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This document was prepared on 1/8/2013 and tells you about Kawasaki Insurance to help you decide if the cover is right for you and whether to use our services. It also contains information about the remuneration received by us and other entities involved in the distribution of the insurance, the services we offer and how any complaint you have is dealt with. Any advice provided in this document is general only and does not take into account your individual circumstances. You should carefully read it, and any other documentation we send you such as your Certificate of Insurance to determine if it is appropriate for you. Keep them in a safe place for future reference.

About the Insurer

The insurers of this insurance are certain underwriters at Lloyd's whose definitive numbers and the proportions underwritten by them, which will be supplied on application, and in consideration of the premium specified herein, the said Underwriters are hereby bound, severally and not jointly, each for their own part and not for one another, their Executors and Administrators, to insure in accordance with the terms and conditions contained herein or endorsed hereon. The insurers act through their agent, Nautilus Marine Insurance Agency Pty Ltd (ABN 34 100 633 038) (AFSL 227186) (Nautilus). In this document, the insurers acting through their agent, Nautilus are referred to as "we", "us", and "our". Our contact details are: Nautilus Marine Insurance Agency Pty Ltd, 28-32 George Street, Sandringham VICTORIA 3191 Telephone: 1300 780 533 Facsimili: 03 8599 5099 Email: customerservice@nautilusinsurance.com.au

About Nautilus and its services

Nautilus has been given a binder authority by the insurers, which allows Nautilus to enter into this policy, to administer it and to handle and settle claims made under it, subject to the terms of the binder authority. In doing so Nautilus acts for the Underwriters not you. Nautilus' Australian Financial Services Licence authorises it to provide these services.

About Kawasaki and their services

This document and this insurance may be provided to you by a Kawasaki dealer or authorised distributor. Kawasaki Motors Pty Ltd (ABN 79 002 840 315) of Unit Q & S 10-16 South Road, Rydalmere NSW 2116 and its representatives, as well as your Kawasaki dealer have been authorised by Nautilus as its general insurance distributors to deal in this product. They are not authorised to provide any advice on this insurance.

INTRODUCTION

This document and the information we send you about your cover is designed to be simple and straightforward to make it easy for you to understand what is included in your cover and what isn't.

This Kawasaki Insurance has been designed by Nautilus in conjunction with Personal Watercraft owners like you, which is simple and easy to understand cover to help protect you in the event of a crisis such as a collision, sinking, fire, storm or theft. Plus we give you added benefits, many of which may not be covered by other insurers, to help you get back out on the water sooner.

Terms, conditions, limits and exclusions apply and you need to read all of the information provided by us on this insurance to properly understand the cover provided. By entering into the policy you agree to do so.

MONEY BACK GUARANTEE

If you decide that your insurance cover doesn't meet your needs, for whatever reason, and you have not made a claim, you can return your policy within 21 days of the start of your insurance (including each renewal). You will receive a full refund of any premiums paid (less any taxes or duties we cannot recover). It's called your Cooling Off Period and it's as simple as that.

NO CLAIM BONUS

We will reward you with a no claim bonus discount on your premium when you buy the policy if you have not experienced a recent pleasure craft related claim. We tell you what your discount is when you apply for the policy.

If you hold the policy with us for three consecutive years and make no claims, we will apply our Maximum No Claim Bonus discount for all future renewals of the policy with us.

A minimum premium applies to this insurance. This means that your discounted premium, after taking into account your no claim bonus, cannot be less than the minimum premium payable.

For more information on the minimum premium, see the Determining your Premium section on Page 4.

UNDERSTANDING

So that you understand exactly what your Kawasaki Insurance covers and does not cover, make sure you read

the cover sections as well as the limits, conditions and exclusions that apply. Specific exclusions for each cover are listed next to the insured events to make it simple. Also read the general exclusions which apply to all covers. Other limitations, conditions or exclusions may be listed in other documents which make up the policy.

SERVICE

We are here to answer any questions you have about your cover. If you have any questions about this insurance or would like to update or change your cover, please:

- call Kawasaki Insurance 1300 719 533
- email customerservice@nautilusinsurance.com.au
- write to Nautilus Marine Insurance
28-32 George Street, Sandringham, Victoria 3191
- visit www.nautilusinsurance.com.au
- claims 1300 996 110

SUMMARY OF YOUR KAWASAKI INSURANCE

Please note that this is a limited summary only and not a full description of the covers. Each cover noted is subject to terms, conditions, exclusions and limitations that are not listed in the summary. You need to read the cover sections and the policy to properly understand the cover provided. You are not automatically insured under each cover.

Depending on your insurance needs you may elect to take out one or more of the following covers:

- **Personal Watercraft Material Damage Cover** – This includes accidental loss or damage and theft and transit damage cover (see page 13) and the liability cover (see page 21);
- **Liability Cover** – This covers your legal liability for injury to other people or damage to their property when using your Personal Watercraft or in certain circumstances a substitute Personal Watercraft or boat. Liability cover includes cover for accidental discharge, release or escape of fuel or lubricant clean up costs (see pages 21-22);
- **Water Skiers Cover** – This policy automatically includes cover for material damage and liability arising from waterskiing and aquaplaning activities.

If you have selected Personal Watercraft Material Damage Cover you are also entitled to various additional benefits such as cover for:

- Personal Effects;
- Fishing, diving and waterskiing/aquaplaning equipment;
- Expenses to avoid or minimise loss;
- Accidental fuel or lubricant clean up costs;
- Emergency land transit for your Personal Watercraft;
- Salvage charges;
- Personal Accident;
- Lost Keys;
- Tyre and Rim.

By paying an additional premium, you may also be able to extend your Kawasaki Insurance to include the following Optional benefit:

- Racing cover;

A detailed explanation of this cover is provided later in this document.

SUMMARY OF YOUR KAWASAKI INSURANCE

APPLYING FOR COVER

When you apply for this insurance, you will need to complete a proposal. We will use and rely on the information supplied by you to decide the terms of cover we will provide.

We provide cover to you on the terms contained in this document and any other document that we tell you forms part of the terms and conditions of your cover, including the Certificate of Insurance.

The Certificate of Insurance will contain important information relevant to your insurance including the period of insurance, your premium, details of your insured property and the cover selected by you, the Excess(es) that will apply to you and others and whether any standard terms have been varied by way of endorsement.

Your policy with us is made up of:

- this document;
- your Certificate of Insurance; and

- any other document we tell you forms part of the terms and conditions of your cover, including any endorsements issued by us.

You need to keep these documents in a safe place together with receipts and other evidence of ownership and value of items you insure.

Before expiry we will send you a renewal notice which tells you whether we will renew your insurance and on what terms. The renewal notice will tell you what is required.

DETERMINING YOUR PREMIUM

When you buy your insurance we tell you the premium you must pay and note it in your Certificate of Insurance.

To determine it we consider factors such as the cover you want, the Personal Watercraft you want to insure, the limits and Excesses that will apply and your insurance history and whether you are paying by instalments or not.

It also includes an administration fee and amounts that take into account our obligation to pay any relevant compulsory

government charges, taxes or levies (e.g. Stamp Duty and GST) for your insurance. We set these out in your Certificate of Insurance.

A minimum premium applies for this insurance irrespective of any discount that applies. The amount of premium we charge will not be less than this amount.

THINGS YOU SHOULD DO WHEN PURCHASING KAWASAKI INSURANCE

UNDERSTAND THIS INSURANCE COVER

You will only be entitled to the cover provided by Kawasaki Insurance for which you have paid the applicable premium and which is noted on your Certificate of Insurance.

This Kawasaki Insurance is designed to provide cover for your insured property against some of the most common events such as fire, storm, impact and sinking (see page 13).

It also provides a broad range of Additional Benefits which may not be offered by all insurers (see pages 14-19).

There are limits to the cover provided and while some of these are fixed, others may be extended by simply notifying us of the items you own and their value.

There are also exclusions which apply to certain events (see pages 13-20), as well as general exclusions which apply to all cover under this insurance (see pages 23-24).

Certain words have defined meanings you need to understand (see pages 25-27).

You should read this PDS in full to ensure you understand the insured events and benefits as well as the limits and exclusions to this cover.

WORK OUT WHAT COVER SUITS YOU

You need to ensure that the cover selected by you is suitable for your needs and that the level of cover provided is adequate.

You choose to insure your Personal Watercraft on the following basis:

Agreed Value – When purchased through a Kawasaki dealership or a valuation obtained from a personal watercraft dealer.

When you purchase your new Kawasaki Personal Watercraft through a Kawasaki dealership primarily involved in the sale of personal watercraft or boats, we agree to insure your new Kawasaki Personal Watercraft for the purchase price paid for 3 calendar years from the date of first registration. The purchase price and date of first registration must be advised

at the time of entering into the policy. All new non Kawasaki Personal Watercraft will be insured on an agreed value basis from date of first registration for 12 months. If you have not purchased your Personal Watercraft through a recognised Kawasaki dealership your policy will be issued on a Market Value basis.

Market Value – we pay up to the Market Value (i.e. the cost to replace the item with a similar item of the same age and condition), but never more than the Sum Insured listed on your Certificate of Insurance.

You are responsible for deciding the amount of your Sum Insured.

THINGS YOU SHOULD DO WHEN PURCHASING KAWASAKI INSURANCE

UNDERSTAND YOUR DUTY OF DISCLOSURE

We rely on the information you provide us with, to decide whether to insure you and the terms on which we will insure you and you have a Duty of Disclosure to us.

To comply with your Duty of Disclosure before you enter into the policy or vary, renew, extend, reinstate or replace it (Relevant Time), you must tell us everything that you know, and which a reasonable person in the circumstances, could be expected to know, is relevant to our decision whether to insure you and, if so, on what terms. If anything changes between the time you provide answers or make disclosure and the Relevant Time, you need to tell us.

You do not have to tell us anything that is common knowledge that we should know through our business, that reduces the risk of a claim or that we tell you we do not need to know.

If you fail to comply we may be entitled to reduce or deny any claim you make and/or cancel the policy. If you fraudulently keep information from us or deliberately make false statements we may avoid your contract and treat your insurance as if it never existed.

THINGS YOU MUST DO AFTER YOU HAVE PURCHASED KAWASAKI INSURANCE

KEEP INSURED PROPERTY IN GOOD CONDITION AND REPAIR AND ALWAYS PROTECTED

You must maintain your Personal Watercraft, Trailer, Equipment and Accessories in a good state of repair and condition. Any loss or damage caused by poor maintenance is not covered under the policy. You must also make reasonable efforts to protect your Personal Watercraft, Trailer, Equipment and Accessories from any loss or damage. If you make a claim and knew about something that could cause loss or damage to your property and you did not make reasonable efforts to avoid it before the loss or damage occurred, then your claim may not be paid. If you do suffer loss or damage to your Personal Watercraft, Trailer, Equipment and Accessories you must also make reasonable efforts to prevent any further loss or damage.

KEEP PROOF OF OWNERSHIP AND VALUE

When you make a claim for loss or damage, we will require proof that you owned the item/s and of its value/s or your claim may not be paid.

The easiest way to do this is by keeping receipts, valuations and other forms of purchase confirmation such as model and serial numbers.

TELL US IF YOU MODIFY YOUR PERSONAL WATERCRAFT OR CHANGE ITS USE

We allow modifications to your Personal Watercraft that you have told us about, providing they have been fitted by a Kawasaki dealer or recognised Personal Watercraft dealer and we have agreed to cover them in writing.

It is important to note that adding modifications to your Personal Watercraft can change the Excess as well as your policy premium.

Please be aware that some modifications we don't know about or don't agree to insure may void your policy or cause us to reduce a claim payment. We never want that to happen, so always answer any questions we ask you about your Personal Watercraft accurately and honestly.

ENSURE THAT YOUR PREMIUMS ARE ALWAYS PAID

You are responsible for ensuring that your premiums are paid or your cover could be put at risk. Please call us if you are ever unsure about your premiums.

MEETING YOUR OTHER OBLIGATIONS

You will need to meet other conditions of the policy, such as claims conditions, or we may reduce or refuse to pay a claim and/or cancel the policy to the extent permitted by law.

INSURING YOUR PERSONAL WATERCRAFT

WHAT IS YOUR “PERSONAL WATERCRAFT”?

For the purpose of this policy Personal Watercraft means your personal watercraft described in the Certificate of Insurance which is comprised of the:

- Hull;
- Motors, including fuel tanks;
- Trailer;
- Equipment and Accessories

Your Personal Watercraft includes any replacement Personal Watercraft. Personal Watercraft modifications are excluded unless we have agreed to them. If we have agreed this will be noted on your Certificate of Insurance under ‘Personal Watercraft Modifications’. It does not include contents but limited cover is provided for Personal Effects.

WHAT IS AN EXCESS?

An Excess is the amount you contribute when a claim is accepted under this insurance. The Excess applicable to

your cover is shown on your Certificate of Insurance and/or your PDS.

THEFT SHARED PARKING FACILITIES WITHIN UNIT/APARTMENT COMPLEXES

A \$2000 Excess will be applied to any claim for theft when you store your Personal Watercraft within a complex that has shared parking arrangements and there are no signs of visible and forcible removal of your Personal Watercraft.

THEFT OTHER THAN UNIT/APARTMENT COMPLEXES

A \$1,000 Excess will be applied to any claim for theft where there is no physical evidence of violent and forcible removal of your Personal Watercraft.

There is no Excess applicable for theft claims if your Personal Watercraft was fitted with Australian supplied and monitored Microdot Identification system and there is evidence of violent and forcible removal of your Personal Watercraft. These include, but are not limited to Data Dot.

WATER INFLOW

Any claim for loss or damage to your Personal Watercraft’s Motor and electronics caused by water inflow where the Hull has impacted with a solid object and this impact has caused a break in the Hull, the Excess noted on the Certificate of Insurance will be applied to your claim.

Any claim for loss or damage to your Personal Watercraft’s motor and electronics caused by water inflow where there has been no impact with a solid object and no break in the Hull, an Excess of 50% of the repair cost will be applied to your claim.

If your Personal Watercraft is uneconomical to repair due to water inflow and it is declared a total constructive loss a \$2000 Excess applies.

The Personal Watercrafts seat detaching from the Hull is not considered a break in the Hull for the purpose of this cover.

INSURING YOUR PERSONAL WATERCRAFT

RACING

If your policy covers you for racing an Excess of \$1,000 will apply to all claims.

OTHER PARTY'S INTERESTS

We only cover your interest in the insured property, unless we specifically include cover for the interest of another party.

You must tell us of the interests of all parties (e.g. credit providers or other owners) whose interests you want covered by the policy. We will cover their interests only if you have told us about them and we have noted them on your Certificate of Insurance.

IF YOU HAVE BORROWED MONEY TO BUY YOUR PERSONAL WATERCRAFT

If a credit provider under your Finance Contract is noted as having an interest in your Personal Watercraft on your Certificate of Insurance and, if you have a claim and we agree to settle on a cash basis, we have the option of

making this payment to the credit provider in full or part settlement of your claim.

In this situation, we will pay the credit provider the amount we agree to settle the claim, up to the amount outstanding under your Finance Contract.

GOODS AND SERVICES TAX (GST)

Any claim payments made under this insurance will be based on GST inclusive costs, up to the relevant Sum Insured, Market Value or Agreed Value or maximum amount that we pay. However, if you are or would be entitled to claim any input tax credit for the repair or replacement of the insured property or for other things covered, we will reduce any claim under the policy by the amount of such input tax credit.

REINSTATEMENT OF SUM INSURED FOR CERTAIN CLAIMS

When we pay a claim for your Personal Watercraft that is not a Total Loss, or repair an item, the relevant Sum Insured for your Personal Watercraft or item will be automatically reinstated to the same amount shown in the Certificate of Insurance unless we tell you otherwise in writing.

IF YOUR PERSONAL WATERCRAFT IS A TOTAL LOSS

If there has been a Total Loss payout made by ourselves, your Personal Watercraft, Trailer and/or any item/s will become our property and we will keep the proceeds of any salvage sold.

There is no premium refund payable if we settle a claim for your Personal Watercraft on a Total Loss basis.

MAKING A CLAIM

WHAT HAPPENS IF YOU NEED TO MAKE A CLAIM?

We understand that it can be very stressful if you need to make a claim. Our claims team will be there to help you with advice and assistance when you need it most.

If an event occurs that is likely to result in a claim, the following checklist will help you ensure that you have done everything you need to do, so that your claim can be assessed quickly. Not all items may be applicable to your claim.

First you should:

- report the accident to the appropriate Maritime Authority;
- do what you can to prevent any further loss, damage, cost or liability;
- tell the police if the event involves theft, attempted theft, malicious damage or impact; and
- claims hotline 1300 996 110.

You must never, without our consent:

- admit guilt, fault or liability or take any action which may be construed as such (except where required by law);
- offer or negotiate to pay a claim;
- approve any repairs or arrange replacements (other than emergency repairs necessary to minimise or prevent further loss or damage);
- dispose of any damaged property.

We will also require you to:

- provide us with the proof that we require regarding lost or damaged items or Out of Pocket Expenses;
- help us manage the claim, which may include us inspecting your Personal Watercraft or asking you questions, or you providing written statements to us under oath;
- keep items that have been damaged and allow us to inspect them or assess repair costs;
- allow us to take possession of damaged property that is the subject of a claim;

- send us any communication you receive relating to the claim (including telling us of pending court proceedings or offers of settlement);
- help us as we work to negotiate, defend or settle any claim made under the policy and to exercise for our benefit your legal right of recovery against any other party;
- tell us about any other insurance that may be relevant to the claim.

WHAT HAPPENS AFTER YOU MAKE A CLAIM?

If your Personal Watercraft is covered under the policy we will at our discretion:

- repair or replace your Personal Watercraft, Trailer or Personal Effects; or Equipment and Accessories; or
- pay you the reasonable cost of repairing or replacing your Personal Watercraft, Trailer or Personal Effects; or Equipment and Accessories; or
- pay you the Agreed Value or Market Value of your Personal Watercraft or Personal Effects or Equipment and Accessories (whichever is applicable).

MAKING A CLAIM

Costs of dismantling, diagnosis and reassembly

If you make a claim for loss or damage to your Personal Watercraft, we may require you to dismantle it or authorise us to dismantle it, so we can assess your claim and/or decide if it is valid. We may refuse to assess or pay your claim if you do not agree to this.

If we determine that the claimed loss or damage is not covered, you will be responsible for the costs of the above dismantling as well as any costs associated with it (including but not limited to any diagnosis, reassembly, repair, and/or replacement costs).

If we determine that the claimed loss or damage is covered, we will settle your claim in accordance with the terms and conditions of the policy (including the operation of any Excess).

However, we will never pay more than the relevant Sum Insured or limit specified in this document or on your Certificate of Insurance less any applicable Excess.

If we pay you the reasonable cost of repairing or replacing your Personal Watercraft, Trailer or Personal Effects or Equipment and Accessories our payment will be based on the cost required to repair or replace it as near as possible to its appearance and condition immediately prior to the claimed loss or damage.

If your claim involves loss or damage to the mechanical and electrical components of the Motor and we decide to repair or replace the Motor then we guarantee that only genuine parts will be used, subject to genuine parts being available.

HOW CLAIMS IMPACT YOUR NO CLAIM BONUS

If you have a claim under the policy your no claim bonus will be reduced on renewal. However, if you have held this policy with us for three consecutive years (i.e. renewed the policy at least twice) and have not made a claim, we will not reduce your no claim bonus as you will have earned our Maximum No Claim Bonus discount for all subsequent consecutive renewals of the policy.

EXPENSES TO AVOID OR MINIMISE LOSS

If your Personal Watercraft sustains damage or gets into difficulties in an accident, we will pay the reasonable cost to minimise loss or damage such as:

- removing your Personal Watercraft to safety (including emergency towing);
- drying all the electrical equipment on the Personal Watercraft and Motor;
- cleaning and oiling of the Motor by a qualified mechanic.

OTHER IMPORTANT MATTERS

You do not need our authority to take such action if it is an emergency and you are unable to contact us to obtain our authority. You must advise us as soon as possible after the action has been taken.

These emergency costs are in addition to the Sum Insured shown on your Certificate of Insurance for your Personal Watercraft.

GEOGRAPHIC LIMITS AND PERIOD OF INSURANCE

Cover is only provided under the policy in relation to events causing loss, damage or liability which occur:

- during the period of insurance; and
- within the Geographic Limits specified on your Certificate of Insurance. All cover provided by the policy will be automatically suspended when your Personal Watercraft clears Australian Customs and Immigration for the purpose of leaving Australian waters and will recommence when it clears Australian Customs and Immigration on return.

However we will provide cover in the following circumstances:

- if your Personal Watercraft goes beyond the Geographic Limits to reasonably respond to an unforeseen emergency;
- if your Personal Watercraft goes beyond the Geographic Limits because of circumstances beyond your control or the reasonable control of the person in charge or control of your Personal Watercraft;
- if you advise us you will go beyond the Geographic Limits and we agree to extend cover in writing.

PERSONAL WATERCRAFT MATERIAL DAMAGE COVER

This cover will only apply if you have selected it, paid the applicable premium and it is shown as covered on your Certificate of Insurance. **Your Kawasaki Insurance will cover you for loss or damage to your Personal Watercraft caused by one of the following Insured Events (subject to the other terms and conditions, exclusions and limitations of the policy).**

INSURED EVENT – YOU ARE COVERED FOR:	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: <i>(See also General Exclusions on pages 23-24)</i>
<p>ACCIDENTAL LOSS OR DAMAGE We will cover you for accidental loss or damage to your Personal Watercraft. This includes damage caused by fire, storm, impact, sinking and any other event not specifically excluded by the policy.</p>	<ul style="list-style-type: none"> • Loss or damage specifically excluded under the other Insured Events listed in the policy.
<p>THEFT We will cover you for the theft of the Personal Watercraft and Personal Effects.</p>	<ul style="list-style-type: none"> • Theft by someone who is using the Personal Watercraft with your consent; • Theft of Fishing Gear, Diving Equipment, Water Ski Equipment and Personal Effects unless there is physical evidence of violent and forcible entry into your place of storage.
<p>MALICIOUS DAMAGE We will cover you for Malicious Damage.</p>	<ul style="list-style-type: none"> • Loss or damage caused by you or a person acting with your express or implied consent.
<p>TRANSIT DAMAGE We will cover you for loss or damage sustained in an accident which occurs while your Personal Watercraft is being transported on its own Trailer by road, rail or ship.</p>	<ul style="list-style-type: none"> • You have not complied with statutory requirements.
<p>WATER INFLOW We will cover you for loss or damage sustained to your Personal Watercraft by the entry of water into the Motor and or electronic components.</p>	

ADDITIONAL BENEFITS FOR PERSONAL WATERCRAFT MATERIAL DAMAGE COVER

The policy is extended to include the following Additional Benefits when your Personal Watercraft is lost or damaged as a result of one of the Insured Events detailed on Page 13 (subject to the other terms and conditions, exclusions and limitations of the policy).

ADDITIONAL BENEFITS	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: <i>(See also General Exclusions on pages 23-24)</i>	COVER LIMIT
<p>TYRE AND RIM</p> <p>We will cover you for loss or damage to your Personal Watercraft Trailer tyre/s and or rim/s due to impact and the impact causes the tyre to puncture, burst, blow out or damage to the rim so the tyre can not be inflated.</p>	<ul style="list-style-type: none"> • Failure of the tyre/s or rim/s due to wear and tear or gradual deterioration. 	<p>\$1,500 in total</p>
<p>PERSONAL EFFECTS</p> <p>We will cover loss or damage to Personal Effects owned by you and your passengers, which are being used or stored on your Personal Watercraft at the time of loss or damage.</p>	<ul style="list-style-type: none"> • Loss or damage to Personal Effects other than clothing, shoes, waterproof gear, prescription glasses, prescription sunglasses and mobile phones. • Loss or damage unless the items were on or being used or stored on your Personal Watercraft at the time of loss. • Loss or Damage under this benefit when a Total Loss has been paid by us for your Personal Watercraft. 	<p>\$1,500 per item, \$10,000 in total</p>
<p>FISHING, DIVING, WATERSKIING AND AQUAPLANING EQUIPMENT</p> <p>We will cover loss or damage to your Fishing Gear, Diving Equipment, Water Ski Equipment and aquaplaning equipment.</p>	<ul style="list-style-type: none"> • Theft unless there is physical evidence of violent and forcible entry into the place of storage. • Loss or damage unless the items were on or being used with your Personal Watercraft at the time of loss. 	<p>\$1,500 per item, \$10,000 in total</p>

ADDITIONAL BENEFITS FOR PERSONAL WATERCRAFT COVER

The policy is extended to include the following Additional Benefits when your Personal Watercraft is lost or damaged as a result of one of the Insured Events detailed on Page 13 (subject to the other terms and conditions, exclusions and limitations of the policy).

ADDITIONAL BENEFITS	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: <i>(See also General Exclusions on pages 23-24)</i>	COVER LIMIT
<p>EMERGENCY LAND TRANSIT</p> <p>We will pay the cost of towing your Personal Watercraft in an emergency to your home or the nearest place where repairs can be made.</p> <p>No Excess is applicable to a claim for this additional benefit and our payment will be in addition to the Sum Insured for your Personal Watercraft.</p>		\$5,000 in total
<p>LOST KEYS</p> <p>We will cover you for the loss or theft of the keys of your Personal Watercraft including the costs associated with recoding the new keys. Nil Excess.</p>		\$1,000 in total
<p>OUT OF POCKET EXPENSES</p> <p>We will cover you for the following in connection with replacing your Personal Watercraft as a result of a Total Loss:</p> <ul style="list-style-type: none"> • Dealer delivery fees; • Registration costs; • Stamp duty (if applicable). 	<ul style="list-style-type: none"> • Out of Pocket Expenses unless we replace your Personal Watercraft. 	\$1,500 in total

ADDITIONAL BENEFITS FOR PERSONAL WATERCRAFT COVER

ADDITIONAL BENEFITS	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: <i>(See also General Exclusions on pages 23-24)</i>	COVER LIMIT
<p>WATER-SKIING AND AQUAPLANING ACTIVITIES</p> <p>This benefit extends the legal liability section of the policy to cover you or any person allowed by you to control your Personal Watercraft and the observer (within the requirements of any law) against legal liability for:</p> <ul style="list-style-type: none"> • accidental death or bodily injury to a water skier or aquaplaner (including you) towed by your Personal Watercraft; • accidental death or bodily injury to any person caused by a water skier or aquaplaner being towed by your Personal Watercraft; • accidental damage to another person's property caused by a water skier or aquaplaner being towed by your Personal Watercraft. <p>This benefit will also cover the water skier or aquaplaner being towed by your Personal Watercraft for their legal liability to others for accidental death or bodily injury or damage to another person's property.</p>	<p>In addition to the legal liability exclusions on page 22, the following exclusions will apply to this optional benefit.</p> <p>Liability arising out of water skiing or aquaplaning when:</p> <ul style="list-style-type: none"> • there is not a legally competent observer in addition to the driver on board your Personal Watercraft at the time of the accident; • an aerial device or ski ramp being used; • ski pole is being used unless it has been professionally designed, manufactured and installed. <p>Liability arising out of the towing of:</p> <ul style="list-style-type: none"> • any person by a Personal Watercraft that breaches any statutory requirements; • any device not designed and professionally manufactured for the purpose of being towed behind a Personal Watercraft (e.g. tyre tubes or surfboards). 	<p>Legal Liability Sum Insured.</p>

ADDITIONAL BENEFITS FOR PERSONAL WATERCRAFT COVER

ADDITIONAL BENEFITS	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: <i>(See also General Exclusions on pages 23-24)</i>	COVER LIMIT
<p>PERSONAL ACCIDENT</p> <p>We will pay the amounts specified below in relation to the following:</p> <p>You are covered for:</p> <ul style="list-style-type: none"> • \$50,000 your death – the death of the Insured/s must be directly and solely caused by an Accident which occurred whilst using the Personal Watercraft during the Period of Insurance.; • an injury causing permanent and total loss of: <ul style="list-style-type: none"> – sight of an eye; – the use of a limb; – the thumb or any finger; caused directly and solely by an Accident which occurs while you are using your Personal Watercraft for private pleasure purposes or voluntary rescue work.; and • Funeral expenses incurred as a result of your death caused directly and solely by an Accident which occurred whilst using the Personal Watercraft. 	<p>The cover under this additional benefit only applies to individual(s) that are listed as an insured on the Certificate of Insurance.</p> <p>If more than one individual is listed as an insured on the Certificate of Insurance the amount payable to the individual claiming under this additional benefit will be limited to the amount payable, divided by the number of individuals shown on the Certificate of Insurance as insureds.</p> <p>Our payment is subject to the individual claiming under this additional benefit obtaining medical attention for the injury from a registered medical practitioner and undergoing any medical examination requested by us.</p> <p>The cover under this additional benefit does not apply whilst racing.</p> <p style="text-align: right;"><i>continued overleaf</i></p>	

ADDITIONAL BENEFITS FOR PERSONAL WATERCRAFT COVER

ADDITIONAL BENEFITS	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: <i>(See also General Exclusions on pages 23-24)</i>	COVER LIMIT
<p>PERSONAL ACCIDENT</p> <p>We will pay:</p> <ul style="list-style-type: none"> the personal accident Sum Insured of \$50,000 for claims involving Accidental death, permanent and total loss of use of a limb or the total loss of sight of an eye; up to 20% of the personal accident Sum Insured of \$50,000 noted on the Certificate of Insurance for claims involving permanent and total loss of the thumb or any finger. <p>We will also pay your reasonable costs up to \$2000 for certain emergency expenses you incur as a result of the personal Accident providing that the costs are not covered by Medicare, workers compensation or another government or private scheme or arrangement. You must produce receipts for all costs incurred.</p> <ul style="list-style-type: none"> the named insured/s for your funeral expenses up to a maximum benefit \$5,000. The death of the Insured/s must be directly and solely by an accident which occurred whilst using the Personal Watercraft. 	<p>We will not pay for any claims where providing such payment would result in Us contravening the Health Insurance Act 1973 (Cth), the Private Health Insurance Act 2007 (Cth) or the National Health Act 1953 (Cth) or any applicable legislation.</p> <p>We will not pay for any claims where:</p> <ul style="list-style-type: none"> the injury or death is self inflicted, including suicide or attempted suicide whilst sane or insane; or the death, permanent injury, total loss of the use of a limb, thumb or any finger, or total loss of the use of sight of an eye occurring after 12 months of the date of the Accident. 	

ADDITIONAL BENEFITS FOR PERSONAL WATERCRAFT COVER

ADDITIONAL BENEFITS

VOLUNTARY RESCUE WORK

We extend cover under this policy for loss or damage caused by the Insured Events detailed on Page 13 where you use your Personal Watercraft for voluntary rescue work.

CONSIGNMENT

We extend cover under this policy for loss or damage caused by the Insured Events detailed on Page 13 while your Personal Watercraft is on consignment for sale at a recognised marine dealership.

Lay Up cover is not available while your Personal Watercraft is on consignment.

SALVAGE

If your Personal Watercraft is damaged or sinks accidentally and we agree to recover it or the law requires that it must be removed, we will pay the reasonable costs of the Salvage Charges incurred for the removal/recovery of the wreck. This cost will be paid in addition to the Sum Insured for your Personal Watercraft noted on your Certificate of Insurance.

CHANGE OF PERSONAL WATERCRAFT

Cover is provided if you purchase another Personal Watercraft to replace the Personal Watercraft described on the Certificate of Insurance, and you have:

- notified us within 21 days of its purchase; and
- we have agreed to cover it under the policy; and
- you have agreed to pay us the premium we require for it.

OPTIONAL BENEFITS FOR PERSONAL WATERCRAFT COVER

The following Optional Benefit can be added to your Personal Watercraft cover. If taken, this benefit will be shown on your Certificate of Insurance. The covers are subject to the other terms and conditions, exclusions and limitations of the policy.

OPTIONAL BENEFITS – YOU CAN ADD TO YOUR COVER: (only applicable if we have agreed to provide the cover and if specified as covered in the Certificate of Insurance)	OUR EXCLUSIONS – YOU ARE NOT COVERED FOR THE FOLLOWING: <i>(See also General Exclusions on pages 23-24)</i>	COVER LIMIT
LAY UP COVER If you take this option, the cover for your Personal Watercraft is restricted to Accidental loss or damage caused by the Insured Events detailed on page 13, occurring while the Personal Watercraft is within the gates, walls or fence of your home address (or at any location you have advised us of and we have agreed to cover in writing) as specified on the Certificate of Insurance. This restriction in cover gives you a monthly discounted premium and only applies during the period specified on the Certificate of Insurance.	Loss or damage while in transit unless your Personal Watercraft is being taken to or from a marine dealership for servicing and maintenance.	Sum Insured
PERSONAL WATERCRAFT RACING If you have paid the additional premium required and your Current Certificate of Insurance has racing cover endorsed onto your policy, we will cover you for loss or damage sustained to your Personal Watercraft whilst you are competing in any sanctioned Australian Watercraft Association race or event.	Your legal liability to pay compensation caused by your negligence for Accidental death or bodily injury when such accident arises directly or indirectly out of or caused by or in connection with the use of your Personal Watercraft once the race or event has commenced. Sanctioned races or events are deemed to have commenced once the race director/race officials have active control of the race or event.	Sum insured

LIABILITY COVER

The cover provided in this section will only apply if you have selected Personal Watercraft Cover or Liability Cover, paid the applicable premium and it is shown as covered on your Certificate of Insurance (subject to the other terms and conditions, exclusions and limitations of the policy).

WE WILL COVER YOUR LEGAL LIABILITY

to pay compensation as a result of an Accident which is caused by your negligence or the negligence of someone using your Personal Watercraft during the Period of Insurance with your permission:

– when using your Personal Watercraft which causes:

- Accidental death or bodily injury to a person other than you;
- Accidental damage to other people's property;
- Accidental death or bodily injury to you when another person allowed by you is in control of your Personal Watercraft.

– when using a substitute Personal Watercraft which causes:

- Accidental death or bodily injury to a person other than you;

- Accidental damage to other people's property; provided that
 - you have permission from the owner to use the substitute Personal Watercraft;
 - your Personal Watercraft is not being used at the time;
 - you or any member of your household do not own or have any interest in the substitute Personal Watercraft.

To the extent permitted under the Insurance Contracts Act 1984 (Cth), if you are entitled to cover under any other policy we will only be liable under this section of the policy for the amount that your liability exceeds the limits of cover under any other policy.

THE AMOUNT WE WILL PAY

We will pay the cost of compensation and legal fees and expenses that you or any other person covered by the policy is legally liable for provided that we consent to the costs of any legal fees and expenses you or they incur in writing before they are incurred.

The maximum amount we will pay under this cover is the liability amount shown on the Certificate of Insurance in

total for all claims that arise from any one Accident. This maximum includes all legal fees and expenses.

ACCIDENTAL DISCHARGE, RELEASE OR ESCAPE OF FUEL OR LUBRICANTS AND CLEAN UP AFTER AN ACCIDENT

We will cover you for:

- property damage caused by or arising from a sudden unexpected and unintended discharge directly or indirectly arising from the release or escape of fuel or lubricants from your Personal Watercraft occurring at a clearly identifiable time and place during the Period of Insurance and the cost of cleaning an Accident site following an Insured Event provided that you are liable for the clean up.

We will pay no more than \$500,000 (inclusive of legal costs) for any one Accident or series of Accidents or discharges arising out of the same event in relation to this cover.

Please refer to page 22 for specific exclusions relating to this cover.

LIABILITY COVER

EXCLUSIONS TO YOUR LIABILITY COVER

We will not pay for legal liability that arises:

- from bodily injury, illness or death:
 - to you or any person covered by the policy unless specifically covered elsewhere in this PDS;
 - to any person allowed by you to control your Personal Watercraft;
 - to a person who is covered or should have been covered by any compulsory compensation insurance, including any compulsory third party insurance;
 - either caused by, directly or indirectly from, or in any way connected to the activity of scuba diving.
- from loss or damage to:
 - any property owned by you or in your physical or legal control;
 - any property owned by, or in the physical or legal control of a person allowed by you to control your Personal Watercraft;

- third party property arising while your Personal Watercraft is being towed by a vehicle or from the Personal Watercraft breaking away from or accidentally becoming detached from the towing vehicle.
- while your Personal Watercraft is in the charge of or physical control of Personal Watercraft repairers, yacht clubs or marina operators unless for emergency purposes to minimise any loss or damage covered under the policy;
- out of the towing of any persons or objects in the air;
- from the transmission of any disease;
- from asbestos or any product containing asbestos;
- from any event or liability for which you are required by law to hold an insurance policy;
- for any penalties, fines, punitive or exemplary or aggravated damages for which you are liable;
- for actions brought against you in a court outside Australia or a court that applies law that is not Australian law.

SPECIFIC EXCLUSIONS FOR CLAIMS INVOLVING THE ACCIDENTAL DISCHARGE, RELEASE OR ESCAPE OF FUEL OR LUBRICANTS

We will also not pay any legal liability that arises from:

- your own wilful negligence or misconduct;
- the wilful negligence or misconduct of any person in possession of your Personal Watercraft with your permission;
- fuel or lubricants not being used in connection with the operation of your Personal Watercraft at the time of loss.

GENERAL EXCLUSIONS

You are not covered for any loss or damage caused by or resulting from, or the costs incurred from or of:

- the failure to maintain your Personal Watercraft in good order and repair, or in a proper state of seaworthiness and in compliance with any statutory requirements;
- wear and tear, mould, gradual deterioration, delamination, vermin, corrosion, electrolysis, osmosis or marine growth;
- inherent defects, structural faults, faulty workmanship or faulty design;
- the use of your Personal Watercraft covered by the policy for hire, charter or reward of any kind unless you have advised us and we have agreed to extend cover in writing;
- any illegal or deliberate action by you, or someone acting with your express or implied consent;
- your Personal Watercraft covered by the policy having been fitted with a Motor more powerful than that recommended by the manufacturer of the Hull, unless agreed in writing;
- the lawful seizure, confiscation, nationalisation or requisition of your Personal Watercraft covered by the policy;

- while your Personal Watercraft covered by the policy being under the control of:
 - an unlicensed person when a license is necessary;
 - a person under the influence of alcohol or drugs;
 - a person who has been refused personal watercraft or boat insurance within the last five years unless you have advised us of the refusal and we have agreed in writing to cover that person under the policy.

This exclusion does not apply if you can prove that:

- you did not know or had no reason to suspect that the person in control of the Personal Watercraft fell into any of the aforementioned categories;
- it was reasonable for that person to assume control of the Personal Watercraft as a result of an unforeseen emergency.
- your Personal Watercraft covered by the policy being used for personal watercraft racing or speed tests, unless you have advised us and we have agreed to extend cover in writing;

- a lack of reasonable care, protection and/or security of your Personal Watercraft covered by the policy or other insured property;
- your Personal Watercraft covered by the policy exceeding the speed limit shown on your Certificate of Insurance;
- the use of your Personal Watercraft covered by the policy or other insured property for any unlawful or illegal purpose;
- false or fraudulent representation by you or any person who is acting with your express or implied consent. We may refuse payment of the claim and/or cancel the policy under these circumstances;
- war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power or by contamination or pollution by chemical, biological or nuclear agents which results from an act of terrorism;
- pollution or contamination except as otherwise specifically covered in the policy;

GENERAL EXCLUSIONS

- an incident involving your Personal Watercraft while it is outside the Geographic Limits noted on your Certificate of Insurance unless specified in this insurance or unless you have advised us and we have agreed to extend cover in writing;
- a bushfire or named cyclone within the first 48 hours of the start of the policy unless you bought your Personal Watercraft on the start date of the policy or you transferred a personal watercraft insurance policy, with equivalent cover, from another insurance company without interruption in cover;
- electronic or mechanical derangement of electronic equipment, data, virus, malfunction or processing error;
- mechanical, structural, electrical or electronic breakdown or malfunction unless directly caused by one of the insured events listed earlier in this PDS;
- the modification of your Personal Watercraft from the manufacturer's specifications unless you have advised us and we have agreed to extend cover in writing;

- mechanical parts that are not in accordance with the manufacturer's original specifications unless you have advised us and we have agreed to extend in writing;
- a Motor caused by or resulting from seizure and/or overheating unless caused by an Accident which is otherwise an accepted claim under the policy;
- radioactivity or the use, existence or escape of any nuclear fuel, nuclear material or nuclear waste.

You are also not covered for:

- loss of income or loss of profit;
- your liability under any contract, or if you have agreed to or accepted liability without our agreement first;
- acts or omissions by you or someone with your consent, if the acts are unlawful or are intended to be done with reckless disregard for the consequences.

GOODS AND SERVICES TAX (GST)

This insurance does not cover any amount of GST or any fine, penalty or charge that you are liable for because of a failure to disclose or a mis-statement made by you in relation to your entitlement to an input tax credit. You must tell us if you become aware that the extent of your entitlement to an input tax credit for your premium, disclosed to us is incorrect.

WHAT DO OUR WORDS REALLY MEAN?

ACCIDENT/ACCIDENTAL

means an event that you did not expect or intend to happen.

AGREED VALUE

means the amount(s) we agree to insure your Personal Watercraft as shown on your Certificate of Insurance. If we have issued an Agreed Value policy your Certificate of Insurance will show Agreed Value.

CERTIFICATE OF INSURANCE

means the relevant Certificate of Insurance we give you. We give you a Certificate of Insurance when you first buy the policy or whenever any part of the policy is changed or when the policy is renewed.

DIVING EQUIPMENT

means recognised and commercially manufactured sports diving equipment including regulators, tanks and buoyancy compensation devices owned by you.

EQUIPMENT AND ACCESSORIES

means items manufactured and intended for use on your Personal Watercraft which are portable or not permanently attached to the Hull.

Equipment includes depth sounders, marine radios/transceivers, navigation equipment, fish finders, Tools, Fishing Gear, Water Ski Equipment and Diving Equipment.

Accessories include Personal Watercraft covers, portable fuel tanks (fuel bladders), anchors and safety equipment as required by law.

EXCESS

means the amount you must contribute when a claim is accepted under the policy as shown on your Certificate of Insurance or noted within the PDS.

FINANCE CONTRACT

means the finance arrangement with the credit provider for the Personal Watercraft listed on your Certificate of Insurance.

FISHING GEAR

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

GEOGRAPHIC LIMIT(S)

means all waters within Australia and those waters off the coast of Australia as restricted or noted on your Certificate of Insurance and/or other policy documents.

HULL

means the shell of the Personal Watercraft, deck, fixtures and fittings that are not normally removable and would normally be sold with the Personal Watercraft.

LAY UP

means the period nominated by you during which you do not use your Personal Watercraft and you keep it on its Trailer at the address shown on your Certificate of Insurance.

MALICIOUS DAMAGE

means intentional damage to your Personal Watercraft by someone other than you and without your consent.

WHAT DO OUR WORDS REALLY MEAN?

MARKET VALUE

means the retail value of items of a similar type, age and condition, with adjustment for special features if any immediately prior to the claimed loss or damage. We may use recognised industry publications to calculate the value of your Personal Watercraft. If we have issued a Market Value Policy your Certificate of Insurance will show Market Value.

MOTOR

means the engine as described in the Certificate of Insurance and include the gearbox, jet unit, wiring harness, instruments and control cables.

OUT OF POCKET EXPENSES

means any of the following in connection with replacing your Personal Watercraft as a result of a Total Loss:

- delivery charges;
- registration costs;
- stamp duty.

PERIOD OF INSURANCE

means the period of time that you are covered by the policy. This period is shown on your Certificate of Insurance.

PERSONAL EFFECTS

means personal items belonging to you or any passenger which are being used or stored on your Personal Watercraft at the time of loss. The cover for Personal Effects is limited to clothing, shoes, waterproof gear, prescription glasses, prescription sunglasses and mobile phones.

PERSONAL WATERCRAFT

means the personal watercraft described in the Certificate of Insurance, including its Hull, Motor/s (including fuel tanks), Trailer, Equipment and Accessories. It includes any replacement Personal Watercraft.

Personal Watercraft modifications are excluded unless we have agreed to them. If we have agreed this will be noted on your Certificate of Insurance under 'Personal Watercraft Modifications'. It does not include contents unless cover is

provided under the policy (for example, limited cover which is available for Personal Effects).

POLICY

means your insurance contract with us. It includes this document, the Certificate of Insurance and any other document we tell you forms part of the terms and conditions of your cover, including any endorsements issued by us.

SALVAGE

means either the action of saving your Personal Watercraft in a time of peril or what is left of your Personal Watercraft after it has suffered loss or damage.

SALVAGE CHARGES

means reasonable charges and expenses which are incurred in Salvage or in preventing or minimising loss or damage to your Personal Watercraft.

WHAT DO OUR WORDS REALLY MEAN?

SUM INSURED

means Agreed Value or Market Value specified on your Certificate of Insurance.

For a Market Value policy the maximum amount we will pay will be the lesser of either the Sum Insured listed on your Certificate of Insurance or the Market Value at time of loss of the lost or damaged property.

TOOLS

means those tools used for the normal operation of the Personal Watercraft.

TOTAL LOSS

means;

- the loss of your entire Personal Watercraft for a period we determine is reasonable in the circumstances; or
- damage to your Personal Watercraft which we consider to be uneconomical to repair.

TRAILER

means a vehicle designed to be towed by a motor vehicle and used in transporting Personal Watercraft as described in the Certificate of Insurance. It must be roadworthy, and in a condition that complies with registration requirements.

WATER SKI EQUIPMENT

means any device designed and professionally manufactured for the purpose of being towed behind a Personal Watercraft.

WE, US, OUR

means certain underwriters at Lloyd's acting through their agent Nautilus Marine Insurance Agency Pty Ltd (ABN 34 100 633 038) (AFSL 227186).

YOU, YOUR

means the person or persons named as the insured on your Certificate of Insurance. If more than one person is named as the insured, we will treat a statement, act, omission or claim of any one of those people as a statement, act, omission or claim by all those people.

OUR OBLIGATIONS TO YOU

RENEWING THE POLICY

At least 14 days before the policy expires we will send you a renewal notice, outlining our renewal terms, if any. You are not obliged to renew the policy with us.

If you pay your policy in monthly instalments then unless you are otherwise notified by us, we will automatically renew your policy each year on the terms contained in the renewal invitation we send you, unless you tell us otherwise prior to the expiry date. This PDS (together with any amendments, updates or endorsements that we give you in writing) also applies for any offer of renewal we make, unless we tell you otherwise or issue you with a new updated PDS.

Your cooling off period continues to apply on each renewal. Each renewal is a separate contract and not an extension of the prior contract.

CANCELLING YOUR INSURANCE

You can cancel the policy at any time by calling us. We will explain the cancellation process to you. Provided there are no claims, We will refund any premium you have paid,

less an amount that covers the period for which you were insured, unless there has been a Total Loss in which case there is no premium refund. If You have received a refund and later make a claim We can deduct the amount refunded from the claim payment.

We can cancel your insurance to the extent permitted by law, for example if you do not comply with the policy terms and conditions, fail to pay your premium, make a fraudulent claim or if you did not comply with your Duty of Disclosure or misrepresented information when you entered into the policy. If we cancel the policy we will send you a cancellation letter.

CONFIRMING TRANSACTIONS

You may contact us in writing or by phone to confirm any transactions under your insurance if you or your adviser do not already have the required policy confirmation details.

GENERAL INSURANCE CODE OF PRACTICE

The Insurance Council of Australia Limited has developed the General Insurance Code of Practice, which is a self-regulatory code for use by all insurers. The Code aims to

raise the standards of practice and service in the insurance industry. We have adopted and endorse the Code. If you want details on the Code and how it can assist you, please contact us.

HOW WE PROTECT YOUR PRIVACY

We value your privacy. Our Privacy Policy, is available by emailing us at customerservice@nautilusinsurance.com.au or by calling us, sets out how we protect your personal information. We collect, store and use your personal information to determine whether to offer cover, to administer your and our rights under the policy (e.g. to handle claims) and to provide you with and inform you about insurance and insurance related services we can provide. If we do not collect this information we may not be able to do any of these things. We may communicate your personal information to our service providers for these purposes (e.g. other insurers, loss assessors, claims handlers, lawyers and accountants). This will always be done as permitted by the relevant privacy legislation. When you give us personal information about other individuals, we rely on you to have

OUR OBLIGATIONS TO YOU

made or make them aware that you will or may provide their personal information to us, the persons to whom we may communicate it, how it will be used and their right to gain access to it. If you have not done this or will not do this, you must let us know.

If you wish to stop receiving information about the insurance and insurance related services we can provide, you can call us or email – customerservice@nautilusinsurance.com.au

You also have a right to seek access to and correct your personal information held by us. If you would like to do this please call us.

HOW WE RESOLVE YOUR COMPLAINTS

We welcome every opportunity to resolve any concerns you may have with our products or service. Any enquiry or complaint relating to this insurance or Nautilus should be referred to Nautilus Marine Insurance Agency Pty Ltd, 28-32 George Street, Sandringham VICTORIA 3191 Telephone: 1300 780 533 Facsimile: 03 5599 5099 Email: customerservice@nautilusinsurance.com.au in the first instance. If this does not resolve the matter or you are not

satisfied with the way a complaint has been dealt with, you should write to:

Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000
Telephone Number: (02) 9223 0752
Facsimile Number: (02) 9223 1466
Email: idraustralia@lloyds.com

A dispute can be referred to the Financial Ombudsman Service (FOS) subject to its terms of reference. It provides a free and independent dispute resolution service for consumers who have general insurance disputes falling within its terms of reference and its contact details are:

The Financial Ombudsman Service
Local Call: 1300 78 08 08
Post: GPO Box 3, Melbourne, Victoria 3001
Website: www.fos.org.au
Email address: info@fos.org.au

The Underwriters accepting this Insurance agree that:

(i) if a dispute arises under this Insurance, this Insurance will be subject to Australian law and practice and the Underwriters will submit to the jurisdiction of any competent Court in the Commonwealth of Australia;

(ii) any summons notice or process to be served upon:
Lloyd's Underwriters' General Representative in Australia
Suite 2, Level 21
Angel Place
123 Pitt Street
Sydney NSW 2000

who has authority to accept service and to appear on the Underwriters' behalf;

(iii) if a suit instituted against any of the Underwriters, all Underwriters participating in this Insurance will abide by the final decision of such Court or any competent Appellate Court. In the event of a claim arising under this Insurance IMMEDIATE NOTICE should be given to Nautilus Marine Insurance Agency Pty Ltd.

OTHER IMPORTANT INFORMATION

CONTACTING US

If you need to contact us for any reason about your insurance or to obtain confirmation of any policy transaction, please call us on: 1300 780 533.

UPDATING THIS PDS

We may need to update this PDS from time to time if certain changes occur where required and permitted by law.

We will issue you with a new PDS or Supplementary PDS or other compliant document to update the relevant information except in limited cases. Where the information is not something that would be materially adverse from the point of view of a reasonable person considering whether to buy this insurance, we may issue you with notice of this information in other forms or keep an internal record of such changes (you can get a paper copy free of charge by calling us).

DISTRIBUTION OF KAWASAKI INSURANCE BY PERSONAL WATERCRAFT DEALERS

Pursuant to ASIC Class Order CO 05/1070, certain persons, including selected personal watercraft dealers, finance companies, and occasionally other persons have been authorised by Nautilus as its general insurance distributors to deal in this insurance on Nautilus' behalf.

These persons are not authorised to provide any advice on this insurance and have no binding authority to enter into any policy or settle any claim or otherwise act on behalf of certain underwriters at Lloyd's.

Any person who provides financial services to you as Nautilus's general insurance distributor will tell you that they are acting in that capacity.

DISTRIBUTORS' REMUNERATION

Distributors receive a commission whenever you enter into a policy arranged by them (including renewals and some variations which increase the premium payable). The commission excludes GST and is a percentage of

underwriters base premium (i.e. premium excluding the amounts included by the underwriters in relation to applicable stamp duty, fire service levy, GST or any other government charges, taxes, fees or levies). The commission is included as part of your premium.

HOW NAUTILUS IS REMUNERATED FOR THE SERVICES PROVIDED?

Nautilus also receives a commission whenever you enter into a policy arranged by them or their personal watercraft dealer distributors (including renewals and some variations which increase the premium payable).

Certain underwriters at Lloyd's may also advance it other money in the period to cover marketing and other costs and expenses which is agreed on a case by case basis.

For services in administering this insurance Nautilus may be paid a profit share amount in relation to all Personal Watercraft Insurance policies entered into in each annual period. The amount Nautilus can receive is a percentage of the net profit amount (if any) which is determined by certain

OTHER IMPORTANT INFORMATION

underwriters at Lloyd's and is based on the total premium excluding certain costs, expenses, fees and liabilities in relation to the policies (e.g. taxes and charges on the policy, reinsurance costs, claims payments, commission paid and administrative costs) over a 12 month period.

If there is no net profit in the annual period, Nautilus receives no profit share. Any profit share amount is paid 3 months after the annual period ends.

Nautilus will also charge you a fee, which varies depending on the dealing service it provides you with. The fee is paid in addition to the premium and is specified in the Certificate of Insurance.

Nautilus' staff receive an annual salary that may include bonuses based on performance criteria (which can include sales performance) and the achievement of company goals.

REMUNERATION PAYABLE TO REFERRERS

Nautilus will in some cases pay a pre agreed fee and/or a commission which is a percentage of the premium, to persons who refer you to it if you buy the insurance.

The amount paid will depend on the person who refers you and their level of involvement in the transaction.

FURTHER INFORMATION ABOUT REMUNERATION

If you would like more details about the remuneration (including commission) or other benefits Nautilus, its distributors or referrers receive, please ask for it within a reasonable period after you receive this document and before this insurance is issued to you.

COMPENSATION ARRANGEMENTS

We are an insurer authorised under the Insurance Act 1973 (Cth) (Insurance Act) to carry on general insurance business in Australia. We are supervised by the Australian Prudential Regulation Authority (APRA) and subject to the prudential requirements of the Insurance Act. The Insurance Act

contains prudential standards and practices designed to ensure that under all reasonable circumstances, financial promises made by us are met within a stable, efficient and competitive financial system. Because of this, we are exempted by the Corporations Act 2001 (Cth) from the requirement to meet the compensation arrangements Australian financial services licensees must have in place to compensate retail clients for loss of damage suffered because of breaches by the licensee or its representatives of Chapter 7 of that Act. We have compensation arrangements in place that are in accordance with the Insurance Act.

The Corporations Act 2001 (Cth) requires licensees such as Nautilus to have arrangements for compensating retail clients for losses they suffer as a result of a breach by the licensee or its representatives of Chapter 7 of the Act, unless an exemption applies. Nautilus has compensation arrangements in place that meets these requirements.

NOTES