



Boat Insurance

Premium, Excess & Discounts Guide

This RACV Boat Insurance Premium, Excess & Discounts Guide should be read with and forms part of the RACV Boat Insurance Product Disclosure Statement and Policy Booklet (PDS), prepared on 2 August 2022.

This guide applies to policies issued with a boat kept in Victoria with a commencement date on or after 22 February 2023 or with a renewal effective date on or after 27 March 2023.*

This guide provides further information about the cost of your insurance and excess(es) you may need to pay if you make a claim.

* Call 13 RACV (13 7228) for information about policies issued with a Boat kept outside Victoria.

How we work out your premium

Your insurance premium generally reflects the likelihood of a claim being made on your policy in the future. There are a number of factors we take into account when determining your premium. We calculate your premium by combining and considering the following:

- Pricing factors
- Choice of excess
- Policy options
- Minimum and maximum premium
- Cost of choosing to pay by the month
- Discounts, and
- Government charges.

Other commercial factors affect the premium you pay, including costs associated with operating our business. Each time you renew your insurance your premium is likely to change, even if your personal circumstances have not changed. This is because the premium you pay is calculated based on a number of factors including our updated modelling, your circumstances and wider insurance trends.

Minimum and Maximum Premium

Your premium, including any discounts you may be eligible for, are subject to minimum and maximum premiums. We consider the minimum and maximum amounts we are prepared to sell the policy for and may adjust your premium to ensure it does not fall outside that range. Any discounts will be applied to your policy, only to the extent any minimum premium is not reached. This means that any discount you may be eligible for may be reduced. When we determine your premium on renewal, we may also limit any increases or decreases in your premium by considering factors such as your previous year's premium amount.

Pricing factors

The premium you pay for your insurance reflects the likelihood of you making a claim together with the potential value of any claim. So, if you have a lower chance of making a claim then you will generally pay a lower premium compared to someone who has a higher chance of making a claim.

Our experience shows there are a number of factors that are a good indicator of the possibility of a claim being made. We call these pricing factors.

Some pricing factors are more significant than others, and the impact may vary according to your circumstances. For boat insurance policies, pricing factors that may be taken into account in determining your premium include a combination of some or all of the following:

- optional coverages or benefits you have chosen
- the sum insured you have chosen
- any excesses or special conditions that apply
- the type of boat – for example, cruiser or sailboat
- how your boat is kept – for example, moored or dry stored
- the address of where your boat is kept
- the maximum speed of your boat
- how you choose to pay your premium
- your previous year's premium if your policy is a renewal, and
- features including age and claims history of the owners and operators.

This is not an exhaustive list of our pricing factors.

We collect information in relation to these pricing factors from you and other sources and we use our data, models, and experience to assess how important each pricing factor is for your policy. At any time we may change the relative importance of any of the pricing factors or how they combine to affect your premium, and we may add to or remove pricing factors from the calculation as we see fit.

We also consider your previous premium and may take steps to limit the change in your premium at renewal.



Policy options

Optional cover you can add:

- Contents cover
- Lay up cover
- Liability cover for water-skiing and flotation devices
- Sailboat racing cover.

When you add an option to your policy, you need to pay an extra premium for the increased cover we give you. However, you don't pay extra for 'Lay up' cover - it reduces your premium in line with your reduced cover. Any optional covers you choose to add will be shown on your current Certificate of Insurance.

Cost of choosing to pay by the month

If you choose to pay your premium by monthly instalments you may pay more than if you pay annually. Any additional premium when you pay monthly is due to this being a pricing factor and an administrative cost.

Any additional premium you are required to pay will be shown on your current Certificate of Insurance.

Discounts

We offer the following discounts that you may be entitled to:

- Years of Membership Benefit
- Multi-Policy Discount
- No Claim Bonus.

The way in which the discounts are applied to your premium is set out in the 'How we calculate your boat premium' section of this guide on page 4.

Years of Membership Benefit

This discount applies to Boat Insurance[#].

We reward you with a Years of Membership discount which is linked to the colour of your RACV Membership Card. RACV Years of Membership Benefit increases the longer you are with us.

Membership Card Colour	Years of Membership	Annual Discount
Blue	0-4 years	0%
Bronze	5-9 years	5%
Silver	10-24 years	10%
Gold	25-50 years	15%
Gold 50	51 years or more	20%

[#] Excludes Travel, Business, and Farm Insurance products.

The way in which your Years of Membership Benefit is applied to your premium is set out in the 'How we calculate your boat premium' section of this guide on page 4.

Multi-Policy Discount

A Multi-Policy Discount rewards you for holding multiple RACV Insurance policies.

See if you qualify for a Multi-Policy Discount[#]:

How to qualify	Multi-Policy Discount
Hold two or more of the following: Home, Landlord, Motor, Caravan & Trailer, Boat or Veteran, Vintage and Classic Vehicle Insurance.	Save 10% On your Home, Landlord, Motor, Caravan & Trailer, Boat or Veteran, Vintage and Classic Vehicle Insurance.

To receive a Multi-Policy Discount, the eligible policies must be current.

If you take out a new eligible policy the Multi-Policy Discount will be applied to that policy.

For your existing eligible policies any change to your Multi-Policy Discount generally applies from the next renewal after you qualify.

If you become eligible for an updated Multi-Policy Discount around the time your existing policies are due for renewal, the updated Multi-Policy Discount may not be applied to those renewing policies (the updated discount will be applied on the subsequent renewal).

You should contact us if you believe you are eligible for a higher Multi-Policy Discount on a policy and it is not noted on your Certificate of Insurance.

The way in which your Multi-Policy Discount is applied to your premium is set out in the 'How we calculate your boat premium' section of this guide on page 4.

[#] Excludes Travel, Business, and Farm Insurance products.

No Claim Bonus

A No Claim Bonus is a reward for a good claims record.

You may be entitled to a No Claim Bonus, depending on the number and type of boat claims you have made.

The No Claim Bonus levels are:
25%
20%
15%
10%
5%
0%



How does No Claim Bonus work?

Each year at renewal, your policy moves up to the next level of No Claim Bonus (up to the maximum) if you do not make a non-recoverable claim for the period from the start date of your policy to the date of your first renewal notice* (for a new policy), or the period between the date of your last renewal notice* and the date of the next renewal notice*.

If you make a claim for something that is not your fault and you can provide the name and residential address of a person that we are satisfied is responsible, your No Claim Bonus will not be affected.

For each non-recoverable claim made, your No Claim Bonus will move down two levels. The No Claim Bonus reduction will usually occur at the next renewal, however if the claim is made after the date of your renewal notice* but before your next policy period start date, the reduction may occur the following year at your subsequent renewal.

The way in which your No Claim Bonus is applied to your premium is set out in the 'How we calculate your boat premium' section of this guide on page 4.

What is a non-recoverable claim?

A non-recoverable claim is a claim lodged as a result of:

- a collision where you are at-fault or we are otherwise unable to attempt recovery of our costs from another party, or
- an earthquake, explosion, flood, fire, storm, theft or attempted theft, tsunami, vandalism or a malicious act, or
- accidental damage.

* You can find this date on the bottom of your renewal notice. This may be different to your policy period start date as shown on your Certificate of Insurance.

Government charges

Boat Insurance policies are subject to stamp duty imposed by state and territory governments in addition to GST.

Government Charges	Boat Insurance
GST	10%
Stamp Duty	10%

Excess

An excess is the amount you contribute towards the cost of your claim.

The types of excess that may apply are:

- basic
- age
- special
- racing.

Your current Certificate of Insurance shows the amount and types of excesses that apply under your policy.

The type of excess you need to pay depends on what your claim relates to and who was controlling your boat. Also, you may need to pay more than one excess.

When you make a claim, an excess may apply. If so we will:

- deduct the excess from any claim payment, or
- request you pay the excess to us or to the repairer or supplier.

If we request you pay the excess, we will tell you who to pay and may require payment as part of the finalisation of your claim. The circumstance(s) when an excess (including a basic excess) does not apply are set out in this Excess section.

Basic excess

If you make a claim, a basic excess may apply.

The basic excess amount is \$200.

You may be able to change the basic excess on your policy. If you choose a higher basic excess, you can reduce your premium and if you choose a lower basic excess, you will pay an additional premium. You should make sure the basic excess you choose is appropriate for you, taking into account your sum(s) insured and the limits of any other benefits or optional covers.

You can choose one of the following amounts as your basic excess: \$100, \$200, \$300, \$500, \$1,000 or \$2,000.

Your basic excess amount will be shown on your current Certificate of Insurance.

Age excess

This excess applies in addition to any other excess when the person controlling your boat or driving the motor vehicle which is towing your boat is under 25 years of age.

The age excess is \$450.



Special excess

We may decide to apply a special excess to you or someone else who operates your boat, or in relation to a specific incident, taking into account such factors as:

- the type of boat
- how the boat is kept
- owner or operator incident, claims history.

The amount of the special excess will be shown on your current Certificate of Insurance.

A special excess applies in addition to any other excess. You cannot pay an additional premium to remove a special excess.

Racing excess

This excess applies instead of the basic excess if you chose to add the option 'Sailboat racing cover' to your policy and make a claim under that option.

The racing excess is whichever of these amounts is higher:

- your basic excess, or
- 25% of the cost to repair or replace the loss or damage to your boat.

One basic excess when you claim under two policies

You don't need to pay the basic excess that applies under your policy if:

- your motor vehicle is comprehensively insured with us
- the same incident causes loss or damage to both your motor vehicle and boat while your boat is attached to your motor vehicle, and
- you make a claim under both policies.

You need to pay the basic excess that applies under your motor vehicle policy. And, you also need to pay any other excess(es) that apply under each policy.

When you don't need to pay any excess

You don't need to pay any excess that applies under your policy if:

- you make a claim for an incident that we are satisfied was the fault of another person, and
- you can give us the name and residential address of the at fault person.

When determining the excess that will apply to your claim we may need to decide if you or someone else is responsible. To do this we may request additional information – for example witness statements or photographs – and consider any laws, by-laws or rules that apply to the claim circumstances.

If we are unable to determine that someone else was responsible, the excess is payable.

How we calculate your boat premium

Step 1

First, we'll combine the pricing factors.

Step 2

Then we add the cost of choosing pay by the month.

Step 3

We then work out any No Claim Bonus you may be eligible for and apply this to the amount from Step 2.

Step 4

Then, we add the cost of any optional covers you may have chosen. Where you have chosen Lay up cover, we will adjust your premium in line with your reduced cover.

Step 5

We then work out any Multi-Policy Discount that you may be eligible for and apply this to the amount from Step 4.

Step 6

We apply any Years of Membership Benefit you may be eligible for to the amount in Step 5.

Step 7

We then add applicable government charges to work out the premium you need to pay.

If there is anything you don't understand about this RACV Boat Insurance Premium, Excess & Discounts Guide, please call us on 13 RACV (13 7228) or visit an RACV Shop.