PRODUCT DISCLOSURE STATEMENT AND POLICY WORDING

COMMERCIAL HULL & LIABILITY

EFFECTIVE
01/05/2025

Quay
MARINE INSURANCE

QMI100CHL _V1.00.01_28/05/2025

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PART 1 – Product Disclosure Statement

IMPORTANT INFORMATION

This **Product Disclosure Statement (PDS)** is an important legal document that contains details of **your** insurance **policy**. This **PDS** contains important information required under Part 7.9 of the Corporations Act 2001 (Cth) and has been prepared to assist **you** in understanding the **policy** and making an informed choice about **your** insurance requirements. This **PDS** sets out the significant features of the **policy** including the benefits, limitations and risks and information about premiums.

Before **you** decide to buy insurance, please read this **PDS** thoroughly. **You** will also need to read the **policy** wording for a full description of the terms, conditions, limitations and exclusions of the insurance **policy**. If **you** have any questions, please contact **your** insurance broker.

The preparation date for this **PDS** is 1ST May 2025.

From time to time **we** may need to update the **PDS** (where permitted or required by law). If this happens a new **PDS** or a Supplementary **PDS** will be sent to you.

ABOUT THE POLICY

Our Commercial **Hull** Policy (Section A) is an insurance policy designed to protect vessels and their owners from financial losses due to physical damage to the vessel. Section B provides cover for vessel owners against claims from third parties, such as:

- **Injury or death** of passengers, or other individuals.
- **Collision liability** (damage caused to other ships or property).
- **Pollution liability**, including oil spills
- **Wreck removal** and associated costs if the vessel becomes a navigational hazard

ABOUT AXA XL and QUAY MARINE HOLDINGS PTY LTD – THE INSURER

This product is arranged and issued by Quay Marine Holdings Pty Ltd ABN 82 010 671 851 AFS License No: 238 271 through their Corporate Authorised Representative Quay Marine Insurance Pty Ltd Licence No: 001265363, acting under a binding authority given to it by XL Insurance Company SE (Australia Branch), to administer and issue policies, alterations, renewals, to collect and process premiums and to manage and settle claims for and on behalf of XL Insurance Company SE (Australia Branch).

AXA XL is authorised and regulated in Australia by the Australian Prudential Regulation Authority (APRA) to conduct general insurance business.

Throughout this **PDS**, references to '**we**', '**our**' or **'us'** means AXA XL, XL Insurance Company SE (Australia Branch) and Quay Marine Holdings Pty Ltd through Corporate Authorised Representative, Quay Marine Insurance Pty Ltd.

MARINE INSURANCE ACT 1909 (CTH)

This policy is a contract of Marine Insurance as defined within the Marine Insurance Act 1909 (Cth).

The Marine Insurance Act 1909 (Cth) places certain rights and responsibilities on both **You** and **Us** for which **You** or **We** must comply. **You** should make yourself aware of these rights and responsibilities.

DUTY OF DISCLOSURE UNDER THE MARINE INSURANCE ACT 1909

You should also be aware of Sections 23 to 27 of the Marine Insurance Act 1909 (Cth), and, in particular, that any contract of marine insurance is based on utmost good faith and in the absence of such good faith, may be avoided. So in addition to the above, **You** have an obligation to disclose to the **Insurer** every material circumstance which is known to **You** and/or which in the ordinary course of **business** ought to be known to

You. Every circumstance is material if it would influence the judgement of a prudent **insurer** in fixing the premium or determining whether they will take the risk. If there is a failure to make such disclosure, **We** may avoid the contract.

Duty of Disclosure

If **you** are applying for or renewing any other insurance, which is not consumer insurance contract, **you** must tell the **Insurer** all information that is known to you, that a reasonable person could be expected to know that is relevant to the **Insurer**'s decision to insure **you** and on what terms. This includes all relevant information that **you** ought to know in the ordinary course of **your business**.

You do not need to tell the **Insurer** anything:

- that reduces the risk it insures **you** for;
- is common knowledge;
- that the **insurer** knows or should know; or
- which the **insurer** waived **your** duty to tell it about.

Non-disclosure

If **you** fail to comply with **your** Duty of Disclosure, the **Insurer** may cancel **your** contract or reduce the amount it will pay **you** if **you** make a claim, or both. If **your** failure to comply with the Duty of Disclosure is fraudulent, the **insurer** may refuse to pay a claim and treat the contract as if it never existed.

If **you** are in doubt about whether or not a particular matter should be disclosed, please contact your Broker.

People You Represent

You must make sure **you** explain the Duty of Disclosure or Duty not to misrepresent to any person **you** represent when **we** arrange any insurance cover for you. Alternatively, **you** may ask any person **you** represent to contact Quay Marine Insurance and they will explain their Duty of Disclosure or Duty not to misrepresent to them directly.

NON-DISCLOSURE

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.

RETAIL CLIENTS

Under the Corporations Act 2001 and associated Regulations (The Act) Retail Clients are provided with additional levels of protection from other insurance purchasers. The Act defines Retail Clients as:

1. individuals or a small manufacturing **business**, employing less than 100 people or any other **business** employing less than 20 people;

and

2. that are being provided financial services or **products** that relate to insurance covers including personal property and contents whilst being moved and stored.

Some of the information in this **PDS** only applies to Retail Clients and it is important that **you** understand whether **you** are covered by the additional protection provided.

IMPORTANT DOCUMENTS

When **we** accept **your** application, **your** contract of insurance is made up of the **policy** wording, the **policy schedule**, the proposal (the information **you** provided to **us** when applying for the policy) and any other written change to the terms of the **policy** (such as an endorsement or supplementary **PDS**).

COOLING-OFF PERIOD

You have the right to cancel the **policy** within 14 days of the date that the cover is incepted, unless a claim is made under the **policy**. If **you** return the **policy** during the cooling off period, **we** will refund the full amount of the premium less any duties or taxes payable. The **policy** will be terminated from the inception date.

CANCELLING THE POLICY

a. **Assured**'s Right to Cancel
This **Policy** may be cancelled at any time by written request to **Us**.

b. **Insurer's** Right to Cancel

We may cancel this **Policy** in accordance with the Marine Insurance Act 1909. **You** shall then be entitled to a refund of Premium for any unexpired **Period of Insurance** provided the premium has been paid.

COST OF THE POLICY

The cost of **your policy** is the premium due detailed in **your policy schedule**

It is made up of **your** premium plus any applicable government taxes and charges. All taxes and charges are shown as separate items on the **policy schedule**, (e.g. fire service levy, stamp duty depending upon location and GST).

If **you** have failed to pay the total premium due, **we** may cancel the **policy**.

MAKING A CLAIM

Benefits are payable if **you** suffer a loss that is covered under the **policy** during the **policy** period, except if an exclusion or condition applies. If **you** have a loss under the **policy you** must notify **us** or **your** insurance broker as soon as practicable. Full details of the claims notification procedure is set out in the **policy**.

DEDUCTIBLES

If **you** make a claim under the **policy**, **you** may be required to pay a **deductible**. Details of applicable **deductible**s are provided in **your policy schedule**.

POLICY CONDITIONS

There are some conditions, stipulations, limitations, and exclusions that apply to **your policy**. Please see the full details in Part 2 of this document.

There shall be no amendments, modifications, or alterations to this **policy**, unless specifically agreed to by the **Us** in writing.

SUBROGATION

You may prejudice **your** rights with regard to a claim if, without prior approval from **us**, **you** make an agreement with a third party that would prevent **us** from recovering any applicable loss (in whole or in part) from that, or another party.

Your policy may contain provisions that have the effect of excluding or limiting **our** liability for a claim under the **policy** if **you** have entered into any agreement that excludes, limits, or delays **your** right to recover damages from another party in respect of such claim.

COMPLAINTS AND DISPUTE RESOLUTION

There are established procedures for dealing with complaints and disputes regarding **your policy** or claim. These services are free to all policyholders and may be of assistance, should the need arise.

If **you** have any concerns or wish to make a complaint in relation to **your policy**, **our** services, or **your** insurance claim, please contact **us** using the details below, and **we** will attempt to resolve **your** concerns in accordance with **our** Internal Dispute Resolution procedure.

Quay Marine Insurance Pty Ltd
Level 3, 182 Bay Terrace,
Wynnum, Qld, 4178
Email: compliance@quaymarineinsurance.com.au

We will acknowledge receipt of **your** complaint and do **our** utmost to resolve the complaint to **your** satisfaction within 10 business days. Where **we** are unable to do so, **our** final decision will be provided to **you** within 30 calendar days of the date on which **you** first made the complaint.

You may refer **your** complaint to the Australian Financial Complaints Authority (AFCA) at any time, if **your** complaint is not resolved to **your** satisfaction within 30 calendar days of the date on which **you** first made the complaint. AFCA's contact details are as follows:

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

Should **you** choose to refer **your** complaint to AFCA, **you** must do so within 2 years of **our** final decision.

FINANCIAL CLAIMS SCHEME

The **policy** may be a protected **policy** under the Federal Government's Financial Claims Scheme (FCS), which is administered by APRA. The FCS may apply in the event that a general insurance company (such as XL Insurance Company SE (Australia Branch) becomes insolvent. If the FCS applies to the **policy**, **you** may be entitled to a payment under the FCS. Access to the FCS is subject to eligibility criteria. **You** may obtain further information about the FCS from http://www.fcs.gov.au and the APRA hotline on 1300 55 88 49.

PRIVACY COLLECTION STATEMENT – QUAY MARINE INSURANCE PTY LTD

We are committed to safeguarding and protecting **your** privacy. **We** are bound by the provisions of the Privacy Act 1988 (Cth) which sets out the standards to meet in the collection, use and disclosure of personal information. **We** will only collect personal information from **you** to allow **us** to quote on and insure **your** risks and matters incidental thereto, including investigating, processing and managing claims.

We may provide **your** personal information to others, such as **our** related bodies corporate, other **insurers** or **our** reinsurers, claims investigators, lawyers and other professionals, and government bodies. Some of these recipients may be outside of Australia, such as to Europe, the United Kingdom, India, Poland and the United States. Any disclosure outside Australia will be in compliance with the Privacy Act. **We** will not under any circumstances trade, rent or sell **your** information.

If **you** do not provide **us** with complete, accurate and up-to-date information, **we** cannot properly quote for **your** insurance and **we** cannot insure you. If **you** provide **us** with personal information about anyone else, **we** will rely on **you** to have told them that **you** will provide their information to **us**, to whom **we** may provide it, the purposes for which **we** will use it and that they can access it. If the information is sensitive, **we** rely on **you** to have obtained their consent on these matters.

If **you** wish to access or correct **your** personal information, or wish to raise any concerns as to how **we** handle **your** personal information, please write to:

The Privacy Officer
Quay Marine Insurance Pty Ltd
Level 3, 182 Bay Terrace,
Wynnum, Qld, 4178
Email: info@quaymarineinsurance.com.au

Our full privacy **policy** is available at www.quaymarineinsurance.com.au/privacy-policy.

PRIVACY COLLECTION STATEMENT – AXA XL

We are committed to safeguarding and protecting your privacy. **We** are bound by the provisions of the Privacy Act 1988 (Cth) which sets out the standards to meet in the collection, use and disclosure of personal information. **We** will only collect personal information from you to allow us to quote on and insure your risks and matters incidental thereto, including investigating, processing and managing claims.

We may provide your personal information to others, such as our related bodies corporate, other insurers or our reinsurers, claims investigators, lawyers and other professionals, and government bodies. Some of these recipients may be outside of Australia, such as to Europe, the United Kingdom, India, Poland and the United States. Any disclosure outside Australia will be in compliance with the Privacy Act. We will not under any circumstances trade, rent or sell your information.

If you do not provide us with complete, accurate and up-to-date information, we cannot properly quote for your insurance and we cannot insure you. If you provide us with personal information about anyone else, we will rely on you to have told them that you will provide their information to us, to whom we may provide it, the purposes for which we will use it and that they can access it. If the information is sensitive, we rely on you to have obtained their consent on these matters.

If you wish to access or correct your personal information, or wish to raise any concerns as to how we handle your personal information, please write to:

The Privacy Officer
AXA XL
Level 28, Angel Place
123 Pitt Street
Sydney NSW 2000
E: privacyaustralia@axaxl.com

Our full privacy policy is available at https://axaxl.com/privacy-notice. If you require further information about how we deal with your personal data under European Economic Area (EEA) data protection laws, please refer to the our European Privacy Notice at https://axaxl.com/privacy-notice or contact the Privacy Officer using the contact details above.

PART 2 – INSURING CLAUSES

Section A - PHYSICAL LOSS OR DAMAGE TO VESSEL

We agree to provide **You** with insurance as described in this **Policy** and/or the most recently dated **Schedule**, for the **Period of Insurance** and any subsequent period where renewal may be agreed, based on the information provided to **Us** by **You** or on **Your** behalf.

This insurance provides coverage in accordance with the terms and conditions of the **Policy** including any **Institute Clauses** referenced in the **Schedule** whilst the **Vessel**(s) is operating within the **Geographical Area** of operations shown in the **Schedule**, plus the following, as applicable.

Additional Benefits

Diving and/or **Fishing Equipment** & **Accessories** Clause:

The policy is extended to provide cover for **diving** and/or **fishing equipment and accessories** is limited to loss and / damage arising out of fire, burglary following forcible and violent entry into the insured **Vessel** and total or constructive total loss of the **Vessels** only.

Nothing in this clause shall be deemed to increase the **Insurer's Limit of Liability** for Section A as shown in the **Policy Schedule**.

Shore Clause

It is agreed that any part or parts of the interest insured are covered, subject additionally to the Institute Cargo Clauses (A), War and Strikes as per Institute War and Strikes Clauses whilst ashore for the purposes of repair, overhaul, refitting or otherwise including transits but this clause shall not operate to affect the insured values expressed herein.

This Additional Benefit does not cover any parts, **Equipment and Accessories**, or Machinery held ashore for the purpose of storage only.

Nothing in this clause shall be deemed to increase the Insurer's **Limit of Liability** for Section A as shown in the Policy Schedule.

Transit Clause

The policy is extended to provide cover for accidental damage to the **Vessel**

a) and Your trailer whilst under tow by a motor vehicle, but excluding loss or damage to the tyres or wheel rims of the trailer caused by braking, punctures, cuts or bursts; or
b) whilst conveyed by a professional specialized boat transport carrier, including loading and unloading from the conveyance, provided the transport distance does not exceed 300km within Australia; or
c) whilst conveyed by a professional specialized boat transport carrier, including loading and unloading from the conveyance, for distances exceeding 300km within Australia, but only if You have advised Us beforehand and We have agreed in writing to extend the Cover. We may require a variation to Your **Deductible** and/or additional Premium.

Claims under this Additional Benefit are subject to a **Deductible** of $500 or 1% of the combined Insured Amount of the **Vessel(s)** and the trailer, whichever is the greater and always subject to the policy terms and conditions.

Nothing in this clause shall be deemed to increase the Insurer's **Limit of Liability** for Section A as shown in the Policy Schedule.

Fixed Fire Appliance Discharge Clause

The policy is extended to provide cover for loss or damage resulting from the discharge of fixed fire extinguishing appliances, whether accidental or in response to fire, provided such discharge was not due to improper maintenance or negligence. The maximum we will pay is $5,000 each claim any one accident or **Occurrence**.

Leased Equipment Clause

This policy provides coverage for physical loss or damage to leased or rented equipment while such equipment is in the **Assured's** care, custody, control, operated or used by the **Assured** or their authorized personnel in accordance with the terms of the leasing agreement.

We will not pay for loss or damage due to wear and tear, gradual deterioration, or inherent defects, intentional damage or negligence by the **Assured**, nor will we pay for loss or damage caused by failure to maintain the equipment as per the manufacturer's or lessor's guidelines.

Our liability under this **Policy** will not exceed the contractual liability **You** have for such equipment, machinery or apparatus. All **Equipment**, machinery or apparatus installed on the **Vessel** and not owned by **You** shall be included in the sum **Insured** of the **Vessel(s)**.

Nothing in this clause shall be deemed to increase the Insurer's **Limit of Liability** for Section A as shown in the **Policy Schedule**.

Acquired Companies Clause:

The **Policy** is extended to include any company, subsidiary company or firm formed or purchased by the **Assured** during the **Period of Insurance** provided that:

1. The **Assured** holds a controlling interest.
2. The **Assured** advised the underwriters of the existence of the company or firm not later than twenty one (21) days from the date of signing the purchase contract or date of formation.

This clause does not extend to cover any new or additional **Vessel** that the **Assured** may hold a controlling interest in or have agreed to accept responsibility for insurance.

Cross Liabilities Clause

Where more than one party comprises 'the **Assured** each of the parties shall for the purpose of this **Policy** be considered a separate and distinct unit and the definition 'the **Assured** shall be considered as applying to each party in the same manner as if a separate policy had been issued to each of the said parties and the **Insurer** hereby agrees to waive all rights of subrogation or action which they may have or acquire against any of the aforesaid parties arising out of any **Occurrence** in respect of which any claim is made hereunder.

Nothing in this clause shall be deemed to increase the Insurer's **Limit of Liability** for Section A as shown in the Policy Schedule.

Waiver and Release Clause

Underwriters hereby agree to waive any rights of subrogation against:

a) Any **Assured** named in this policy or any co-owner of interest hereby **Insured** (including any directors, officers, employees or servants thereof);
b) Any corporation, organisation or other entity (including any directors, officers, employees or servants thereof) owned or controlled by or subsidiary to any assured named or described in this insurance.

<u>Additional Vessel Inclusion clause</u>
Should the **Assured** acquire an insurable interest in any additional **Vessel(s)** through purchase, charter (bareboat only) or otherwise, then such insurance, up to a total Insured Amount of AUD $500,000 will be afforded by this **Policy** with attachment at time of the **Assured** acquiring the insurable interest. Further, such **Vessel(s)** to be valued at the amount fixed between the **Assured** and the vendor(s) prior to attachment hereunder, but not exceeding AUD $500,000 in total.

The cover for such additional **Vessel(s)** is subject to the **Assured** notifying underwriters of any such additional **Vessel(s)**, when required by the **Assured** to be at risk hereunder, within **30 days** of acquiring the insurable interest, and to pay such additional premium at the agreed **Policy** rate for similar **Vessel(s)** or as may be mutually agreed between the assured and the underwriters, or no cover is to attach for such additional **Vessel(s).**

<u>Private Use of the Vessel</u>
Private use is allowed provided the **Assured** abides by all statutory rules and/or regulations governing such use for Commercial Registered **Vessel(s)**.

<u>Antifoul</u>
If **Your Vessel** is removed from the water to carry out repairs following an insured event and as a consequence the anti-foul is determined to have lost its in water integrity, then **We** will pay the cost of anti-foul of the **Hull** in the following proportion:
a) 100% if the **Hull** had undergone anti-fouling within six (6) months of being removed from the water;
b) 50% if the **Hull** had undergone anti-fouling within twelve (12) months of being removed from the water;
c) 25% if the **Hull** had undergone anti-fouling within eighteen (18) months of being removed from the water and
d) Nil% if the **Hull** had undergone anti-fouling in excess of eighteen (18) months of being removed from the water.

Nothing in this clause shall be deemed to increase the Insurer's **Limit of Liability** for Section A as shown in the Policy Schedule.

Section B VESSEL LEGAL LIABILITY

If Section B is selected and shown on your **Schedule**, **We** agree to provide **You** with insurance as described in this **Policy** and/or the most recently dated **Schedule**, for the **Period of Insurance** and any subsequent period where renewal may be agreed, based on the information provided to **Us** by **You** or on **Your** behalf.

This insurance provides coverage in accordance with the terms and conditions of the **Policy** including any **Institute Clauses** referenced in the **Schedule,** whilst the **Vessel(s)** is operating within the geographical area of operations shown in the **Schedule**, plus the following Optional Extensions as applicable.

Legal Liability to Third Parties

We will pay up to the **Limit of Liability** shown in Your **Policy Schedule** for amounts which **You** become legally liable to pay as **compensation** for

a) Accidental death or bodily injury to any person other than **You**, the crew or the passengers;

b) Accidental loss or damage to other people's property, but not the passengers' property,

Removal of Wreck

If the **Vessel** is grounded, stranded or sinks accidentally following an event insured under Section A of this **Policy**, and **We** decide to recover it or **You** become legally liable to remove the **Wreck**, We will pay the reasonable costs of:

a) locating, marking, removing, raising (or attempted raising), destroying and disposing of the **Wreck;**

b) cleaning up the **Wreck**;

c) federal, state or local government authorities exercising their legislative powers in order to prevent or minimise an environmental hazard or pollution caused by the **Wreck**.

The maximum **We** will pay under this clause is $500,000 (or as otherwise specified in Your **Policy Schedule**) for each and every loss or series of losses caused by any one event insured by this **Policy**. These costs are in addition to the insured amount of the **Vessel** specified in **Your Policy Schedule**.

Nothing in this clause shall be deemed to increase the Insurer's **Limit of Liability** for Section B as shown in the **Policy Schedule**.

Substitute Vessel Legal Liability

A substitute **Vessel** not owned by **You**, whilst the **Vessel** is undergoing unscheduled repairs or scheduled maintenance until such time as the **Vessel** is Seaworthy, strictly subject to **Our** prior agreement and including any additional premium, terms, conditions or exclusions which **We** may require.

Optional Extensions

The following Optional Extensions are not automatically applicable and will only apply if you have selected them and they are shown on your **Policy Schedule**. At all times, these optional extensions are subject to the terms, conditions and exclusions contained in this **Policy**.

Passenger Liability Optional Extension

Where noted in the **Schedule**, **We** agree to indemnify You up to the **Limit of Liability** specified for any sum or sums which **You** shall become legally liable to pay to **Passengers** pursuant to the **Institute Clauses** listed in the **Policy Schedule** including **Passengers'** baggage and **Passengers'** personal effects but excluding any liability, costs or expense arising in respect of:

a) instruction, advice or recommendation of any kind whatsoever given to or tasks undertaken by **Passenger(s)** undergoing training for any activity, including but not limited to sailing and seamanship;
b) **Passengers** engaged in diving, water-skiing, boom netting, para-sailing or any other aqua sport or any land activity unless caused by such **Passenger(s)** being run down by the **Vessel(s)**;
c) instruction, advice or recommendation of any kind whatsoever given to or caused by the use of **Equipment or Accessories** whilst the **Passenger(s)** is/are participating in diving, swimming, snorkelling, water-skiing, boom netting, parasailing or any other aqua sport or land activity.

Nothing in this extension shall be deemed to increase the Insurer's **Limit of Liability** for Section B as shown in the **Policy Schedule**.

Swimming and Snorkelling Extension

Where noted in the **Schedule** and subject to the Passenger Liability Optional Extension also being noted in the **Schedule**, **We** agree to indemnify You up to the **Limit of Liability** specified for your **legal responsibility to passengers** for injuries or incidents that happen during **swimming or snorkelling activities**.

This includes when passengers are being **trained, guided, or taking part** in swimming or snorkelling **from or near the vessel**, as part of its normal operations, and during the policy period.

However, this coverage **does not apply** if the incident is caused by:

- **Scuba diving** or similar activities that involve using artificial air supply underwater
- **Swimming or snorkelling outside daylight hours**, as defined by the Bureau of Meteorology
- **Jumping or diving off the vessel,** or any form of boom netting and/or towing of persons under or behind the vessel

Pollution Extension

Where noted in the **Schedule**, **We** agree to indemnify You up to the **Limit of Liability** specified for any sum or sums which **You** shall become legally liable to pay for:

a) Damage to someone else's property caused by a **sudden and accidental** spill or leak of oil, fuel, sewage, chemicals, or other substances into the water, air, or land — less any deductible shown in your **Policy Schedule**
b) Costs to clean up the pollution or reduce the risk of pollution from the same event, up to **$500,000** (or the amount listed in your **Policy Schedule**) — less any deductible shown in your **Policy Schedule**

This extension only applies if:

- The pollution happens during the time your policy is active, and
- Your vessel is within the allowed navigation area listed in your **Policy Schedule**

This extension does not apply if the pollution was caused:

- On purpose or through reckless behavior, or through any deliberate means
- With your knowledge or the knowledge of your employees

Nothing in this extension shall be deemed to increase the Insurer's **Limit of Liability** for Section B as shown in the **Policy Schedule**.

PART 3 - Exclusions Applicable to Section B

We will not cover any legal liability for:

a) Death or bodily injury to You or Your crew;
b) Bodily injury, illness or death of a person who is covered or should have been covered by any compulsory third party statutory insurance, including but not limited to any workers' **Compensation**, as a result of or in the course of employment by **You**;
c) Illness, death or bodily injury to a **Passenger** unless the **Passenger** Liability Extension has been taken and is noted in the **Policy Schedule**;
d) Fines or penalties of any type;
e) A contract that imposes on **You** a liability which **You** would not otherwise have unless this has been declared to **Us** and **We** have specifically agreed to extend cover for liability under that contract;

PART 4 - Exclusions Applicable to Sections A and B

The exclusions contained within the **Institute Clauses** described in the **Schedule** and forming part of this **Policy** shall be paramount where they conflict with any terms contained in this exclusion section of the **Policy**.

This **Policy** does not cover any loss, damage, destruction, liability, cost or expense of any nature whatsoever that is directly or indirectly caused by or contributed to by or arising from when:

a) Your **Vessel** operates outside of the specified geographical area in the **Schedule**;
b) Your **Vessel's** operations are different to the declared operations stated in the **Schedule**;
c) Your **Vessel** is used to tow a marine **Vessel** or structure without obtaining agreement from us;
d) Your **Vessel** is undergoing alteration to the **Hull** or **Hull** repairs unless we have been advised and agreed to cover the **Vessel** whilst undergoing these changes;
e) Death, bodily injury or Damage occurring to property while the **Vessel** is attached to, or it breaks away from or accidentally detaches from a motor vehicle;

PART 5 - GENERAL EXCLUSIONS

Communicable Disease Exclusion (Hull)

1. Notwithstanding any provision to the contrary in this (re)insurance, it is hereby agreed that this (re)insurance excludes absolutely all Communicable Disease Loss, save where the conditions of the Infected Individual Exception are met.

2.

2.1 **"Communicable Disease Loss"** shall mean all loss, damage, liability, or expense of whatsoever nature, proximately caused by or significantly caused by or contributed to by or resulting from or arising out of or in connection with any of the Excluded Circumstances, those Circumstances being

a) a Communicable Disease, and/or

b) the fear or threat, whether actual or perceived, of a Communicable Disease, and/or

c) any recommendation, decision or measure, made or taken to restrict, prevent, reduce or slow the spread of infection of a Communicable Disease or to remove or minimise legal liability in respect of such a disease, whether made or taken by a public authority or a private entity and/or

d) any recommendation, decision or measure made or taken to alter, reverse or remove any circumstance falling within (c) above, whether made or taken by a public authority or a private entity

regardless of any other cause or circumstance contributing concurrently or in any other sequence thereto.

2.2 Without prejudice to the effect of Clauses 2.1 (a), (b) and (d), recommendations, decisions and measures by whomsoever taken to tie-up, lay-up or maintain at anchor, in port or elsewhere, any vessel, conveyance, rig or platform pending resumption of cruising, operation, trading, cargo loading or discharge or other customary use shall not constitute Excluded Circumstances, notwithstanding they or any of them may have been taken for the reasons set out in 2 (c) above.

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3.1 "**Communicable Disease"** shall mean any disease, known or unknown, which can be transmitted by means of any substance or agent from one organism to another where:

a) the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and

b) the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas and

c) the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

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4.1 The **Infected Individual Exception** shall apply where (1) the actions or decisions of any individual infected or allegedly infected with a Communicable Disease cause or contribute to an alleged loss event and (2) neither such action nor decision nor the alleged cause of the loss event itself was a recommendation, decision or measure as defined at 2.1 (c) or 2.1 (d) above.

4.2 Where those conditions are met, the fact or possibility that the individual's action(s) or decision(s) were impaired or affected by or caused by that individual's alleged or actual infection shall not exclude recovery of a Loss otherwise recoverable hereon provided always that there shall be no cover for loss, damage, liability, or expense arising from any increase in the spread, incidence, severity or recurrence of a Communicable Disease consequent on that individual's actions or decisions.

JH2020-007A

Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause CL.370

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

a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
d) 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;
e) any chemical, biological, bio-chemical, or electromagnetic weapon.

10/11/03

Marine Cyber Endorsement

a) Subject only to paragraph 3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer system programme, malicious code, computer virus, computer process or any other electronic system.
b) Subject to the conditions, limitations and exclusions of the **policy** to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.
c) Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or **terrorism** or any person acting from a political motive, paragraph 1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

LMA5403 11 November 2019

<u>Sanction Limitation and Exclusion Clause – amended to include Australia</u>
No **Insurer** shall be deemed to provide cover and no **Insurer** shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of Australia, the European Union, United Kingdom or United States of America or Australia.
JH2010/009

<u>Salvage Operations</u>
Arising from or connected with any salvage operations performed by **You**, unless otherwise agreed and noted in the **Policy Schedule.**

<u>Terrorism exclusion</u>
This **Policy** excludes any damage, cost, expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any **Act of Terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

An **Act of Terrorism** means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or groups(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear. **Terrorism** shall also mean steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived **terrorism.**

6 - GENERAL CONDITIONS

Law and Jurisdiction

This **Policy** shall be governed by and construed in accordance with the laws of the Commonwealth of Australia and the States and Territories thereof. Each party agrees to submit to the jurisdiction of the Court of competent jurisdiction in the State or Territory of Australia in which this **Policy** has been issued and to comply with all requirements necessary to give such Court jurisdiction. All disputes arising under this **Policy** shall be determined in accordance with the law and practice of such Court.

Amendments to the Policy

No amendment to this **Policy** will be effective except when made by written endorsement

Goods and Services Tax

As part of the **Premium**, **We** will charge **You** an amount on account of GST. **You** must inform **Us** of the extent to which **You** are entitled to an input tax credit for that GST amount each time that **You** make a claim under **Your Policy**.

No payment will be made to **You** for any GST liability that **You** may incur on the settlement of a claim if **You** do not inform **Us** of **Your** entitlement or correct entitlement to any input tax credit.

Despite the other terms of this **Policy Our** liability to **You** will be calculated taking into account any input tax credit to which **You** are entitled for any acquisition which is relevant to **Your** claim, or to which **You** would have been entitled were **You** to have made a relevant acquisition.

Government Taxes and Duties

You must pay all levies, taxes, imposts and/or charges, including but not limited to stamp duty and other similar charges which may be payable to or required to be paid to any government in Australia whether acting through any agency, instrumentality or otherwise in relation to **Your Policy**.

Interpretation

Any word or expression which appears in the **Policy** in bold shall have the meaning given in the **Policy** Definitions. Any other word or expression given a specific meaning in the **Schedule**, or any **Endorsement** and beginning with a capital letter, shall have the same meaning throughout the **Policy**.

Headings are provided for reference only and do not form part of the **Policy** for interpretation purposes.

7 - DEFINITIONS

For the purposes of this **Policy**:

Act of Terrorism	means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or groups(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear. Act of Terrorism shall also mean steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.
Agreed Value	Means the amount specified in the Schedule as the value of the Vessel(s) insured. This Amount is agreed by both You and Us in writing and valid until the next renewal date.
Compensation	Means monies paid or agreed to be paid by judgment or settlement in respect of **Personal Injury**, **Property Damage** or advertising injury to which this **Policy** applies.
Deductible	Means the amount shown in the **schedule** which must be paid by **you** when **you** make a claim under this **policy**.
Diving Equipment	means masks, snorkels, tanks, regulators, buoyancy **compensation** device, fins and flippers, wet and dry suits, pumps, compressors and other similar equipment used for the purpose of recreational/ sport diving owned by You.
Employee	Means any person employed or deemed to be employed by the **Assured** whether pursuant to any Workers' **Compensation** Law or otherwise including but not limited to any: a) person under a contract of service or apprenticeship with the **Assured** b) self-employed person working under contract with the **Assured** and under its direction. c) student or person undertaking work for the **Assured** under a work experience of similar scheme
Equipment and Accessories	means items manufactured and intended for use on Your Vessel which are portable or not permanently attached to the **Hull**. Equipment includes: • lifesaving equipment; • auto pilot; • navigation equipment; • depth sounders; • global positioning system; • marine radios/transceivers; • Tools; but excluding Sports, Fishing or **Diving Equipment** unless agreed and specified in the Schedule. Accessories includes: • anchors; • batteries; • paddles and oars;

	• portable fuel containers; • Vessel covers and canopies. Personal Effects or Personal Property are excluded from this definition of Equipment and Accessories.
Fishing Equipment	Means rods, reels, tackle and other similar equipment used for the purpose of recreational/ sport fishing owned by You.
Geographical Limits	Means the area of operation as specified in the Schedule
Hull	Means the structure of the Vessel including deck(s), cabin(s), superstructure, fixtures and fittings that are not normally removable and normally sold with the **Hull** including its Motor(s) /Machinery and **Equipment and Accessories**.
Institute Clauses	Means the standard wordings as prepared by the Lloyd's Market Association and International Underwriting Association of London. Any **Institute Clauses** referred to in the Policy or the Schedule or any other document are appropriately referenced and dated.
Assured / Insured / Named Insured / You / Your	Means the entity stated in the Policy Schedule as the Named Insured.
Insurer / We / Us / Our	Means Quay Marine Holdings Pty Ltd ABN 82 010 671 751 AFS License No: 238 271, through Corporate Authorised Representative, Quay Marine Insurance Pty Ltd, Licence No. 001265363 acting under a binding authority given to it by XL Insurance Company SE (Australia Branch), to administer and issue policies, alterations, renewals, to collect and process premiums and to manage and settle claims for and on behalf of XL Insurance Company SE (Australia Branch).
Limit of Liability	means the amount stated in the **Schedule** representing the limit of the Insurer's liability for any one claim or series of claims arising out of any one event.
Occurrence	Means An event, including continuous or repeated exposure to substantially the same general conditions, which results in **Personal Injury and/or Property Damage** neither expected nor intended from the lnsured's standpoint during the **Policy** Period. All events of a series consequent on or attributable to one source or original cause shall be deemed one Occurrence.
Passenger	A "passenger" on a vessel is defined as any person on board who is not part of the crew or directly involved in the operation or navigation of the vessel.
Period of Insurance	means the date/s and time/s specified within the **Policy Schedule** for which the Product shall be in force.
Personal Injury	Means death, bodily injury, sickness or disease sustained by a person and shall include mental injury, mental anguish, shock and loss of consortium
Policy	Means This **Policy** wording including the **Schedule** and any endorsements hereto.
Property Damage	Means Physical damage to, destruction of or loss of tangible property including the loss of use thereof at any time resulting therefrom that is not owned, used or leased by **you**.
Removal of Wreck	Means the removal, salvage or recovery of any **Vessel** that has sunk or is wrecked, disabled or destroyed, when ordered by a regulatory authority, including Maritime, Port or Harbour authority.

Schedule / Policy Schedule	Means the **document** issued with this **Policy** wording or any subsequent or amended version of that **document,** and describes is the contract of insurance between You the Insurer.
Vessel	Means any **Vessel**, craft or thing (other than a hovercraft or submersible, fixed pontoons, berths or jetties) designed to float on or in or travel on or through water.

8 - CLAIMS CONDITIONS

Claims Notification

a) In case of loss or damage which may give rise to a claim under this **Policy You** must give notice as soon as practicable to:

Quay Marine Insurance
Level 3, 182 Bay Tce
Wynnum Qld
Email: claims@quaymarineinsurance.com.au

b) **You** shall endeavour to take all reasonable measures to avoid or minimise any further loss, damage, liability or expense;

c) At **Your** own expense, supply supporting claims documentation, along with evidence and information as may reasonably be required **Us** for the purposes of investigating or verifying the claim, including details of all other insurances covering the loss or damage or any part of it and, if requested, a sworn declaration of truth of the claim and any connected matters;

d) **You** must preserve any damaged or defective **property** or **Goods** which might prove necessary as evidence for examination by **Us**;

e) in the case of loss or damage due to theft or malicious act, **You** must inform the police as soon as possible and take all practicable steps to discover any guilty person and to trace and recover the missing property;

f) In case of a **General Average** or salvage contribution claim **You** must consult **Us** before signing any **General Average** or **Salvage** bond

g) **You** must not abandon any **Goods** to **Us** whether **We** have paid **Your** claim or not; and

h) **You** must not release carriers, bailees or other third parties from liability when loss or damage is discovered and **You** must take all reasonable actions necessary to properly preserve and exercise all rights against carriers, bailees or other third parties.

i) **You** must not make any settlement, admission of liability, payment, or promise of payment to a third party without **Our** written consent.

Notice of loss or damage which may give rise to a claim by any one **Assured**, or their agent, shall be accepted by the **Insurer** as notice of that **occurrence** by all of the **insured** parties.

Unless the terms of this Claims Notification Condition are complied with, **Our** liability may be reduced by the amount representing the prejudice caused to **Us** as a result of non-compliance with this Condition.

Fraudulent Claims

If **You**, or anyone acting on **Your** behalf makes a claim which is fraudulent and/or intentionally exaggerated and/or supported by a fraudulent statement or other device, **We** may refuse to pay a claim and treat the contract as if it never existed.

Payments on Account

When **We** have accepted **Your** claim, **We** may make reasonable progress payments on account of any claims to **You** at such intervals and for such amounts as **We** may both agree.

Any payment shall be a full release of liability of that part of the claim for which the payment on account is made.

Contribution
Subject to the provisions of the Marine Insurance Act 1909, upon the payment of any claim under this **Policy**, **We** may avail of the right to recover or obtain contribution from:

a) any person against whom **You** may be able to claim and **We** have the right to take action in **Your** name, and
b) other insurance covering or which may cover the same loss, the details of which **You** have advised to **Us**.

Subrogation
In the event of any payment by **Us** under this **Policy**, **We** shall be subrogated up to the amount of such payment to all **Your** rights of recovery against any third party who may be held responsible for the loss, damage or expense.

You shall, all times protect and preserve any rights of recovery and, provide such assistance as **We** may reasonably require in any subrogation effort.

We shall have full discretion in the conduct or settlement of any recovery action. This includes the right to instruct lawyers to provide advice as to the liability and to represent **You** in such action.

If there is a loss that is partially covered by this **Policy** that **We** have paid for and there remains an uninsured loss, **We** will use **Our** best efforts to agree with **You** upon a fair and proper allocation of amounts that may be recovered from other parties who may be responsible for the losses, having regard to the Marine Insurance Act 1909 and the relative legal costs and financial exposures attributable to covered and uncovered losses.

HOW MUCH WE WILL PAY

Loss or Damage to Your Vessel
In the event of a total or constructive total loss of **Your Vessel**, the amount We will pay **You** or any other party agreed with **You**, at **Our** option:
a) the agreed value specified in the **Schedule**;
or
b) replace the **Vessel** with one of similar age and condition.

Once **We** pay **You**, **We** may decide to take ownership of any salvage. At **Our** discretion (and if safe to do so), **You** may reclaim the Property Insured if **You** agree to pay the salvage price.

We will settle claims for partial loss in accordance with the **Institute Clauses** and any relevant endorsements, additional benefits or optional extensions specified in the Schedule or this policy wording.

Deductible
The amount specified in the Schedule as the **Deductible** will be deducted from each and every loss except for total and/or Constructive Total Loss of the **Vessel**.

MARINE INSURANCE

www.quaymarineinsurance.com.au
info@quaymarineinsurance.com.au

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