

Suncorp Boat Insurance

Your Guide to Premiums, Excesses,
Discounts and Claim Payments

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The purpose of this guide is to provide further detail about the amount you pay for this insurance and the excesses that may apply if you make a claim. It also includes information about how we calculate and pay claims under your policy. This guide is taken to be part of the Suncorp Boat Insurance Product Disclosure Statement (PDS) dated 09 June 2010. This date is shown on the back cover of the PDS in the format "PDS dated". This guide is relevant to you if your policy has a commencement or renewal effective date on or after 13th September 2010.

About your premium

The premium is the amount you pay us for this Insurance. It reflects what we consider is the likelihood of you making a claim together with other factors related to our cost of doing business. You also pay stamp duty, Goods and Services Tax (GST), any additional government charges and Fire Services Levy (FSL) if applicable. These charges are applied as the final step in the premium calculation. Your certificate of insurance will show how much you have to pay.

When we calculate your premium there are a range of factors we take into account, we call these premium factors. A significant factor affecting your premium is the level of cover you choose. We offer two levels of cover 'third party' and 'comprehensive'. Comprehensive cover attracts a higher premium than third party cover because comprehensive cover offers broader coverage.

The amount of premium you pay also depends on the information you tell us about your boat, you and the operators of your boat and the decisions you make in relation to your policy such as your choice of basic/flexible excess (if you have comprehensive cover). It is very important that all the information you give us is accurate and precise. For instance, how your boat is stored or moored when not in use has an impact on your premium.

Each year when we calculate your premium we may take into account some or all of the premium factors and the factors we use can differ depending on the level of cover you choose. The importance we place on the factors we use can change from year to year.

The following is a guide to the most significant premium factors we use together with an explanation of the likely effect of those factors on your premium:

Premium Factor	Third Party Cover	Comprehensive cover	Likely effect on premium
Age of Boat	✓	✓	Newer boats attract a higher premium, while older boats attract a lower premium.
Boat Market Value	✗	✓	The higher the boat's value, the higher the premium due to our increased exposure to risk.
Type of boat	✓	✓	Small powerboats or sailing boats attract lower premiums than high speed powerboats or yachts.
Hull construction material	✗	✓	Boats constructed of fibreglass tend to attract lower premiums than boats constructed of timber.
Optional covers	✗	✓	The more optional covers you choose the higher your premium will be.
Level of basic excess	✗	✓	If you choose a higher basic excess this will attract a lower premium.
Payment frequency	✓	✓	If you pay by the month your premium will be higher than if you chose to pay in one annual payment because we charge a monthly fee.

✓ used as a premium factor ✗ not used as a premium factor

Each time you renew your insurance your premium is likely to change. In addition to any change to the premium factors we use, premiums are also affected by other things including:

- the cost of claims we have paid to other customers and claims we expect to pay in the future
- new and updated data we use to calculate your premium
- changes in our approach to calculating your premium
- our expenses of doing business
- changes in government taxes and state or territory levies and
- other commercial factors.

When determining your renewal premium, we also consider how much you paid last year. As such, we may limit any movements up or down to your premium to avoid large changes in premiums year on year.

Premium discounts

In addition to the premium factors, the discounts you qualify for are also a significant factor affecting your premium. If you qualify for any of our discounts, this will attract a lower premium. The premium shown on your certificate of insurance includes any discounts you qualify for and these are applied before adding government charges. We offer the following discounts:

- No claim discount
- Multi-policy discount
- Boat Club Scheme Discount*

*Note not all boat clubs are eligible for a discount

At times we may offer premium discounts to particular customers as part of a promotion or to take account of market conditions. The amount and type of discounts offered can change or be withdrawn at any time before you take out this policy, or at your next renewal.

Set out below is an example of how we usually apply our discounts when you are eligible for more than one discount:

Example

You are eligible for 2 discounts. One is a **20%** discount and the other is a **15%** discount. We have worked out using the premium factors that your premium, before adding government charges is **\$600**. The discounts are applied to the premium in the following way.

Premium	Discount	Additional details
\$600	- 20%	You are entitled to a discount of 20% (\$120). Once this is applied it means a new premium of \$480.
\$480	- 15%	Your 15% discount is applied to the \$480 premium rather than to the \$600 base premium. This gives you a further discount of \$72.
\$408	Discounted premium before government charges have been applied.	

No claim discount

A no claim discount (NCD) is a discount off your comprehensive premium as a reward for your good boat insurance claim history. If you have an NCD, it is shown on your certificate of insurance.

We calculate your NCD level based on the boat operator/s:

- age
- boating experience
- previous insurance and/or claim and accident history

The NCD levels are 0%, 10%, 15% and 25%. If your NCD commences at 10%, on renewal your NCD will increase to the next discount level of 15% providing you haven't made any claims that affect your NCD. For 3 or more claim free years of boat insurance history, you can attain the maximum 25% no claim discount.

How do claims affect your NCD

If you make a claim your NCD will either, increase or reduce (for full details see page 9 in the PDS). If you make a claim that reduces your NCD, the following table shows how much it is reduced by at your next renewal date.

Your current NCD	What we reduce your NCD to on renewal
25%	15%
15%	10%
10%	0%
0%	0%

Multi-Policy Discount

A multi-policy discount rewards you with a discount off your premium for holding multiple policies with us. There must be a common mailing address and the person(s) seeking the discount must be nominated as an insured on each eligible policy. The discount only applies on Suncorp personal insurance policies. Your policy is a personal policy if your policy number starts with a "P".

If you take out a new policy which means you qualify for the multi-policy discount you get the discount on that new policy immediately and on your other existing policies the discount applies from their renewal date provided you still qualify.

How to qualify	What you save
<p>Hold 3 or more eligible insurance policies with us from the following list:</p> <ul style="list-style-type: none">– Motor Vehicle Comprehensive– Motor Vehicle Third Party Property Damage– Motor Vehicle Fire, Theft & Third Party Property Damage/Extra Cover– Home Insurance– Contents Insurance– Boat Insurance– Queensland Compulsory Third Party (CTP)*	<p>15% off your eligible insurance premiums</p>

*The Queensland CTP premium cannot be discounted but it counts towards the multi-policy discount eligibility.

Boat Club Scheme Discount

Suncorp offers a discount to members of some boat clubs. Not all clubs qualify for this discount. Ask us if your club membership entitles you to this discount off your premium.

Depending on which boat club you belong to, the discount can vary between 5% and 20%.

Government taxes & charges

Boat insurance policies are subject to stamp duty imposed by state and territory governments and 10% GST. Government charges are applied as the final step in the premium calculation. These amounts are shown on your certificate of insurance.

About your excess

An excess is the amount you have to pay for each incident when you make a claim. For example, if the bow and stern of your boat have been damaged by 2 separate incidents, then you have to make 2 claims and pay the excesses that apply to each claim.

The amount and types of excess are shown on your certificate of insurance. Depending on the circumstances, you might have to pay more than one type of excess when you claim (see page 31 in the PDS to find out when an excess applies when you make a claim).

The different types of excesses are:

Basic/Flexible excess

Basic excess for Third party cover

If you choose the third party cover and unless we tell you otherwise, a basic excess of \$500 will apply to all claims. This cannot be removed or reduced by paying an extra premium.

Basic (or flexible) excess for Comprehensive cover

If you choose comprehensive cover and unless we tell you otherwise, a basic (or flexible) excess applies to all claims. You can choose your basic excess from the range we offer in the table shown below. Choosing a higher excess reduces your premium. Depending on your type of boat and its market value, there is a minimum basic excess that applies.

Boat Type & Value Examples include typical market values for these boat types	Minimum Basic Excess	Maximum Basic Excess
Small power boats up to 25 knots, inc. tinnie, runabout etc. Up to \$50,000 market value	\$100	\$500
Small power boats up to 25 knots, inc. tinnie, runabout etc. \$50,000 to \$100,000 market value	\$250	\$1,000
Speed/Power boats up to 60 knots, up to \$50,000 market value	\$100	\$500
Speed/Power boats up to 60 knots, \$50,000 to \$100,000 market value	\$250	\$1,000
Motor Cruisers, Motor Yachts, Power Catamarans & Power Trimarans up to 50 knots. Up to \$50,000 market value	\$100	\$500
Motor Cruisers, Motor Yachts, Power Catamarans & Power Trimarans to up to 50 knots. \$50,000 to \$100,000 market value	\$250	\$1,000
Ski Boats & High Speed Power Boats, up to 60 knots. Up to \$50,000 market value	\$150	\$750
Ski Boats & High Speed Power Boats, up to 60 knots. \$50,000 to \$100,000 market value	\$500	\$1,000
Sailing Dinghy up to \$50,000 market value	\$100	\$750
Sailing Dinghy \$50,000 to \$100,000 market value	\$250	\$1,000
Sailing Yacht up to \$50,000 market value	\$150	\$750
Sailing Yacht \$50,000 to \$300,000 market value	\$500	\$2,000
Trailer Sailer up to \$50,000 market value	\$100	\$750
Trailer Sailer \$50,000 to \$100,000 market value	\$250	\$2,000
Sailing Catamaran up to 7 metres in length and up to \$100,000 market value	\$100	\$1,000
Sailing Catamaran up to 7 metres in length and \$100,000 to \$500,000 market value	\$500	\$5,000

Additional/Fixed excess

An additional excess may be imposed depending on the type or construction of your boat and/or our assessment of the accident, claims or insurance history in the last 5 years of you or anyone to be insured under the policy. If an additional excess applies it will be shown on your certificate of insurance as a fixed excess. It is paid in addition to any other excesses that apply. This excess cannot be removed or reduced by choosing to increase your premium.

Claim payments

The following examples are designed to illustrate how a claim payment might typically be calculated. The examples do not cover all scenarios or all benefits and do not form part of your policy terms and conditions. They are a guide only. In each of the examples we assume that you are not registered for GST.

Example 1 – Write-off

Your boat is insured for comprehensive cover with a total market value of \$23,000. Your basic/flexible excess is \$250. Your boat is an older boat that is moored and there is a major storm which causes significant damage to your hull and motor. We assess the cost of repairs will be \$20,000. The estimated salvage value is \$5,000. We calculate that the market value of your boat is \$23,000.

How much we pay		Additional Details
Market value	\$23,000	When we pay for a write-off we pay the market value of your boat. In this example we decide your boat is a write-off because the cost of repairs together with the estimated salvage value exceeds the market value we have determined for your boat. See the PDS on page 6 for additional information on market value
Less excess	- \$250	As your boat has been damaged by a storm, the basic/flexible excess applies
Claim so far	\$22,750	
If your insurance was paid through monthly instalments of \$50 per month and there were four remaining monthly payments in the period of insurance when your boat was damaged:		
Less outstanding premium	- \$200	The 4 x \$50 monthly repayments become due when we decide your boat is a write-off. We normally deduct this from the amount we pay to you.
Total claim	\$22,550	We would normally pay this directly to you. If a credit provider has a registered interest in the boat then we would pay your credit provider what they are owed first and pay any balance to you.

Once we settle your claim, all cover on the boat stops and your policy is cancelled. The salvage becomes our property and we are entitled to keep the proceeds of the sale. This does not affect the amount we pay you.

Example 2 – New boat after write-off

Your boat is insured for comprehensive cover with a total market value of \$18,000. Your basic/flexible excess is \$250. Your boat (including the hull, motor and trailer) is stolen from your locked garage and you report this to the police. Your boat is less than 2 years old and you qualify for the new boat after write-off additional feature (see page 35 in the PDS for details). The cost to replace your boat with a new one of the same make and model is \$19,400.

How much we pay		Additional Details
Cost to replace your hull, motor and trailer	\$19,400	We pay \$19,400 because your boat is less than 2 years old and you qualify for the new hull or boat trailer or motor(s) after write-off additional feature (see page 17 in the PDS for details). We pay this amount directly to the boat dealership.
Less excess	- \$250	As your boat was stolen the basic/flexible excess applies. You pay your excess directly to us.
Total claim	\$19,150	

Once we settle the claim, all cover on the boat stops, your policy is cancelled and there is no refund of the unused premium. Your boat (if it is recovered) becomes our property and we are entitled to keep the proceeds of its sale.

Example 3 – Partial damage

Your boat is insured for comprehensive cover with a total market value of \$15,000. Your basic/flexible excess is \$400 and you also have a fixed excess of \$250 due to your insurance history. Your boat is on its trailer in the driveway of your home. Vandals put graffiti on your boat. We assess the cost of repairs to your boat will be \$7,000.

How much we pay		Additional Details
Damage to boat	\$7,000	We repair your boat to its prior condition before the graffiti incident.
Less excess	- \$650	As your boat was vandalised both the basic/flexible excess and the fixed excess apply. We normally get you to pay this directly to the repairer when you pick up your boat after it has been repaired unless you have already paid the excess to us for this claim.
Total claim	\$6,350	We normally pay this directly to the repairer.

Example 4 – Racing cover option

Your sailing boat is insured for comprehensive cover with a total market value of \$13,000 and you have the racing cover option (see page 21 of the PDS). Your basic/flexible excess is \$250. You are sailing your boat in a race at your local sailing club when it collides with a buoy, causing damage to your hull. We assess the cost of repairs to your hull will be \$4,300.

How much we pay		Additional Details
Cost of repairs	\$4,300	We repair your boat to its condition before the incident.
Less excess	- \$250	As your boat has collided with a buoy, your basic/flexible excess applies. We normally get you to pay this directly to the repairer when you pick up your boat after it has been repaired unless you have already paid the excess to us for this claim.
Total claim	\$4,050	We normally pay this directly to the repairer.

Example 5 – Water-skiers' liability option

Your boat is insured for comprehensive cover and you have the water-skiers' liability option (see page 20 of the PDS). Your basic/flexible excess is \$650. You and your onboard observer are towing a water-skier behind your boat when the skier loses grip and falls into the water. The skier breaks their ankle and makes a claim for their out of pocket expenses and loss of wages for a 6 week period for the amount of \$8,000. We assess this claim and agree you are liable for these amounts

How much we pay		Additional Details
Total amount of liability	\$8,000	We assess the claim and agree you are liable. We pay this amount to the injured party.
Less excess	- \$650	As you are liable for this claim, the basic/flexible excess applies. You pay your excess directly to us.
Total claim	\$7,350	

Example 6 – Legal liability

Your boat is insured for Third Party cover. The basic excess is \$500. You are involved in a boating accident causing damage to another boat. We determine that you are at fault and liable to pay the cost of repairs for the damage caused to the other boat, which is \$6,700. The damage to your own boat is not covered as you have selected Third Party cover.

How much we pay		Additional Details
Damage to other boat	\$6,700	We normally pay the cost of repairs directly to the third party claimant.
Less excess	- \$500	As you are at fault, the basic excess applies. You pay this amount directly to us.
Total claim	\$6,200	

