

A Sailor's Guide to Insurance



Yachting Australia's highest priority is the safety of Australian sailors but even with the best regulation and education, accidents can still happen.

It is for this reason that Yachting Australia partners with OAMPS Insurance Brokers, one of Australia's largest brokers, to ensure effective insurance policies are available to minimise the financial impact of accidents.



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Types of Insurance

Summarised below are common insurance types that individual boat owners, sailors and clubs should consider as part of their insurance requirements.

- 1. Pleasurecraft (own damage plus third party)** - In the same way cars are insured, boat owners can insure against damage to their craft and also their legal liability for physical injury or property damage to third parties. Owners who require cover whilst racing their boats do need to ensure that they have 'racing risk extension'. In association with Club Marine, Australia's largest boat insurer, OAMPS offers an enhanced cover that provides additional benefits. Whilst the additional cover of the OAMPS / Club Marine policy does provide value, a further benefit of dealing with OAMPS, is that as a broker they provide additional flexibility by being able to access all insurers in the market.
- 2. Third Party Liability Insurance for watercraft** - As explained above, attached to a boat insurance policy is a third party liability coverage, insuring the owner against their legal liability for physical injury or property damage to third parties. Boat owners who do not wish to insure their own boats for property damage may be able to obtain a separate third party liability only policy. As Yachting Australia's insurance provider OAMPS is able to provide this type of cover. Most clubs and event organisers will ask for evidence of this third party liability insurance prior to a member being able to participate in an event.
- 3. Personal Accident insurance** - Provides nominated benefits to the insured person in the event of an injury whilst participating in their sport. The prime benefits provided under such policies are for Death, Permanent Total or Permanent Partial Disability, non-Medicare medical expenses and Loss of Income benefits. (Federal legislation prevents Medicare expenses, including Medicare gaps, to be covered under these policies.) This cover is provided to all registered members of Australian yacht clubs through the Gold or Silver card they receive from Yachting Australia. It also covers people enrolled in recognised Yachting Australia courses at accredited centres. Details of the benefits provided under the Yachting Australia policy can be obtained by referring to the Yachting Australia or OAMPS website.

These benefits are payable in addition to any amounts a person may receive from their own separate insurance policy, provided that the total insurance benefit received does not exceed the actual expenses incurred or the income lost.
- 4. Public Liability Insurance for Organisations** - In a similar way that craft owners need to protect themselves against any liability they may incur as a result of injury or damage to third parties, organisations need to have protection for any legal liability they incur as a result of negligence (i.e. breach of duty of care) which results in physical injury or damage to property of third parties. It is important that such cover is specific to protect not only the legal entity of the organisation but also those individuals who have exposure as a result of their involvement in the organisation. It is also important that protection extends to all the activities of the organisation, which for yachting can include unique risks such as marinas, and on water activities.
- 5. Directors and Officers / Association Liability insurance** - protects club officials whilst acting in their official capacity against losses for which they may become legally liable as a result of a wrongful act. This cover excludes claims relating to negligence resulting in injury or property damage (as outlined above, liability for injury and property damage is provided for under Public liability insurance).
- 6. Other insurances** - Clubs who own assets will want to protect them by taking out property insurance. Club leases may require certain property to be insured. Many clubs will operate similarly to a commercial operation, including employing staff, and will need to consider not only workers compensation but a wide range of other 'business' covers,



Addressing Risk

a) For boat owners

The insurance covers as outlined under points 1 and 2 above provide protection for damage to their craft and also their liability to third parties for injury or property damage emanating from the use of their craft. In addition, provided they are Yachting Australia Silver or Gold card holders they have the financial protection provided under the Yachting Australia personal accident insurance program, for their own injury.

b) For crew

If crew are Yachting Australia Silver or Gold card holders they can enjoy the financial protection provided under the Yachting Australia personal accident program. For public liability protection it is expected that the craft owners third party liability cover provided as part of his/her pleasurecraft policy would provide liability protection to the crew. However as insurance wordings differ from company to company crew should check this with the owner of the craft on which they are participating.

Note: Household contents policies do provide public liability protection to the policyholder, but sailing activities are likely to be excluded. Policyholders will need to check the terms, conditions and exclusions of their own household policy wordings to determine if any liability cover is provided for sailing activities.

c) For Club Officials including Committees, Race Officials, Instructors, and Coaches

Of course the most fundamental protection against liability for Club Officials is ensuring the club has an effective Risk Management Plan and all officials are well trained and hold the recognised Yachting Australia qualifications. For example this would be the Club Race Officials qualification for Race Officers and at least the Power Boat handling qualification for any one driving a safety boat. Club Race Officers are generally covered by the policy of the Club they are officiating at.

In most states of Australia volunteers will enjoy protection from liability risk through state legislation that protects volunteers acting with good intent. Ensuring your club or class is an incorporated association or corporation is also very important. This makes the organisation a separate legal entity, allowing it to sue and be sued in its own right rather than all members being included in any legal actions as is necessary with unincorporated organisations. It is common for numerous parties to be individually named in legal actions.

All clubs should hold public liability insurance, as is outlined in point 4 above. In sourcing public liability insurance a club needs to ensure that the coverage extends to the various on water activities yacht clubs undertake. OAMPS Public Liability Insurance for yacht clubs covers all the activities normally undertaken by yacht clubs in Australia, but it is important that they are fully informed of all activities to ensure that cover is tailored to fit the risk. The risk exposures and therefore the insurance requirements for Class Associations can vary depending on how their activities are conducted so discussions with OAMPS that outline these circumstances are recommended.

Club boats should be comprehensively insured to ensure that both property and third party liability is covered, as per item 1 above for all boat owners.

Property cover will also normally be held to cover damage to club assets including, depending on the terms of any lease, the club buildings. Numerous other commercial insurance classes may also be considered.

Personal accident insurance is provided to all club officials, including volunteers, instructors and race officials through the Yachting Australia Gold Card.

But to be eligible for this insurance the person must be financial and registered in either MyClub, in the case of members and volunteers, or MyCentre for people involved in Yachting Australia Training courses. Unregistered and casual participants at the club are not covered for personal accident insurance through the Yachting Australia policy.

Directors and Officers Insurance (or similar cover with policy names such as Management Liability or Association Liability) is usually held by clubs despite the protection offered by State volunteer protection legislation. This is because such cover extends far beyond protection to volunteers. Cover applies to employed officers plus it can include covers such as Employment Practices Liability, Entity cover, Statutory Liability and Crime cover.

Instructors (including assistant instructors) holding Yachting Australia qualifications and accreditation are also covered under their annual registration for any legal liability incurred as a result of third party personal injury or property damage whilst conducting Yachting Australia courses at an accredited club or centre. Qualified Yachting Australia coaches enjoy similar coverage whilst coaching at affiliated clubs.

Where Club Officials are being paid there are expectations on both the club and the employee. These obligations of occupational health and safety increasingly also apply to volunteers.

A Sailors Checklist of Insurances

Category of Participation	Property	Third Party Liability	Self - Personal Accident	Other
Boat Owner	<ul style="list-style-type: none"> Marine Hull (Pleasurecraft) 	<ul style="list-style-type: none"> As part of Marine Hull or stand alone third party cover 	<ul style="list-style-type: none"> Personal Accident - Gold/Silver card 	<ul style="list-style-type: none"> Overseas transit if taking craft overseas
Crew Member	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Refer note 1. 	<ul style="list-style-type: none"> Personal Accident - Gold/Silver card 	<ul style="list-style-type: none"> N/A
Club / Club Official	<ul style="list-style-type: none"> Buildings - Commercial Boats - Marine Hull Equipment 	<ul style="list-style-type: none"> Public Liability D and O/Association Liability 	<ul style="list-style-type: none"> Personal Accident - Gold/Silver Card, or Club Voluntary Workers PA 	<ul style="list-style-type: none"> Other non Property Commercial Insurance Risks Workers Compensation
Race Official	<ul style="list-style-type: none"> Boats - Marine Hull Equipment 	<ul style="list-style-type: none"> Club Public Liability 	<ul style="list-style-type: none"> Personal Accident - Gold/Silver Card or Club Voluntary Workers PA 	<ul style="list-style-type: none"> N/A
Instructor (including assistant instructor) / Coach	<ul style="list-style-type: none"> Boats - Marine Hull Buildings - Commercial Equipment 	<ul style="list-style-type: none"> YA Public Liability for Accredited Instructors, or Club Public Liability, or Personal Public Liability 	<ul style="list-style-type: none"> Personal Accident - Gold/Silver Card 	<ul style="list-style-type: none"> Other non Property Commercial Risks Workers Compensation (if employees)

Note 1: The expectation is that the craft owners third party liability cover included as part of his/her pleasurecraft policy would provide liability protection to the crew; however as insurance wordings differ from company to company crew should check this with the owner of the craft on which they are participating.

In Summary

Understanding insurance can be complex and the consequence of either under or over insuring can be expensive. We hope this simple guide helps Australian sailors secure the right insurance for their circumstances. It must be emphasised that this guide is a very broad summary of cover and professional advice should be sought to gain a full understanding of policy terms, conditions and exclusions.

This is a simple guide provided by Yachting Australia and OAMPS Insurance Brokers. It is not intended to be official advice. For full details of policy terms, conditions or exclusions seek professional advice.

Who are OAMPS?

OAMPS Insurance Brokers is a Wesfarmers Company with over 750 employees in 34 offices around Australia serving over 120,000 clients. OAMPS is the only Australian owned broker accredited to place business direct with Lloyd's of London and is also a member of the Assurex Global Broking Network.

Questions?

Need help with Insurance?

Call OAMPS with your questions about insurance and risk management.

For your watercraft insurance needs or for your personal home, motor, travel or business insurance.

1800 240 432

We provide tailored protection packages by working hand in hand with clients to truly understand the complexities of their business. We'll always work hard to be part of our different communities, whether it's inside a client's business, with an industry association, a specific sector or across geographical regions. Sometimes we'll be providing a business benefit to a group of people - at other times it will be to support local initiatives and community activities.

What do OAMPS do for sailing?

OAMPS are the largest sponsor of youth sailing in Australia. At the Australian Youth Championships through to State Championships and Youth Development programs you'll see the OAMPS brand and team actively supporting the future of Australian sailing.

For queries regarding Gold/Silver Card personal accident insurance, yacht club or association insurance or risk management.

1800 242 557

Information on Yachting Australia insurance policies can also be found on OAMPS website.

oamps.com.au

Or via links from Yachting Australia's website:

www.yachting.org.au

