POLICY CONDITIONS

GENERAL CONDITIONS:

It is hereby noted and agreed that in cases where the liability of the Insured shall be contested in any suit or action with the consent in writing of the Insurers, the Insurers will pay such reasonable and documented ensuing costs as the Insured may incur as a result of such suit or action in accordance with the applicable limits of insurance coverage stated in the relevant Sections(s) of this insurance.

OPA Disclaimer

This Policy of insurance or any endorsement hereto is evidence only of the contract of indemnity insurance between the above-named Insured(s) and the Insurer and shall not be construed as evidence of any undertaking, financial or otherwise, on the part of the Insurer to any other party.

In the event that an Insured tenders this Policy/Endorsement as evidence of insurance under any applicable law relating to financial responsibility, including but not limited to the Oil Pollution Act 1990 or any similar Federal or State Laws, or otherwise shows or offers it to any other party as evidence of insurance, such use of the Policy/Endorsement by the Insured is not to be taken as any indication the Insurer thereby consents to act a guarantor or to be sued directly in any jurisdiction whatsoever. The Insurer does not so consent.

Agree to cover all contents (items that are not permanently fixed to the vessel) and deemed to include but not limited to soft furnishings, furniture, window hangings, wall and floor coverings and audio-visual equipment within the Total Sum Insured herein.

Additional Tender Clause

Agree to cover any additional tenders, dinghies, outboards, windsurfers, personal watercraft, diving gear etc. which the Insured acquires ownership of during the policy period subject to the maximum design speed not exceeding 35 knots and subject to a payment of any additional premium required. Prior notification to Insurers is required, the maximum liability hereunder shall be the cost to the Insured or USD 50,000 whichever the lesser.

Coinsurance Clause

This policy contains a coinsurance clause. It is a requirement of this clause the watercraft is insured for the agreed value as shown in the Hull section on the application form, which is deemed to be at least 90% to 100% of its value for the purpose of this insurance. This clause applies to partial and total losses and any difference therein as such will affect the responsibility of the Insurer in due proportion in case of a claim.

Equipment and Apparatus Clause	Agreed to cover loss of or damage to equipment and apparatus not owned by the Insured but installed for use on the vessel and for which the Insured has assumed contractual liability, whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise and where such loss or damage is caused by a peril insured under this insurance, subject in all other respects to its terms, conditions and exclusions. In no event shall the liability of the Insurers exceed the lesser of the contractual liability of the Insured for loss of, or damage, to such equipment or apparatus, or its replacement value. All such equipment and apparatus shall be included in the insured value of the vessel.
Section ' B' – Protection and Indemnity Insurance	Excluding any liability for claims brought under the Jones Act. Protection and Indemnity Liability herein includes the vessel's tenders.
American Hull Insurance Syndicate Deliberate Damage Clause (Pollution Hazard) 1.8.73 (A) B. Reg. No. 509207.	This insurance does not cover any liability cost or expense arising in respect of fines, penalties, punitive or exemplary damages, howsoever described but agreed to pay any fine or penalty assessed by any government or agency thereof for damage to marine environment or pollution to marine environment subject to a maximum limit of USD $10,000.00. Cover herein is only applicable if not already covered by a "P&I Club" and/or another third-party.
Bottom inspection	Agreed pay the reasonable cost of inspecting the bottom of the vessel after grounding, even if no damage is found with application of any deductible.
Moped extension	Noted that mopeds are only covered whilst on board the vessel and/or her tenders including whilst loading and unloading or whilst parked alongside the vessel whilst berthed.

Jet Ski/Jet Boat Clause	No claim shall be allowed in respect of loss or damage caused by foreign substances injected into the mechanics. Warranted operators 16 years of age or more, experienced and competent and the dead man's handle was in operation at the time of the loss. Theft only covered whilst jet skies/jet boats on board the vessel and subject to anti-theft device being fitted or following forcible entry into a locked store on shore, minimum Deductible as per dec page.
Emergency Towing Extension	Agreed to provide additional protection in the event there is an emergency situation where the Insured and the insured vessel are not in imminent danger. Agreed to reimburse reasonable costs incurred, not to exceed a total of USD $10,000 resulting from the following services to the insured vessel if help is not available and commercial assistance must be obtained: a) towing to the nearest place where necessary repairs can be made; b) delivery of gas, oil, parts or loaned battery (excluding the cost of these items themselves) or emergency labour, while away from safe harbour.
American Institute Hull War Risks and Strikes Clauses	American Institute Hull War Risks and Strikes Clauses (including Automatic Termination and Cancellation Provisions), 87B-108 (December 1, 1977) extended to include claims for loss, damage or expense caused by or resulting from any terrorist or any person acting maliciously or from a political motive. American Hull Insurance Syndicate Addendum to American Institute Hull War Risks and Strikes Clauses – December 1, 1977 (April 1, 1984) but “Restraint” as used in paragraph 3 shall be deemed to include the inability of the vessel to sail from any port, canal, waterway or other place to the high seas for a continuous period of 6 months as a result of the closure of the connecting channel to all vessels of such size or draft provided that such closure has arisen through blockage of the waterway by a warlike act, act of national defence or deliberate act of persons or persons. American Hull Insurance Syndicate War Risk Protection and Indemnity clauses CLA500 extended to include claim for loss damage or expense caused by or resulting from any terrorist or any person acting maliciously or from a political motive. Navigation Limitations for Hull, War, Strikes, Terrorism and Related Perils Endorsement (JW2005/001A) 20/06/2005.

Personal Effects (including Fine Art)

Personal Effects Clause/Fine Art as per Institute Yacht Clauses Personal Effects Clauses 1.11.85 (CL.331) duly amended in accordance with American Yacht Form R12. Cover herein extended to include personal effects belonging to the beneficial owner of the Yacht, his family and guests, and fine art belonging to the beneficial owner of the Yacht, and more specifically, declared and valued, and extended to include the crews' personal effects, subject to a maximum total value insured of up to 10% of the declared value of the hull.

Cover under this clause shall be in respect of clothing, personal effects, fine art, credit cards, jewellery, fishing gear, freezer(s) contents (limited to the declared value in all in excess of 48 hours) and sports equipment, cases of wine and stores on-board the yacht against all risks of whatsoever nature, but excluding claims arising from:

1. Damp, mould, mildew, moth, vermin, wear, tear and gradual deterioration.

2. Breakage of articles of a brittle nature unless such breakage is caused by burglars, thieves, fire, stress of weather, stranding, sinking or collision.

Ship's Cash

Cover under this clause is further extended to include Ship's Cash which shall be deemed to include Advanced Provisioning Allowances, whilst in a locked safe on vessel and until disbursed. Limit any one safe USD $20,000 or equivalent in any other currencies, any one occurrence but limit of USD $20,000 any one occurrence from all safes on board. - **EXCLUDED**
Excluding mysterious disappearance.

Cash in transit

Cover under this clause is extended to cover ship's cash to a maximum value of USD $20,000 or equivalent in other currencies any one transit from time of collection from a local bank and/or ships agent office at vessel's port(s) of call to vessel, whilst on vessel and until disbursed or until re-deposit in the bank &/or ships agents office at subsequent port(s) of call. - **EXCLUDED**

Warranted money in close personal custody of at least 3 employees/crew members when in transit to or from Banks.

Excluding mysterious disappearance.

Section 'D' – Medical Payments	Section “D” Medical Payments Insurance is extended to include repatriation expenses and to include captain and crew while in the employment of the Insured 24 hours per day for the entire period of this insurance ashore or afloat. Exclusion 3 is deleted. The term yacht is deemed to include the vessel’s tenders, dinghies, personal watercraft, windsurfers and any such similar items including whilst being towed by any such items. Bodily injury also means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom.
Laid up Clause	Agreed cover hereon continues whilst vessel laid-up, afloat and/or ashore, as per Clause 2.1.2. of the Institute Yacht Clauses CL. 328 (1/11/85).
Non-contribution Clause	This insurance does not cover any loss or damage which at the time of happening of such loss or damage is insured by or would, but for the existence of this policy, be insured by any other existing policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected.
Refit and Repair Clause	It is a condition precedent that if the vessel is under major repair/alteration including hot work or that the yard has requested a waiver of subrogation from the Owner or his legal representatives, then prior agreement must be obtained from Insurers hereunder at terms and conditions to be hereafter agreed. Furthermore, the Owner or his legal representatives must provide to participating Insurers hereunder a copy of the shipyard’s Ship Repairers Legal Liability insurance documentation and full details of work being carried out.

Piracy/Capture and seizure of persons

It is hereby noted that, notwithstanding anything contained herein to the contrary, this insurance covers loss or damage to the insured vessel caused by Piracy.

It is further noted that this insurance excludes loss, damage, ransom, expense or any other liability whatsoever arising from or connected to the capture, seizure, arrest, restraint, detainment, hijack or kidnap of the Insured, any person using or in control of the vessel with the insured's permission, charterers, guests or any other persons.

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause (10.11.03) Cl 370

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

1.1. Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.

1.2. The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.

1.3. Any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

1.4. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

1.5. Any chemical, biological, bio-chemical or electromagnetic weapon.

10/11/03
CL370

Uninsured Boater Coverage

PERILS INSURED AGAINST

Underwriters will pay the damages which, because of bodily injury received aboard your yacht, you are legally entitled to recover from the uninsured owner or operator of another yacht.

“Uninsured boater” and “uninsured owner or operator” means an owner or operator of a yacht other than the yacht named in this policy, who is legally responsible for the accident, and:

a. to whom no liability policy applies; or
b. who cannot be identified (such as a hit and run operator).

EXCLUSIONS
Underwriters do not provide Uninsured Boater coverage:

a. for claims settled without our written consent;
b. if the yacht is owned by governmental agency or unit;
c. for yachts owned by or furnished for the regular use of you, a member of your immediate family, or any person insured by this policy;
d. for an insured using a yacht without permission: or
e. when the yacht named in this policy is being chartered.
f. where no evidence of physical contact exists between your yacht and an unidentified yacht or where no evidence of physical contact exists between your yacht and an uninsured yacht.

This coverage will not apply directly or indirectly to the benefit of any insurer under any state or federal compensation law or act.

Payment made for this coverage to or for an insured person will reduce the amount that person is entitled to recover from the Liability coverage of this policy.

AMOUNT OF INSURANCE

The amount shown for the Uninsured Boater coverage on the Policy Schedule is the most Underwriters will pay under this insurance, regardless of the number of insured persons, claims made, or yachts involved in any one accident or series of accidents arising out of the same event.

If solely due to a third-party colliding with the yacht herein whilst moored, provided no rights of subrogation are waived and the Insured hereunder is not at fault, the hull deductible under section A is waived

Institute Cyber Attack Exclusion Clause (10.11.03) Cl. 380

1 Subject only to paragraph 3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by, contributed to, or arising from, the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.

2 Subject to the conditions, limitations and exclusions of the policy to which this clause attaches, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.

3 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, paragraph 1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

LMA54031.1.

Sanction Limitation and Exclusion Clause JH2010/009 2nd August 2010

No Insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Crisis Risk Management Endorsement

As per declared schedule in our website (www.sphericassurance.com) (information in hyperlink not to be incorporated by reference into this agreement), to activate coverage please log in and advise of navigation per trip or contact your insurance representative or broker to activate on your behalf.

OTHER CONDITIONS:

Pilots non-Liability Clause LSW 787

Cancelling return only with proof of sale with a minimum earned premium of 25% of Gross Premium. All other cancellations are deemed fully earned

Radioactive Contamination Exclusion Clause (U.S.A. Endorsement)

Asbestos Exclusion Clause

Claims Control Clause:
Notwithstanding anything herein contained to the contrary, it is a condition precedent to any liability under this Policy that:

a) The insured shall, upon knowledge of any loss or losses which may give rise to a claim under this Policy, advise the Insurers thereof within 72 hours;

b) The insured shall furnish the Insurers with all information available respecting such loss or losses, and the Insurers shall have the right to appoint adjusters, assessors and/or surveyors and to control all negotiations, adjustments and settlements in connection with such loss or losses.

WARRANTIES: Breach of any warranty will void the coverage on this policy for any loss, regardless of its relation to the loss.

Warranted that all changes and recommendations from most recent survey received by Insurer are implemented within 15 days of inception period.

Warranted private and pleasure purpose and /or Corporate Entertaining Use only.

Warranted professional captain and crew always in charge of the vessel and vessel not to be left unmanned at any time.

Warranted Marina based.

Warranted tenders not towed.

Warranted clean loss record of the owner for the last 5 years.

Warranted that the Insured shall declare any change of vessel's flag as soon as possible.

Warranted that all necessary or required licenses, permits and certificates pertaining to the use and operation of the yacht are in full force and effects as of the effective date of the coverage and will be so during the period of the policy and that during all such times the Insured will comply with all laws, rules and regulations that apply to the uses to which the Insured employs the yacht.

Warranted that the fire fighting and safety equipment on board shall be maintained in accordance with good shipboard practice and/or the equipment manufacturers recommendations.

Warranted excluding all loss and/or damage and/or liability arising out of or resulting from named and/or numbered windstorm until such time as Underwriters have seen and accepted satisfactory hurricane plan/arrangements, with copy to be retained in Brokers file.

Warranted that the loan balance of any mortgage in respect of the insured vessel hereon does not exceed 90% of the insured value hereon, or to be advised and agreed by Underwriters.

Warranted no operation of the vessel by the Owner(s) until Underwriters have seen and accepted the full sailing details/resume of the Owner(s), with a copy to be retained in the Brokers file.

No operation of the vessel by the paid Captain until such time as Underwriters have seen and accepted the full sailing resume for the paid Captain, including copy of current valid Masters License (Masters License held must be at least equal to the Gross Tonnage of the insured vessel), along with confirmation of clean marine claims record, with copies to be retained insurance Company file.

Warranted no operation of the vessel until underwriters have received and approved full file confirmation including and not limited to: Spheric Full Application, Hurricane Storm Plan, Captains License, Captains Resume, Most recent Professional Survey, Spheric Annual Self Survey and a letter of compliance confirming all of the recommendations on the professional survey are completed prior to inception of policy.

Warranted that if no physical damage is done to the vessel, no salvage tow claim under the MARSALV act will be paid out under this policy.

Warranted that British Virgin Islands law and jurisdiction, and only British Virgin Islands law and jurisdiction will apply to this contract and U.S. service of suit is deleted.

CLAIMS PROCEDURES:

IN CASE OF A CLAIM PLEASE CONTACT OUR OFFICE AS SOON AS POSSIBLE:

SPHERIC ASSURANCE COMPANY, INC.

EMAIL: claims@sphericassurance.com

Spheric Assurance Company, Inc.

Belmont Chambers, P.O. Box 3443
Road Town, Tortola, British Virgin Islands

Spheric Assurance

PRIVACY NOTICE:

Spheric Assurance Company, Inc., with address at Belmont Chambers, P.O. Box 3443, Road Town, Tortola, British Virgin Islands, is responsible for the processing of your personal data, which will be used for the following purposes: analyzing the issuance of insurance policies and payment of claims, file integration, external contact and audit necessary for claims handling.