- not covered by Your Policy, You will be responsible for the above dismantling costs as well as any costs associated with the dismantling (including but not limited to any diagnosis, reassembly, repair and/or replacement costs).
- covered by Your Policy, We will settle Your claim in accordance with the terms and conditions of Your Policy.

### **Other party's interests**

You must tell Us of the interests of all parties (e.g. financiers, owners, lessors) who will be covered under this Policy. We will protect their interests only if You have told Us about them and We have noted them on Your Policy Schedule.

### **How You can pay Your Premium**

You can pay Your Premium;

1. in one payment by cheque, credit / debit card or bank transfer
2. by monthly instalments if this option is offered

### **Paying Your Premium**

You must pay / arrange to pay Your Premium by the due date. If We do not receive Your Premium by this date or Your payment is dishonoured this Policy will not operate and there will be no cover.

### **Overdue Premium**

You must pay Your Premium on time otherwise Your Policy may not operate.

If You have not paid by the due date or Your payment is dishonoured, this Policy will not operate and there will be no cover afforded under the Policy.

### **Preventing our right of recovery**

If You have agreed not to seek compensation from another person who is liable to compensate You for any loss, Damage or liability which is covered by this Policy, We will not cover you under this Policy for that loss, Damage or liability.

### **How Goods and Services Tax (GST) affects any payments We make**

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; or
- 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 & 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)

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, Input Tax Credit (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 Input Tax Credit on Your Premium as a percentage of the total GST on that Premium.

### **Taxation implications**

There may be other taxation implications affecting You, depending upon Your own circumstances. We recommend that You seek independent professional advice.

## **SECTION 3: WHAT PROPERTY IS COVERED**

We will cover Your Commercial vessel specified in the Policy Schedule which includes:

- the Hull,
- Motors/Machinery,
- equipment and accessories (excluding sporting equipment),
- sails, masts, spars, booms and fittings, spinnaker poles, standing and running rigging,
- trailer, and
- dinghy or tender used with Your Commercial vessel which is capable of a speed of 20 knots or less

while navigating or in transit within the geographical limits specified in the Policy Schedule including while the Commercial vessel is at any marina, slipway or location when laid-up ashore and occurring during the Period of Insurance.

### **What property is not covered**

We will not cover:

- Any Commercial vessel capable of a speed exceeding 50 knots,
- moorings,
- personal effects of any paying passenger unless You have requested and We have agreed to provide the optional Passenger Liability - Commercial Use extension (see Section 8).

## What can be covered additionally (on application)

We may specially agree to cover You for the following items and specify them in the Policy Schedule:

- any dinghy or tender used with Your Commercial vessel capable of a speed exceeding 20 knots,
- fishing and diving equipment, and
- consumable stores.

Note: These items are not covered unless agreed in writing by Us and shown in the Policy Schedule.

## SECTION 4: LOSS OR DAMAGE TO YOUR COMMERCIAL VESSEL

### What You are covered for

We will cover You for loss or Damage to Your Commercial vessel caused by any of the following insured events occurring during the Period of Insurance:

#### An Accident

- if Your Commercial vessel is Damaged Accidentally; or
- if Your Commercial vessel sinks Accidentally, provided it was in Seaworthy condition at the time of sinking.

#### Other Damage

Loss or Damage caused by:

- 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 Commercial vessel, provided the loss or Damage has not resulted from lack of due diligence, repair or maintenance by You; or
- negligence of employed skipper master and/or Crew, provided the loss or Damage has not resulted from lack of due diligence by You; or
- negligence of the repairers (excluding You) or Charterers, provided the loss or Damage has not resulted from lack of due diligence by You.

#### Theft

- of the entire Commercial vessel including trailer, Equipment and accessories
- of part of the Commercial vessel including trailer, Motors/ Machinery, Equipment and accessories from:
  - the Commercial vessel, or
  - the place of storage of the Commercial vessel, trailer or the Equipment and accessories,

provided there is visible evidence of forcible and violent removal/ entry into the Commercial vessel or place of storage.



### **Malicious Damage**

If Your Commercial vessel is Damaged maliciously.

### **Transit Damage**

If Your Commercial vessel is Accidentally Damaged during transit on its own trailer by road, rail or ship provided Your Commercial vessel is designed to be normally trailered and You are complying with all statutory requirements.

### **Recovery or removal of wreck costs**

If Your Commercial 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 it was in Seaworthy condition at the time of sinking. These costs are recoverable in addition to the Total Sum Insured of Your Commercial vessel and are subject to a limit of \$1,000,000 each and every loss or series of losses caused by the one insured event.

### **Other expenses incurred to avoid or minimise loss (Salvage costs)**

If Your Commercial vessel gets into difficulties or is Damaged Accidentally, We will pay the reasonable costs of action to:

- minimise loss or Damage, or
- remove the Commercial vessel to safety, or
- dry all the electrical equipment in the power unit(s), or
- clean and oil the power unit(s).

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. You must advise Us as soon as possible after the action has been taken.

### **What You are not covered for**

We will not cover You for:

1. theft by persons to whom You have loaned or hired Your Commercial vessel;
2. loss or Damage or sinking intentionally caused by You or a person acting with Your express or implied consent unless required by law;
3. any loss or Damage or sinking caused by or arising from the unseaworthiness or lack of repair of the Commercial vessel including wear and tear, deterioration, wet or dry rot, rusting or other forms of corrosion, vermin or marine growth;
4. mechanical, structural, electrical or electronic failures unless caused by an Accident covered by this Policy;

5. 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 Commercial vessel has been stranded or in collision or contact with any external substance other than water;
6. the cost of repairing or replacing any part of the Commercial vessel defective by reason of fault or error in design or construction;
7. unrepaired Damage to Your Commercial vessel;
8. financial loss which occurs because You cannot use Your Commercial vessel unless You have requested and We have agreed to provide the optional Loss of hire/income extension (see Section 6);
9. loss, Damage or expense caused directly or indirectly by radiation, radioactive material, nuclear process or from nuclear weapons or material.

## **SECTION 5: ADDITIONAL BENEFITS**

This Policy includes the following Additional benefits subject to the Exclusions and General conditions listed in Sections 4, 6, 7, 8, 10 and 11.

### **Crew Accident Cover**

If a person acting in their capacity as a paid permanent skipper or paid Crew member of the Commercial vessel suffers bodily injury as a result of an Accident during the Period of Insurance and caused directly out of the use of the Commercial vessel and where such bodily injury results within six (6) calendar months in either:

- death,
- temporary total disablement,
- permanent total disablement,

We will pay:

- for death - the sum of \$25,000,
- for temporary total disablement - the sum of \$250 per week, limited to 100 weeks,
- for permanent total disablement - the sum of \$25,000.

To qualify for payment, the injured person must obtain and follow advice of a qualified medical practitioner (other than his or her spouse) as soon as possible after the Accident.

## Definitions:

Word or Term	Meaning
Temporary total disablement	Being unable solely and directly as a result of the injury to carry out all the normal duties of the injured person's occupation.
Permanent total disablement	Being unable solely and directly as a result of the injury to carry out any occupation for which the injured person is fitted by reason of education, training or experience for a period of at least 12 consecutive months and remains unable to do so for a continuous indefinite period.

## SECTION 6: OPTIONAL EXTENSIONS

Only when it is specified in the Policy Schedule that the Policy includes the following Optional extensions, cover is extended as follows - subject to the Exclusions and General conditions listed in Sections 4, 6, 7, 9, 10 and 11.

### Loss of hire/income

(included only when specified in the Policy Schedule)

For an additional Premium, this cover is extended to indemnify You for Your loss of Net income in consequence of the Commercial vessel being partially or totally prevented from earning Net income as a result of loss or Damage to the Commercial vessel covered by Section 3 or 4 occurring during the Period of Insurance.

### Limits

Maximum period of indemnity is 30 consecutive calendar days (unless otherwise specified in the Policy Schedule) after the application of the Deductible (see below).

- (i) The maximum daily indemnity is limited to \$500 per day unless otherwise specified in the Policy Schedule.
- (ii) Maximum amount payable by Us shall not exceed \$15,000 in the aggregate any one loss or series of losses caused by the one insured event unless otherwise specified in the Policy Schedule.
- (iii) If there is a total or constructive total loss of the Commercial vessel, the maximum amount payable by Us is \$15,000 unless otherwise specified in the Policy Schedule.

### Deductible

The Deductible is:

The first 30 days (unless otherwise specified in the Policy Schedule) that the Commercial 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 Commercial vessel.

## Definitions:

Word or Term	Meaning
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.
Running costs	Direct costs related to keeping the business operational compared to the corresponding period of the previous year.

## Exclusions

This cover excludes loss of Net income arising from:

1. loss, Damage or occurrence excluded by Section 3 or 4 of this Policy;
2. any delay caused by the insolvency or inability to pay of You or Your clients;
3. loss, Damage or expense caused by Your wilful misconduct;
4. loss, Damage or expense caused by delay;
5. loss, Damage or expense caused by war, governmental acts, requisition or seizure by legal process;
6. loss, Damage or expense caused by civil commotions, riots, strikes, lockouts, sabotage, industrial action or other similar causes;
7. loss, Damage or expense caused directly or indirectly by radiation, radioactive material, nuclear process or from nuclear weapons or material;
8. any fine or penalty.

## Claims Provisions

**Basis of Valuation** - The actual revenue for a claim under this Optional Extension shall be evidenced by booking Schedules for the corresponding period for the previous year. If no evidence can be provided to demonstrate that the Commercial vessel would have earned any income during the period of indemnity, the daily indemnity shall be limited to the Running costs of the Commercial vessel for the period of loss.

**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 Commercial 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 12 months of the expiry of this Policy. The period the Commercial vessel is prevented from

earning Net income will be counted irrespective of the expiry date of this Policy provided that the insured event occurred during the Period of Insurance and repairs are completed within 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 Commercial 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.

## Other Provisions

Sale of Vessel - Should the Commercial vessel be sold, this extension is automatically cancelled. In this event, We agree to return a pro-rata net monthly Premium, provided there are no claims on this Policy prior to cancellation.

Automatic Reinstatement Clause - The indemnity granted by this extension is limited to the amount specified in the Policy Schedule and shall be reduced by any claims paid. Reinstatement of the indemnity specified in the Policy Schedule shall be automatic excluding claims for total and/or constructive total loss, subject to payment of the appropriate additional Premium plus government charges (where applicable).

## Fishing and/or Diving equipment

(included only when specified in the Policy Schedule)

We agree to provide additional cover to You for:

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

The maximum amount We will pay is \$20,000 in total with a limit of \$2,000 on any one item.

## Definitions:

Word or Term	Meaning
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.
Fishing Equipment	Rods, reels, tackle and other similar equipment used for the purpose of recreational/sport fishing owned by You.

## SECTION 7: LEGAL LIABILITY COVER

### What are You covered for

Legal liability - operating Your own Commercial vessel:

We cover You and any person allowed by You to control Your Commercial vessel against Legal liability for:

- Accidental death or bodily injury or illness to a person other than:
  - you;
  - Your Crew;
  - paying passengers unless You have requested and We have agreed to provide the optional Passenger liability - commercial use extension (see Section 8),
- Accidental Damage to Third Party property (excluding paying passengers and Crew unless You have requested and We have agreed to provide the optional Passenger liability - commercial use extension (see Section 8),

caused by the use of Your Commercial vessel and occurring during the Period of Insurance.

### What You are not covered for

Legal liability - operating Your own Commercial vessel:

We will not pay the costs of liability for:

1. death or bodily injury to You or Your Crew;
2. loss of or Damage to any property owned by You or Your Crew or in Your custody or control or the property of any other person covered by this Policy;
3. death or bodily injury caused by the use of the trailer while it is attached to a motor vehicle;
4. death or bodily injury or property Damage intentionally caused by a person covered by this Policy;
5. 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. death or bodily injury to paying passengers unless You pay an additional Premium and We agree to provide the optional Passenger liability - commercial use extension (see Section 8);
7. death or bodily injury 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,
  - towing of persons or objects in the air including parasailing,
  - snorkelling, tunnel diving or any other similar activity involving swimming by persons carried by Your Commercial vessel;
8. the liability of any tradesperson or company engaged in repair, service or maintenance of Your Commercial vessel;
9. the use of any Fishing or Diving equipment;
10. 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 - commercial use extension (see Section 8);
11. towing vessels unless the vessel(s) is/are in distress and in response to a distress call from another vessel;
12. loss, Damage or expense caused directly or indirectly by radiation, radioactive material, nuclear process or from nuclear weapons or material;
13. 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;
14. any fine or penalty;
15. aggravated, exemplary or punitive Damages.

## **SECTION 8: ADDITIONAL COVER AVAILABLE**

### **Passenger liability - commercial use**

(included only when specified in the Policy Schedule)

#### **What You are additionally covered for**

If We have agreed to cover You and provided You have paid the additional Premium, We will cover You or any person allowed by You to control Your Commercial vessel (within the requirements of any law) against Legal liability for:

- Accidental death or bodily injury or illness to a passenger while
  - being carried by the Commercial vessel;
  - entering or leaving the Commercial vessel including a jetty, pontoon or wharf operated or maintained by You;

- Accidental death or bodily injury or illness to a passenger caused by food and drink prepared and served by You;
- Accidental Damage to Personal effects of a passenger while on Your Commercial vessel, subject to a limit of \$200 any one item to a maximum of \$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.

## Definitions:

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

## Pollution liability – commercial use

(included only when specified in the Policy Schedule)

### What You are additionally covered for

If We have agreed to cover You and provided You have paid the additional Premium, We will cover You or any person allowed by You to control Your Commercial vessel (within the requirements of any law) against Legal liability for:

- actual physical Damage to property caused by Accidental discharge, emission, spillage or leakage upon or into waters or land of oil, petroleum products, effluent or sewage from Your Commercial vessel provided the discharge, emission, spillage or leakage does not arise from wilful negligence or wilful misconduct with Your knowledge.

This extension of cover excludes:

- death, bodily injury or illness;
- contractual or assumed liability;
- any loss of use or consequential loss;
- 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.

The Sections of this Policy wording called



- ‘What You are not covered for - Legal liability - operating Your own Commercial vessel’ (see Section 7), and
- ‘General exclusions - applicable to all sections’ (Section 9)

also apply to both of these additional cover extensions.

## **SECTION 9: GENERAL EXCLUSIONS – APPLICABLE TO ALL SECTIONS**

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

1. Your Commercial vessel is outside the navigational limits specified in the Policy Schedule;
2. Your Commercial vessel was being operated:
  - i. at a speed greater than its maximum designed speed,
  - ii. with a Motor more powerful than recommended by the manufacturer,
  - iii. with more than the maximum number of passengers or load recommended by the manufacturer,
  - iv. outside the limits imposed by any Certificate of Construction and Performance, Licence or similar document;
3. Your Commercial vessel 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 unless You were not on board the Commercial vessel 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;
4. Your Commercial vessel was under the control of a person not licensed under the applicable law, unless You were not in the Commercial vessel at the time and can clearly demonstrate that You had no reason to suspect that the person was unlicensed;
5. Your Commercial vessel was being used in racing, speed tests or trials;
6. Your Commercial vessel was being used for an unlawful purpose;
7. Your Commercial vessel was being used without commercial licensing, registration, classification or survey requirements being complied with;
8. Your Commercial 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, unless 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;
9. Your Commercial 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. You do not keep the Commercial 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 (NSW) or the equivalent legislation in the State or Territory the Commercial vessel is registered;

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

In addition, this Policy excludes loss, Damage, destruction, death, bodily 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.

This Policy also excludes any loss, destruction, Damage, death, bodily 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.

## **SECTION 10: GENERAL CONDITIONS – APPLICABLE TO ALL SECTIONS**

The cover provided by this Policy is subject to the following additional conditions.

### **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.

### **Authorisation**

We may give to and obtain from any other insurers, any insurance reference bureaux 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.

### **Due care**

At all times, You must take appropriate care in the operation of the Commercial vessel in Your care, custody or control.

### **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.

### **Survey/manning warranty**

Warranted that at inception of this Policy and throughout the Period of Insurance the Commercial 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 Commercial vessel who is the holder of a certificate of competency issued by the appropriate governmental authorities;
- any conditions attaching to or imposed by the registration of the Commercial vessel are complied with by the dates stipulated in those conditions.

### **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 Us and such interest(s) are noted in the Policy Schedule.

The financial interest of the third party is not to exceed 50% of the Total Sum Insured unless agreed in writing by Us.

## **SECTION 11: CLAIMS**

### **1. Notification of Claims – What You must do**

For Us to consider Your claim, You must:

- promptly take all responsible precautions to prevent any further loss or Damage to Your Commercial 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 it and all other electrical equipment and components;
- make a report to the Police if there is injury, malicious damage, theft or attempted theft of Your Commercial vessel;

- contact Us and tell Us details of what has happened;
- 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 Commercial 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:

- make or accept any offer or payment, or in any other way admit You are liable, or
- settle or attempt to settle any claim, or
- defend any claim.

## 2. How much We pay – market value

How much We pay - loss of or Damage to Your Commercial vessel

Where the Policy Schedule states Total Sum Insured (market value) - this is a market value Policy cover.

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, or
- the new replacement value less reasonable depreciation based upon the age and condition of the item, or
- 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.

Remember that the maximum amount payable in respect of each item is as listed in the Policy Schedule.

## 3. How much We pay – agreed value

How much We pay - loss of or Damage to Your Commercial vessel

If the Policy Schedule states Total Sum Insured (agreed value)

- this is an agreed value Policy cover. 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, or
- 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.

Remember that the maximum amount payable in respect of each item is as listed in the Policy Schedule.

#### **4. Limit on what We pay – loss Damage to Your Commercial vessel (Agreed or Market Val)**

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 Additional benefits and applicable Optional extensions specified in Sections 5, 6 and 7).

#### **5. How much We pay – Legal liability**

We will pay the costs of:

- compensation, and
- legal fees and expenses that You are liable for.

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

#### **6. Limit on what We pay – 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 and legal fees and expenses incurred by You with Our consent or recoverable from You in connection with an insured event.

#### **7. Excess**

The amount specified in the Policy Schedule as the excess will be deducted from each and every loss except for claims for:

- total and/or constructive total loss, and
- death or personal injury under the liability cover specified in Section 7.

## 8. Miscellaneous claims conditions

### a. 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).

### b. Fraudulent claims

If any claim is fraudulent or false in any respect, to the extent permitted by law, We may refuse to pay the whole or part of the claim.

We are also entitled to cancel this Policy.

## SECTION 12: SANCTIONS LIMITATION AND EXCLUSION CLAUSE

We are not liable to make any payments for liability under any coverage sections of this Policy or make any payments under any extension for any Loss or claim arising where the insured person or any beneficiary under the Policy is a citizen or instrumental in the government of, any country(ies) against which any laws and/or regulations governing the Policy and/ or the Insurer, its parent company or its ultimate controlling entity have established an embargo or other form of economic sanction which have the effect of prohibiting the Insurer to provide insurance coverage, transacting business with or otherwise offering economic benefits to the insured person or any other beneficiary under the Policy.