



YACHTINSURE

Policy Wording

V6.09.20

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Section A: Insuring Agreement

This is a legally binding contract of insurance between **you**, the policy holder and **us**, participating Underwriters, and incorporates in full the information provided in the signed application form and any other supplemental information submitted to us at the time of application.

In consideration of the payment of the Policy Premium advised in our insuring agreement declaration page, **we** will provide the coverage described in this insuring agreement and any relevant endorsements during the period of insurance.

Section B: Definitions

- 1) **"Actual cash value"** means the replacement cost less depreciation as calculated by the schedule contained within Section D.
- 2) **"Agreed value"** means the sum insured under the coverages section of the insuring agreement declaration page or any endorsement to same.
- 3) **"Approved Mate"** means a person(s) qualified and able to assist the **Named operator** with the operation of the **insured vessel**.
- 4) **"Bodily injury/property damage"** means actual **Bodily injury**, or damage to property which occurs during the period of this insuring agreement arising from the ownership of or use of the **insured vessel**.
- 5) **"Combined single limit" (CSL)** means the maximum amount **we** will pay towards any sum or sums that **you** become legally liable to pay as a result of any one accident or occurrence arising from ownership or covered operation of the **insured vessel**. The maximum amount **we** will pay is limited to the amount shown as the **Combined Single Limit (CSL)** regardless of the number of claims and/or claimants arising from one accident, occurrence or single event. All liability limits shown under section 2 liability on the insuring agreement declaration fall under the **Combined Single Limit (CSL)**.
- 6) **"Constructive Total Loss"** means where **we** determine that either the reasonable cost of recovering, transporting and /or repairs exceed the sum insured, or where the net value being the sum insured, less the residual value of the **insured vessel**, is exceeded by or in our opinion is likely to be exceeded by the reasonable cost of repairs.
- 7) **"Death Benefit"** means any monetary sum that becomes payable in the event of a person(s) death with the exception of those covered under the Jones Act.
- 8) **"Deductible"** is the first amount of any claim, which must be paid by **you**. If a **deductible** is applicable to any section afforded by this insuring agreement, the amount will be shown in the declaration page and this amount shall be deducted from the amount payable on each claim.
- 9) **"Divers"** means any person using underwater artificial breathing apparatus, and/or submersible mechanical or electrical devices including, but not limited to, submarines, diving bells and/or dive suits.
- 10) **"Family"** means any person related to **you** by blood, marriage or adoption, including foster children.
- 11) **"Insured vessel"** means the vessel described on the declaration page, including **machinery**, electrical equipment, sails, masts, spars, rigging, furniture, and all other equipment normally required for the operation and maintenance of the vessel and which would normally be sold with the vessel.
- 12) **"Machinery"** means generators, outboard motors, engines, gearboxes or transmissions, V-drives, propellers and shafts, plumbing, wiring and associated apparatus operated in connection with the vessel's propulsion.
- 13) **"Medical expenses"** means the reasonable charges for medical care; surgery; diagnostic testing; ambulance services; hospital care; professional nursing services; prosthetic devices; prescription drugs; first aid at the time of accident; and funeral services.
- 14) **"Named Operator"** means the person(s) at the helm of the **insured vessel** in control of the steering mechanism(s) and/or the throttle controls if applicable as identified on the declaration page.
- 15) **"Named or numbered windstorm"** or **"Tropical weather pattern"** means a weather pattern that has been named or numbered by any governmental authority or agency including an area encompassed by a circle of radius not exceeding 150 nautical miles from the path of the storm's forward travel from the time the **Named or numbered windstorm** or **Tropical weather pattern** impacts the area and until 72 hours later.
- 16) **"Navigational limits"** means all waters as limited and shown on the declaration page unless amended by endorsement.
- 17) **"Personal property"** means property purchased and owned by **you** and any member of **your family**, provided that such property is situated on the **insured vessel** at the time of the loss, excluding any item that is deemed a part of the **insured vessel** as defined in (11) above.
- 18) **"Piracy, pirates or assailing thieves"** means an act of robbery on the high seas and/or in a port and/or at mooring and/or at anchor or any act resembling such a robbery.
- 19) **"Race or speed trial"** means any event involving speed and/or of a competitive nature, whether sanctioned or not, formal or informal including, but not limited to, regattas and or rallies. "Preparing for a race or speed trial," means any navigation of the vessel necessary to ensure eligibility of either **you** or the **insured vessel** to participate in a **race or speed trial**. This definition also includes stunt activity.
- 20) **"Salvage charges"** means those reasonable charges and expenses which may be incurred by **you** if necessary, to prevent or minimise damage, injury or loss of life and with our permission, to prevent or minimise any further loss or damage covered by the Hull Section of this insuring agreement.
- 21) **"Seaworthy"** means fit for the **insured vessel's** intended purpose and applies not only to the physical condition of the vessel's hull, but also to all its **machinery**, parts, equipment and gear and includes the responsibility of assigning an adequate crew. For an **insured vessel** to be **seaworthy**, it and its crew must be reasonably proper, fit, able and suitable for its intended use.
- 22) **"Sinking"** means when the **insured vessel** has become submerged below the waterline either partially or wholly.
- 23) **"Trailer"** refers to the **insured vessel's trailer**, which is used exclusively for that purpose.
- 24) **"We, us and our"** mean the insurers named on the declaration page or accompanying schedule of insurers.

- 25) **"You and your"** mean the person or persons named as the insured on the declaration page.
- 26) Words of masculine gender are deemed to encompass the female gender and vice versa. Words in the singular are deemed to encompass the plural and vice versa

Section C: General Exclusions

The following exclusions apply to all sections and coverages provided by this Yacht policy:

- 1) All policy coverages are excluded in their entirety if the **named operator** is under the influence of a controlled substance.
- 2) All policy coverages are excluded in their entirety if the **named operator's** blood alcohol is above the applicable U.S. State limit.
- 3) All policy coverages are excluded in their entirety in the event of refusal of a **Named Operator** to comply with testing for either blood alcohol or a controlled substance
- 4) All policy coverages are excluded in their entirety in the event of capture, seizure, arrest, restraint or detainment by any government power or authority, lawful or otherwise. The Insured shall file a written complaint opposing the appropriation and/or procedure and/or correctness of said confiscation, within ten (10) days of the actual appropriation of said vessel(s) and file with the proper authorities, at the Insured's expense, whatever bond is necessary in order to take immediate possession of the vessel(s). Notwithstanding the foregoing the Insured shall notify insurers of any capture, seizure, restraint or detainment of any vessel(s) covered under this policy, within ten (10) days of the actual appropriation of said vessel(s).
- 5) Coverage for **named or numbered windstorms** is excluded absolutely until a satisfactory hurricane preparation plan has been seen and agreed by underwriters. Coverage is excluded for all active named and/or numbered storms, on or before the date the hurricane plan is presented to underwriters.
- 6) All policy coverages are excluded in their entirety during any period in the **insured vessel** and/or tender and/or dinghy are outside of the **navigational limits** as shown on the Declaration unless prior written consent and agreement has been obtained by us. Please be aware that an Additional Premium may become payable for this extension of coverage.
- 7) Coverage will not apply for any loss, damage, injury or loss of life which is intentionally caused by any covered person, regardless of whether or not such person is convicted of such act by a criminal court.
- 8) Coverage will not apply for any loss, damage, illness or expense that occurs while any insured/operator is engaged in any dishonest or illegal act, regardless of whether such person is convicted of such act by a criminal court.
- 9) All policy coverages are excluded in their entirety when the **insured vessel** is being operated by anyone other than those listed as **named operators** including those listed on any bareboat charter agreement. Except In the event a listed **named operator** is incapacitated and/or is otherwise unavailable due to injury or illness, when coverage is extended to a substitute operator for the duration of the voyage.
- 10) Coverage will not apply for any loss, damage, injury or loss of life which is caused by radioactive contamination, or nuclear reaction.
- 11) Coverage will not apply for any loss, damage, injury or loss of life which the actions of piracy, pirates or assailing thieves. This exclusion is not applicable to: Coastline of USA and Canada, Gulf of Mexico, Waters of Caribbean Sea.
- 12) Losses or damage caused by your failure to exercise due diligence properly to manage the insured vessel or maintain it in a **seaworthy** condition.
- 13) Unless it is agreed between **us** and **you** in writing, and the appropriate endorsement issued, this insuring agreement does not cover any loss or liability incurred during a race or speed trial or during preparation, setup and/or takedown for a race or speed trial.
- 14) Unless it is agreed between **us** and **you** in writing and upon payment of the additional premium and the appropriate endorsement issued, this insuring agreement does not cover any loss howsoever caused and or any liability incurred whilst the insured sailing vessel hereon is operated by one person only, i.e. "single handed". This exclusion does not apply to operation of the insured vessel without sail(s) aloft within the confines of a marina.
- 15) Coverage will not apply for any loss, damage, injury or loss of life which war declared or not, civil war, insurrection, riot, civil commotion, unlawful assembly, rebellion, revolution or the consequences of any of these.

Section D: Hull and Machinery

- 1) If a sum insured is shown for Hull in the insuring agreement Declaration page, **we** will provide coverage for accidental physical loss of, or damage to the **insured vessel**, which occurs during the period of this insuring agreement and within the limits set out in the declaration page, subject to the insuring agreement provisions, terms and conditions, and exclusions herein.
- 2) Commercial Towing and Assistance: **We** will pay up to the amount of Commercial Towing and Assistance Limit shown on the Declarations Page for the following reasonable costs **you** incur if the **insured vessel** is disabled from a cause other than a covered loss:
 - a. Towing to the nearest facility where proper repairs can be made;
 - b. Emergency labor at the breakdown site; and
 - c. The delivery of fuel, oil, battery, or repair parts (excluding payment for the cost of these items).
- 3) If the **insured vessel** is 15 years of age or over at the commencement of the policy period noted within the insuring agreement declaration page, underwriters will pay, minus your **deductible**, the lesser of the:
 - a. Actual Cash Value at the time of the loss, which is defined herein as replacement cost less depreciation as calculated below. However, in no event shall the depreciated value be less than 20% of the replacement cost of that item.
 - b. Cost of Repair
 - c. Cost of Replacement

This depreciation is not applicable in the event of a Total Loss or **constructive total loss**.

Depreciation Calculation:

- Antifouling paint – 50% per annum
 - Electric components including but not limited to battery chargers, air-conditioning compressors & components, switches, light fixtures, solar charging systems, appliances – 10% per annum
 - Electric Motors – Pumps – 10% per annum
 - Exterior Brightwork / Varnish – 25% per annum
 - Exterior Hull / Deck Gel coat and Paint – 5% per annum
 - Generators, Watermakers, alternators, starter motors – 10% per annum
 - Interior Brightwork / Varnish / Stain – 5% per annum
 - Interior Upholstery, Carpet – 5% per annum
 - Machinery including but not limited to Engines and attached components, transmissions – 10% per annum
 - Masts – 5% per annum
 - Navigational Electronics – 10% per annum
 - Out drives – 10% per annum
 - Outboard engines – 10% per annum
 - Propellers, shafts, bronze rudders – 5% per annum
 - Standing Rigging, Running Rigging, Lifelines – 7% per annum
 - Sails – 7% per annum
 - Exterior Covers – Bimini Tops – Vinyl, etc. 7% per annum
 - Batteries – 15% per annum
 - Inflatable tenders, Life rafts – 5% per annum
- 4) If the **insured vessel** is hijacked and/or **you** are kidnapped while aboard the yacht, **we** will pay for the necessary professional negotiation expenses towards the return of the **insured vessel** or **you**, but only when such expenses are incurred within twenty one (21) days from the hijack or kidnap. The most **we** will pay in any one occurrence for this coverage is \$10,000, unless a different amount is listed on the Declarations Page. This coverage is not subject to a **deductible**.
- 5) In the event the **insured vessel** suffers a loss or damage under this policy within ten (10) days before the start of a fishing tournament and the loss or damage renders the yacht inoperable for the tournament, **we** will reimburse **you** for any entry fees that are not refunded up to an amount of \$10,000 unless a different amount is listed on the insuring agreement declaration page.
- 6) It is understood and agreed that this insuring agreement does not cover loss or damage caused by the theft of the **insured vessel** and/or equipment while stored on a **trailer** unless occasioned by person or persons making forced entry into the locked fenced enclosure, garage or building and by destruction of the ball lock. In order for coverage to apply theft must be accompanied by actual force and/or violence of which there shall be visible marks made by tools, explosives, electricity or chemicals.
- 7) Loss or damage to the **insured vessel** arising from a **Named or numbered windstorm** or **Tropical weather pattern**, as defined by the National Hurricane Center or the National Oceanic and Atmospheric Administration (NOAA), shall be subject to a 10% **deductible** or the hull **deductible** or the windstorm **deductible** listed on the insuring agreement declaration page, whichever is higher. This shall apply to all claims, including actual and/or **Constructive total loss** of the **insured vessel** and will apply to Hull and **Machinery** and Tender claims only.
- 8) Loss or damage to the **insured vessel** relating to/or resulting from a vessel grounding shall be subject to a grounding **deductible** of 4.00% of the Hull Sum Insured or the Hull **deductible** on the declaration page, whichever is greater, and shall apply to all claims including actual and/or **constructive total loss** of the **insured vessel**.
- 9) Loss or damage to the **insured vessel** relating to/or resulting from Lightning Strikes shall be subject to the lightning strike **deductible** notified on the insuring agreement declaration page and shall apply to all claims including actual and/or **constructive total loss** of the **insured vessel**. The maximum sum payable under the policy for losses relating to/or resulting from lightning strike claims will be limited to 15.00% of the Hull Sum Insured notified on the insuring agreement declaration page.
- 10) Payment in the event of the theft of the **insured vessel** shall be subject to a 30-day waiting period from the notification of the theft.
- 11) Reasonable expenses incurred by **you** in attempting to avert or minimise a loss, whilst the **insured vessel** is in immediate peril, covered by this insuring agreement will be paid by us whether successful or not. These will be paid in addition to the sum insured under the Hull section and Personal Property section however **we** will pay a maximum of 80% of such expenses up to the agreed value of the vessel.
- 12) The hull **deductible** shown on the insuring agreement declaration page shall apply to each claim of physical loss or damage under the insuring agreement, including claims for actual and/or **constructive total loss** of the **insured vessel** and claims for expenses incurred in attempting to avoid or minimise a loss covered by the insuring agreement. Motor vessels, subject to theft of the entire vessel, without a GPS Tracker are subject to a 5% hull **deductible** or the standard hull **deductible** or the theft **deductible** listed on the policy declaration page, whichever is highest.
- 13) **We** will pay for loss of or damage to the **insured vessel** while assisting another vessel, which is not owned by **you** or listed on the Declarations Page, which is in imminent danger. **We** will also pay up to \$10,000, unless a different amount is listed on the Declarations Page, for loss of or damage to another vessel while such vessel is assisting **your** yacht while **your** yacht is in imminent danger. **We** will not pay for such loss or damage if **you** or another vessel charge a fee for such assistance. This coverage is not subject to a **deductible**.
- 14) **We** will pay fair and reasonable **salvage charges** incurred by **you** in furtherance of "**your** duties in the event of a loss" as occasioned by a peril covered by this insuring agreement, up to the limit of the sum insured under the Hull section of this insuring agreement.
- 15) While the **insured vessel** is afloat, theft coverage shall exclude theft or mysterious disappearance of equipment or personal property unless occurring in conjunction with theft of the entire vessel or unless there is visible evidence of forcible entry and/or removal; made by tools, explosives, electricity or chemicals.
- 16) While the **insured vessel** is stored on a **trailer**, coverage is restricted to theft of the entire vessel including equipment from a locked garage, locked storage building, or secured and patrolled marina, or a locked fenced enclosure. If secured to

a vehicle the **trailer** must be secured with a **trailer** ball lock.

- 17) Whilst on land, theft coverage is restricted to theft of the entire vessel from a locked garage, locked storage building, secured and patrolled marina, or from such other agreed storage place Yachtinsure underwriters have approved in writing.

Section D: Exclusions

The following additional exclusions apply to Hull and Machinery coverage and coverage is not provided for:

- 1) Damage existing before the inception date of this insuring agreement, whether **you** are aware of the same or otherwise.
- 2) Any damages to the **insured vessel** that are caused by theft, unless the damage was sustained in accordance with the theft terms and conditions set out under Section E
- 3) Damages sustained whilst being transported over land, more than 150 miles from the normal place of storage. Unless specifically agreed between a Yachtinsure underwriter and **you** in writing and upon payment of the additional premium and the appropriate endorsement issued.
- 4) Insurers shall not be liable to pay any claims in respect of Electrical or Mechanical breakdown to the Propulsion **Machinery**. Electrical or Mechanical Breakdown is defined as breakdown, malfunction, failure or derangement of **Machinery** arising from or contributed to by:
 - a. Defect, weakness, inadequacy, fault or unsoundness in:-
 - b. Design, specifications, workmanship or construction.
 - c. Lack of maintenance
 - d. Latent defect.
 - e. Loss of or lack of coolant or lubricant unless due to an insured cause.
 - f. Materials used in construction or repair.

This clause shall not apply to a claim for the total or **constructive total loss** of the **insured vessel**.

- 5) Losses caused directly or indirectly as a result of unrepaired damages to the **insured vessel** caused by an occurrence which took place prior to the inception of the policy
- 6) Loss or damage arising out of the transportation, including, towing, loading or unloading, of the **insured vessel** or tender or dinghy on land, sea or air, by a third party.
- 7) Loss or damage arising out of the towing of the **insured vessels** tender(s) unless specifically agreed in writing by **us**.
- 8) Loss or damage caused by improper and/or faulty maintenance including errors during repair and/or refit.
- 9) Loss or damage caused by or resulting from illegal, criminal, fraudulent or dishonest acts committed alone or in collusion with another by **you**.
- 10) Loss or damage to any towing vessel or dinghy and/or tender while the **insured vessel** is being towed.
- 11) Loss or damage to sails, sail covers, outriggers, external canvases, including but not limited to bimini tops, unless properly removed and stowed. sails, bimini tops and outriggers left in place during a **named windstorm** will be excluded along with any damage associated or caused by the

sails, bimini tops and outriggers and associated frames or rigging.

- 12) Loss or damage to the **insured vessel** as a result of any repair yard lien being enforced, including but not limited to the arrest or detention of the **insured vessel** by any repair yard.
- 13) Losses caused by delay and or loss of use and/or enjoyment of the **insured vessel** and or its equipment.
- 14) Losses caused by or due to: wear and tear, gradual deterioration, corrosion, lack of maintenance, inherent vice, weathering, insects, mould, animal and marine life, wet or dry rot.
- 15) Losses caused directly or indirectly by ice or freezing.
- 16) Manufacturing defects or design defects, but not limited to latent defects regarding any item of equipment of an **insured vessel**.
- 17) Mysterious disappearance is excluded absolutely.
- 18) Osmosis, blistering or electrolysis.
- 19) Outboard motors dropping off or falling overboard.
- 20) The loss of or replacement of fuel or perishable goods that are on board the **insured vessel** at the time of loss.
- 21) Theft of dinghy/tender's outboard motor unless stolen together with the insured dinghy/tender. Mysterious disappearance of the dinghy/tender is excluded.
- 22) Hull and Machinery coverage for Jet Ski(s) is restricted to Total or **Constructive total loss** only of the Jet Ski(s)
 - a. Hull and **Machinery** exclusions, in Section E of this policy, are applicable to Jet Ski(s).
- 23) Unless specifically agreed between a Yachtinsure underwriter and **you** in writing and upon payment of the additional premium and the appropriate endorsement issued, loss or damage caused by or resulting from war, including undeclared or civil war, and war like action by military force, including but not limited to action in hindering or defending against an actual or expected attack by any government, sovereign or other authority using military personnel or other agents is excluded absolutely.
- 24) Unrepaired damage claims if the **insured vessel** is subsequently deemed by us an actual or agreed or **Constructive total loss**, due to an insured peril, during the insuring agreement term.
- 25) Coverage is not provided for loss of income or costs arising from the cancellation of charters, including as a result of the insolvency of agents, and/or any fees arising from the detention/arrest of the **insured vessel**.
- 26) **Your** personal expenses or those of **your family** included but not limited to, cost of **your** own labour, hotel or accommodation costs, travelling expenses, repatriation or evacuation costs, car rentals and communication costs.

Section E: Liability Section

Any amount recoverable hereunder shall form part of the maximum amount recoverable under Section E Liability and within the Combined Single Limit (CSL).

Protection and Indemnity (P&I):

- 1) If a sum insured is shown under the Protection and Indemnity section of the insuring agreement declaration page, **we** will

provide coverage for any sum or sums which **you** become legally liable to pay and shall pay as a result of ownership or covered operation of the **insured vessel**.

- 2) In the event of a collision with a third party vessel, if both vessels are to blame, then, unless the liability of the owners of one or both vessels becomes limited by law, claims under this section shall be settled on the principles of cross liabilities, as if the owners of each vessel had been compelled to pay the owners of the other vessel(s) such as one half or other proportion of the latter's damages as may have been properly allowed in ascertaining the amount payable by or to **you** in consequence of such a collision.

2.1) This principle shall apply in cases where both vessels are owned in part or in whole by **you** and all questions of responsibility and amount of liability between two vessels shall be left to a single Arbitrator.

- 3) The maximum amount recoverable in respect of liability claims shall be the amount shown in the insuring agreement declaration page less the **deductible**; such **deductible** will apply to each Protection and Indemnity (P&I) claim and shall form part of the maximum recoverable under the liability section and within the **Combined Single Limit (CSL)** of this insuring agreement declaration page.
- 4) If a sum insured is shown in the P&I section of the insuring agreement declaration page **we** will pay for **your** liability, as required by the provisions of the Federal Longshore and Harbor Worker's Compensation Act, arising from an occurrence during the policy period and resulting from the ownership, use, or maintenance of **your** yacht.
- 5) **We** will settle or defend as **we** deem appropriate any claims or suits brought against **you**, using attorneys of our choice. Our obligation to settle or defend all third-party liability claims under this insuring agreement ends when the amounts **we** pay for damages, legal expenses, costs, or removal of wreck equals the sum insured under this section of the insuring agreement.

Crew Protection and Indemnity (Crew P&I):

If a sum insured is shown in the "Crew P&I" section of the insuring agreement declaration page **we** will extend this insuring agreement to cover maintenance and cure for and/or Jones Act Liability for US national(s) hired as crew, agreed by Underwriters as detailed in the original signed application or subsequent endorsement. The maximum amount recoverable in respect of crew liability claims shall be the amount shown in the insuring agreement declaration page less the **deductible**; such **deductible** will apply to each Crew Protection and Indemnity (crew P&I) claim and shall form part of the maximum recoverable under the liability section and within the **Combined Single Limit (CSL)** of this insuring agreement declaration page.

Passenger Protection and Indemnity (Passenger P&I):

If a sum insured is shown in the "Passenger P&I" section of the insuring agreement declaration page, **we** will extend this insuring agreement to cover all sums which **you** become legally liable to pay to fare paying passengers or passengers carried under charter as a result of ownership or operation of the **insured vessel**. **We** will settle or defend as **we** deem appropriate any claims or suits brought against **you** using attorneys of our choice. The maximum amount recoverable in respect of Passenger Protection and Indemnity claims shall be the amount shown in the insuring declaration page less the **deductible**; such

deductible will apply Each Passenger Protection and Indemnity (Passenger P&I) claim and shall form part of the maximum recoverable under the liability section and within the **Combined Single Limit (CSL)** of the insuring agreement.

Section E: Exclusions

The following additional exclusions apply to liability coverages and coverage is not provided under insuring agreement for:

- 1) Alcohol/Liquor liability.
- 2) Any claim arising from directly or indirectly caused by or associated with Human T-Cell Lymphotropic Virus type III (HILV II) or Lymphadenopathy Associated Virus (LAV) or the mutants derivatives or variations therefrom or in any way related to Acquired Immune Deficiency Syndrome or any syndrome or condition of a similar kind howsoever it may be named.
- 3) Any claim caused by or resulting from illegal, criminal, fraudulent or dishonest acts by **you** whether expected or intended and irrespective of whether any charges of any type are brought as a result of such acts.
- 4) Any intentional acts by **you**.
- 5) **Bodily injury** or **death benefits** which are required to be or are covered by any State or Federal Act or Statute or any workmans compensatory law and/or statute.
- 6) **Bodily injury** to any person(s) employed by **you**, hired as crew or not unless there is a sum insured shown in the "Crew Protection and Indemnity" section of the insuring agreement declaration page.
- 7) **Bodily injury** to any person(s) employed by **you**, hired as crew or not unless the injury has been reported to **us** within 30 days of the occurrence of the injury.
- 8) **Bodily injury**, illness, disease, death or property damage arising out of any use of Jet Ski(s) of any kind.
- 9) **Death Benefit** to any persons employed by **you**, hired as crew or not.
- 10) Fines or penalties imposed by any State or Governmental agency.
- 11) Liabilities, **medical expenses**, costs, fees or any other related expense whatsoever arising out of illness or injury in any way related to or caused by exposure to the sun or the suns rays either cumulatively or suddenly.
- 12) Liability arising out of the transportation, including, towing, loading or unloading, of the **insured vessel** or tender or dinghy on land, sea or air.
- 13) Liability assumed by **you** under any written and/or oral contract or agreement.
- 14) Liability arising as a result of pollution, including fines or penalties imposed by any state or Governmental agency.
- 15) Liability to fare paying passengers or passengers carried under charter unless there is a sum insured is shown in the "Passenger Protection and Indemnity" section of the insuring agreement declaration page.
- 16) Liability to paid crew unless there is a sum insured shown in the "Crew Protection and Indemnity" section of the insuring agreement declaration page.

- 17) Liability to person(s) from the time they commence to leave the **insured vessel**, until they are back safely on board the **insured vessel**.
- 18) Liability which arises while the **insured vessel** is being transported via **trailer**, except where the **insured vessel** is being hauled out or launched by an insured person.
- 19) Loss or damage to any other vessel caused by the **insured vessel** in so far as the same would have been covered under the Hull and Machinery section of this insuring agreement.
- 20) Punitive or exemplary damages.
- 21) **Your** liability to **your** spouse, or other members of **your family** or persons who reside in **your** household, or their liability to **you**.

Section F: Limited Pollution Coverage

Any amount recoverable hereunder shall form part of the maximum amount recoverable under Section E Liability and within the Combined Single Limit (CSL).

If a sum insured is shown in the "Limited Pollution" section of the insuring agreement declaration page, **we** will extend this insuring agreement to include pollution cover provided that the pollution is caused by an occurrence neither intended or expected by **you** which takes place in its entirety at a specific time and place during the term of this insurance, became known to **you** within forty eight (48) hours of the pollution commencement and is reported to insurers in writing within five (5) days of becoming known to **you**. The maximum amount recoverable for a pollution claim shall be the sum insured shown in the "Limited Pollution" section of the insuring agreement declaration page less the **deductible**; such **deductible** will apply to each pollution claim.

Section G: Medical Payment Coverage

Any amount recoverable hereunder shall form part of the maximum amount recoverable under Section E Liability and within the Combined Single Limit (CSL).

If a sum insured is shown under the Medical Payments section of the insuring agreement declaration page, **we** will pay reasonable **medical expenses** only necessary due to accidental **Bodily injury** of third parties, incurred whilst embarking, disembarking or on-board the **insured vessel**. These expenses must be incurred within one year from the date of the accident and will reduce any amount payable under the Protection and Indemnity section of the insuring agreement, arising from the same occurrence.

- 1) This coverage will be excess over any other applicable insurance.
- 2) Any sum insured under this section is our maximum liability for all claims arising from any one event, regardless of the number of persons involved.
- 3) The maximum amount payable shall be the amount shown on the insuring agreement declaration page, less the applicable **deductible** shown.
- 4) Any payment(s) made by **us** under this section is not an admission of liability by **us**.

Section G: Exclusions

The following additional exclusions apply to Medical Payment coverage and coverage is not provided for:

- 1) "**Bodily injury**" or "**property damage**" that arises out of an illegal or criminal act of an insured including, but not limited, to illicit transportation or trade.
- 2) "**Bodily injury**" that arises out of the transmission of a communicable disease by an "insured."
- 3) "**Bodily injury**" that arises out of the use, sale, manufacture, delivery, transfer, or possession by any person of Controlled Substances as defined by the Federal Food and Drug Law at 21 U.S.C. Sections 811 and 812, including any amendments. Controlled Substances include, but are not limited to, cocaine, LSD, marijuana, and all narcotic or hallucinogenic drugs.
- 4) Abuse that results in **Bodily injury** or psychological injury whether or not accompanied by physical injury. Abuse includes but is not limited to: a) actual, alleged or threatened sexual molestation; b) corporal punishment; or c) physical or mental abuse.
- 5) Anyone injured while the **insured vessel** is being transported, hauled out or launched, or while undergoing repair.
- 6) Liability to person(s) (including divers) operating from the **insured vessel**, from the time they commence to leave the **insured vessel** until they are back safely onboard the **insured vessel**.
- 7) Responsibility assumed under any contract or agreement regardless of whether written or oral.
- 8) Trespassers on the **insured vessel** or injuries arising from any illegal and/or unlawful activity.
- 9) **You**, **your** spouse, or other members of **your family** or persons who reside with **you**, or **your** employees or anyone that is or should be covered under a State, Provincial or Federal Act or Statute of any jurisdiction or country.

Section H: Uninsured Boaters Coverage

Any amount recoverable hereunder shall form part of the maximum amount recoverable under Section E Liability and within the Combined Single Limit (CSL).

- 1) If a sum insured is shown under the "Uninsured Boaters" section of the insuring agreement declaration page, **we** will provide coverage for any sums which **you** are legally entitled to recover from a third party vessel owner or operator, but which cannot be recovered after **your** diligent effort to recover from any third party vessel owner or operator, either because they have no marine liability insurance and no realisable assets, or they cannot be identified, such as a hit-and-run operator.
- 2) The **deductible** shown in the insuring agreement declaration page shall apply to each claim made under this section of the insuring agreement.
- 3) The sum insured in respect of this coverage is our maximum liability for all uninsured boater claims regardless of the number of people involved and/or the number of claims made.

Section H: Exclusions

The following additional exclusions apply to Uninsured Boaters coverage and coverage is not provided for:

- 1) Claims settled without our prior written consent.
- 2) Loss due to a vessel operated or owned by **you**.
- 3) Loss due to a vessel which has qualified under any governmentally approved self-insurance plan.
- 4) Loss due to an uninsured vessel which is a Government vessel.
- 5) Loss where no physical damage to **your** insured property exists, evidencing collision.
- 6) Loss excluded under any other sections of this Insuring agreement.
- 7) Loss where no written report has been made to the Police, Coast Guard or any appropriate authority, of the loss/occurrence and its circumstances, such report to be submitted to Insurers.

Section I: Trailer Coverage

- 1) If a sum insured is shown under the "**Trailer**" section of the insuring agreement declaration page, **we** will provide coverage for accidental physical loss of/or damage to the **trailer** if it is used exclusively for the transportation of the **insured vessel** insured under the insuring agreement.
- 2) Claims will be paid up to the limit of the sum insured, on the basis of the actual cost of repairing or replacing the **trailer** with a **trailer** of like kind and value.
- 3) Reasonable expenses incurred by **you** in attempting to avert or minimise a loss covered by this insuring agreement will be paid by us, whether such attempts are successful or not. These will be paid in addition to the sum insured under the **trailer** section without application of the **deductible** shown in the insuring agreement declaration page, but only up to 80% of such expenses.
- 4) Theft of the **trailer** is covered if the **trailer** is stolen from a marina, locked garage or locked storage building, or from such other storage place and subject to such storage conditions as **we** have prior approved in writing.
- 5) The **deductible** shown in the insuring agreement declaration page shall apply to each claim under the insuring agreement except for claims for actual or **constructive total loss** of the **insured vessel** plus the **trailer** and claims for expenses incurred in attempting to avoid or minimise a loss covered by the insuring agreement.

Section I: Exclusions

The following additional exclusions apply to Trailer coverage and coverage is not provided for:

- 1) Damages sustained whilst being transported over land, more than 150 miles from the normal place of storage. Unless specifically agreed between a Yachtinsure underwriter and **you** in writing and upon payment of the additional premium and the appropriate endorsement issued.
- 2) Losses caused by or due to wear and tear, gradual deterioration, lack of maintenance, inherent vice, weathering, insects, mould, animal and marine life, wet or dry rot.
- 3) Losses caused directly or indirectly by ice or freezing
- 4) Losses resulting from exceeding the manufacturers recommended maximum load or speed specifications.
- 5) Manufacturing defects or design defects, including latent defects.
- 6) Marring, scratching or denting.
- 7) Tyre damages.

Section J: Personal Property Coverage

- 1) If a sum insured is shown under the "**Personal property**" section of the insuring agreement declaration page, **we** will provide coverage for direct loss or damage to **personal property** from any accidental cause, whilst the property is on-board, being loaded onto, or unloading from the **insured vessel**.
- 2) **We** will pay for loss of or damage to **your** fishing tackle and that of **your** guests and **your** crew arising from an occurrence while the fishing equipment is on board **your** yacht. However, **we** do not cover any loss if such fishing tackle is lost or misplaced. **We** will pay up to \$10,000, unless a different amount is listed on the insuring agreement declaration page, for any one occurrence for the reasonable cost to repair or replace fishing tackle with like kind and quality. The coverage under Fishing Tackle is subject to a \$250 **deductible**.
- 3) **We** will provide up to \$2,500 per occurrence for the theft of firearms from on board the **insured vessel**, which are owned by a covered person. This coverage does not apply if the firearms were illegally obtained or were confiscated by a government unit. This coverage is not subject to a **deductible**.
- 4) Theft losses shall only be recoverable in accordance with the conditions detailed under the Hull and machinery Section of the insuring agreement declaration page. Our maximum liability in respect of all claims arising from one event is the amount of the sum insured and our maximum liability for any one item; pair or set is \$5,000.
- 5) Claims will be settled on the basis of **actual cash value** of **personal property**, less the **deductible** shown in the insuring agreement declaration page.

Section J: Exclusions

The following additional exclusions apply to Personal Property coverage and coverage is not provided for:

- 1) Breakage of articles of a brittle nature unless caused by the vessel being stranded, sunk, burnt, on fire, or in collision or by stress of weather, burglars or thieves.
- 2) Fishing gear which is permanently affixed to the **insured vessel**, unless the **insured vessel** shall become an actual or **constructive total loss**.
- 3) Fishing nets, pots and/or traps.
- 4) Loss of water-skis or diving equipment, unless as a result of fire, or theft following forcible entry, or a total loss of the **insured vessel**.
- 5) Money, cameras, jewellery, watches, traveller's cheques or any form of paper of value, furs, china, glass and silverware, antiques, collectibles, mobile/cell phones, computer software or computer hardware (including lap-top computers).
- 6) Wear and tear, gradual deterioration, inherent vice, corrosion, damage due to changes in humidity or temperature or mechanical or electrical failure.

Section K: Hurricane Haul Out Coverage

In the event that any National Weather Service issues a Tropical Depression, Tropical Storm or Hurricane watch or warning for the

area where the **Insured vessel** is located, we will share equally (50%) with you the reasonable expenses you incur to:

- a) Have the **Insured vessel** hauled out of the water, stored until the watch or warning has ended and then launched in the same general area; or
- b) Have the **Insured vessel** moved to a safe harbour outside of the predicted path of the **Named Windstorm**, including any docking or/mooring fees, towing costs, fuel costs and/or travel expenses of professional captains and/or crew members. Section E Exclusions are applicable to any captain(s) and/or crew member(s) utilised.

Expenses for the acquisition of lines, anchors and additional equipment to secure the **Insured vessel** are not included in this coverage. The most **we** will pay for any one Tropical Depression, Tropical Storm, or Hurricane is \$1,000 per occurrence and for any one policy period is \$2,000 regardless of the total number of Tropical Depressions, Tropical Storms or Hurricanes. PROPERTY DAMAGE COVERAGE DEDUCTIBLE AMOUNT does not apply to this coverage.

It is noted that the above limits are doubled for vessels with a hull sum insured value of \$1,000,000 or greater.

Section L: General Conditions and Warranties

- 1) It is warranted that the **insured vessel** is in **seaworthy** condition as of the date of inception of the policy.
- 2) This insuring agreement incorporates **your** entire application for insurance and it constitutes the entire contract between **us**. At **your** request, various provisions of this insuring agreement may be varied but only with **our** prior written approval and agreement.
- 3) This policy contains all of the agreements between **you** and **us**. The terms may not be changed or waived except by endorsement both agreed and issued by **us**.
- 4) The entire policy will be **VOID** if, in connection with this policy or **your** insurance application, whether before or after a loss, occurrence or event, any named insured or operator has:
 - 2.1 Misrepresented or failed to disclose any material fact or circumstance or made any false statement related to this insurance:
 - OR
 - 2.2 Engaged in fraudulent conduct
- 5) **You** expressly warrant that the **insured vessel** and/or tender and/or dinghy will be confined to the navigational territory as shown on the Declaration page. This warranty applies to all insureds/operators. If a certain area or island is listed as excluded within the **navigational limits** section of the declaration page, the **insured vessel** must not travel within the area or island's territorial waters defined as being 12 nautical miles from the shoreline.
- 6) If at the time of loss, there is any other applicable and valid insurance, any insurance provided by this policy will be deemed excess over any other valid and collectable insurance.
- 7) If ownership or beneficial ownership of the **insured vessel** listed on the policy declaration is transferred to a third party, the policy automatically cancels effective on the date and time of transfer and pro-rata return premium will be allowed subject to Yachtinsure cancellation terms.
- 8) This policy applies only to a covered loss, occurrence or event during the policy period as notified on the Declaration page.
- 9) This insuring agreement does not cover any loss or damage, which occurs after the expiration of its term. However, if **you** have been at sea in the **insured vessel** for at least 24 hours and this insuring agreement expires other than due to cancellation, **you** may renew or reinstate the insuring agreement at such time as the **insured vessel** arrives safely at its next port of call and for a further 24 hours thereafter, provided that **you** contact us during that 24 hours and make the necessary arrangements required by us to renew or reinstate the insuring agreement.
- 10) This insuring agreement may be cancelled by either **you** or by us at any time, subject to 10 days prior written notice. If it is cancelled by us, **we** will pay **you** a pro rata return of premium. If **you** cancel it, **we** shall pay **you** a short rate return of premium calculated as pro rata less 10%. However, if the policy is cancelled within the first 60 days, 25% of Premium will be deemed as fully earned. Cancellations due to sale of the **insured vessel** or non-payment of the due premium are deemed to be cancellations by **you**.
- 11) In the event of a claim under this insuring agreement the premium is deemed as being fully earned.
- 12) No claim can be accepted unless the due premium for the policy of insurance has been received by Yachtinsure.
- 13) It is hereby agreed that **your** brokers or any substituted brokers (whether surplus lines approved or otherwise or duly licenced to act as **your** insurance agent, broker or intermediary or not), shall be deemed to be exclusively the agent(s) of **you** and not of us in any and all matters relating to, connected with or affecting this insurance. Any notice given or mailed by or on behalf of us to the said brokers in connection with or affecting this insurance, or its cancellation, shall be deemed to have been delivered to **you**.
- 14) **We** need not accept or pay for any property abandoned by **you**. At our option however **we** are entitled to the salvage value of any property or equipment where **we** have settled a claim in full under this insuring agreement, in respect of such property or equipment.
- 15) If **you** give up **your** rights or our rights to recover damages from any third party who may be liable to **you**, denying us the benefit of the right of recovery, payment of any admissible loss under this insuring agreement shall be reduced by the amount **we** have been denied.
- 16) If **we** take steps to protect the damaged or endangered property, this action does not constitute acceptance of abandonment of that property by us.
- 17) Unless **we** agree in writing to the contrary, if **we** request a survey of the **insured vessel** then such survey must be received by us at the time of policy inception. If the survey contains any recommendations with respect to the **insured vessel**, then it is warranted that all such recommendations are completed prior to any incident that may give rise to a claim hereunder, by skilled workmen using fit and proper materials and that **you** have signed a compliance form to that effect.

- 18) The **insured vessel** shall be valued at the agreed valuation shown in the insuring agreement declaration page or on any endorsement thereto issued by us.
- 19) If the hull is made in whole or in part of plywood, fibreglass, metal or other material of similar nature its repair shall be made by applying suitable patches to the damaged hull area in accordance with generally accepted good repair practice. It is a condition of this insurance, in respect of any damage occurring to the vessel or any of its parts, components or fittings which requires replacement of planking or wood, structural or non-structural, insurers have the option to elect any such damage be repaired using any suitable alternative hardwood or softwood.
- 20) This insuring agreement does not cover the cost or expense of painting or impregnating colour beyond the immediate damaged area or areas. Payment for any hull paint repairs is limited to a patch repair, regardless of whether the colour can be matched with a previous paint work. It is **our** best intention to find a close as possible match in the paint, however insurers are not liable for painting or impregnating colour beyond the immediate area of damage.
- 21) No suit or action on this insuring agreement for the recovery of any claim will be sustainable in any court of law or equity, unless **you** have fully complied with all the requirements of this insuring agreement, nor unless commenced within one (1) year from the date of the happening or the occurrence out of which the claim arose. However that where such limitation of time is prohibited by law or statute wherein this Insuring agreement is issued, then, and in that event, no suit or action under this Insuring agreement shall be sustainable unless commenced within the shortest limitations permitted under such law or statute.
- 22) Unless specifically agreed by us in writing, it is hereby understood and agreed that that this policy be subject to the exclusive jurisdiction of USA federal courts and to USA law and practice.
- 23) Neither this insuring agreement nor any document issued pursuant to this insuring agreement shall confer any benefits on any Third Parties. No Third Party may enforce any term of this insuring agreement or any provision contained in any document issued under this insuring agreement.
- 24) It is warranted an **insured vessel** insured as a bareboat charter vessel shall be rented to others subject to a bareboat charter agreement that shall include an "Indemnification and Hold Harmless" agreement in favour of insurers. Failure to provide such "Indemnification and Hold Harmless" protection for insurers in writing shall be grounds to avoid a claim under this policy.
- 25) Where a lay-up period has been specified within the insuring agreement declaration page, it is warranted that the **insured vessel** will not be used, navigated or utilised, in any manner whatsoever, during the dates so specified. This includes, but is not restricted to, living on board the **insured vessel**.
- 26) The Contracts (Rights of Third Parties) Act 1999 is hereby expressly excluded from the insuring agreement herein, including any other document issued pursuant thereto.
- 27) It is warranted that if the policy declaration allows captain charter then the **insured vessel** must have an appropriately licenced captain, approved by Yachtinsure underwriters, operating at all times whilst under charter operations.
- 28) Unless agreed by us in writing to the contrary It is warranted that there is to be a minimum of two experienced persons, approved by Yachtinsure, aboard motor vessels of 65' or above at all times whilst navigating.
- 29) It is warranted that the **you** comply with the hurricane preparation plan agreed by Yachtinsure Underwriters. Non-compliance may result in a denial of claim.
- 30) Unless specifically agreed between a Yachtinsure underwriter and you in writing, in the event of non-payment of premium within the specific timeframe coverage is suspended absolutely until full payment has been received by Underwriters.
- 31) If a certain area or island is listed as excluded within the **navigational limits** section of declaration page **insured vessel** must not travel within the area or islands territorial waters defined as being 12 nautical miles from the shoreline.
- 32) In the event of a fire loss onboard a motor yacht, not caused by any external factors, in date fire protection certificates must be available for underwriters review.
- 33) When a policy provision conflicts with the law of the state in which this policy is issued, the minimum requirements of the state law will automatically apply in place of such provision.

MISREPRESENTATION, CONCEALMENT OR FRAUD: The coverage provided by this policy is solely dependent on the statements made on the application. If you or any insured/operator conceals or misrepresents any material fact or circumstance, whether before or after a loss, this policy is VOID and you will no longer be protected by it.

Failure to comply with any warranty will void this policy from inception

Section M: Claims

If **you** need to make a claim, **you** should immediately contact **us** or **your broker** by:

Phone: **+44 20 7469 1580**

0844 445 4790 (UK Dedicated Claims Line)

(+1) 844 445 4790 (USA Dedicated Claims Line)

Email: **claims@yachtinsure.uk.com**

Fax: **+44 20 7283 0314**

Or In writing to us; **FAO: Claims Manager, Yachtinsure Ltd, 33 Creechurch Lane, London, EC3A 5EB UK**

- 1.1 **You** must notify **us** or **your** broker no later than 48 hours after which an incident has occurred that may give rise to a loss under this insurance policy, regardless of whether the intentions to file a claim are unclear, to provide insurers the time and opportunity to assess the claim.
- 1.2 In the event of an incident involving a third party or a third-party vessel, a master's protest or notification of claim must be provided with as much detail as possible, within 48 hours of the incident occurring. All information and details

surrounding the incident, as known at that point in time, must be passed on to insurers within the master's protest.

We will not pay for any claim presented after one year from the date of loss or date on which the damage occurred.

If **you** give up **your** rights or our rights to recover damages from any third party who may be liable to **you**, denying us the benefit of the right of recovery, payment of any admissible loss under this insuring agreement shall be reduced by the amount **we** have been denied.

In the event of a claim no repair works can be instructed without the express written consent by **us**.

Once a claim is agreed in writing, by means of a formal final release and indemnity agreement being signed and agreed by all parties, **we** will begin the payment process, which may last as long as 30 days subject to, but not limited to, Sanctions, Regulatory, Anti-Money Laundering and Compliance Checks.

We have the right to settle any physical loss or damage claim under this insuring agreement, either by making payment to **you** of the estimated loss agreed between **you** and **us**, or by making repairs or replacements, like with like, for **your** lost or damaged property.

We may choose to appoint an expert to investigate the claim. Unless expressly stated otherwise, the expert is there to obtain information for **us** surrounding the loss, and advise on fair and reasonable repair and salvage of the **insured vessel**. Their immediate advice and actions are in the best interest of the **insured vessel** suffering the loss, and nothing they advise can or should be construed as acceptance of the claim or confirmation of coverage.

We need not accept or pay for any property abandoned by **you**. At our option however **we** are entitled to the salvage value of any property or equipment where **we** have settled a claim in full under this insuring agreement, in respect of such property or equipment.

Section N: Your Non-Delegable Duties in the Event of a Loss

- 1) Immediately take all possible steps to minimise the loss and protect the **insured vessel** from further loss or damage. Failure to do so may invalidate **your** insurance coverage or reduce the amount of any claim that may be payable hereunder.
- 2) Comply with any reasonable request made of **you**, by **us** with regard to the loss, including but not limited to an Examination Under Oath.
- 3) Advise the Police, Coast Guard, or any appropriate authority of the loss and its circumstances.
- 4) Give **us** an opportunity to examine the damaged property before it is moved, repaired and/or discarded.
- 5) Submit a claim form and sworn signed statement if requested, describing the loss, together with two estimates of repair cost and/or records to substantiate the amount of the loss.
- 6) Neither assume any obligation, nor admit liability without **our** express written permission to do so.
- 7) Immediately forward to **us** any legal papers or notices received in connection with the loss.

- 8) Co-operate with **us** in the investigation, defence or settlement of any loss and agree to be examined under oath if **we** so request
- 9) Allow examination by physicians of **our** choice, if requested.
- 10) Assist **us** in obtaining copies of medical records and reports, if requested.
- 11) Provide **us** a proof of loss and discharge of liability once the amount of the claim under this insuring agreement has either been agreed with **you** or paid in full by **us**.
- 12) Preserve **your** right of recovery from others. When **we** pay a loss, **your** right to recover becomes **ours** up to the amount of **our** payment together with any legal fees and expenses. **You** must also co-operate with **us** to recover the losses **we** may pay. Any amounts recovered from others belong to **us** up to the amount of **our** payment along with possibly **our** legal fees and expenses.

Section O: Additional Clauses and Exclusions Refit, Repair and Hot Work Clause

It is a condition of this policy that **you** will, whenever the Vessel is contracted to undergo any refit, repair or hot work:

- 1) Give advance notice of arrival at yard or commencement of works
- 2) Ensure the yard and/or other contractors carry current and operative liability insurance indemnifying the yard and/or others in respect of all liabilities towards **You** and the **insured vessel** up to at least the lesser of the Insured Value of the Vessel and provide evidence of such coverage to us in the form of a copy of the relevant valid insurance certificate
- 3) Ensure the yard and/or other contractors impose no contractual exclusion(s) or limitation(s) of liability, nor any waiver or other limitation(s) of our subrogated rights of recovery

Provided **we** are given notice in accordance with (1) above, **we** may at our discretion, waive (2) and/or (3) above on terms to be agreed.

Institute Radioactive Contamination, Chemical, Biological, Bio-Chemical and Electromagnetic Weapons Exclusion Clause CL 370 10/11/2003

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.

Institute Cyber Attack Exclusion Clause CL 380 10/11/2003

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by 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 or process or any other electronic system.
- 1.2 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, Clause 1.1 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.

of the European Union, United Kingdom or United States of America.

Sexual and/or Physical Abuse and Harassment Exclusion

This insurance does not apply to any injury sustained by any person arising out of or resulting from:

1. Sexual and/or Physical Abuse or Harassment by any person whosoever, regardless of degree of culpability or intent and whether the acts are alleged to have been committed by the insured or any representative, officer, agent, servant or employee of the insured or by any other person; or
2. Any actual or alleged negligent act or omission in the:
 - 2.1 Employment;
 - 2.2 Investigation;
 - 2.3 Supervision;
 - 2.4 Reporting to the proper authorities or failure to so report; or
 - 2.5 Retention of a person for whom the insured is or ever was legally responsible, which results in Sexual and/or Physical Abuse; or
 - 2.6 Any actual or alleged negligent act or omission in the prevention or suppression of any act of Sexual and/or Physical Abuse or Harassment.
 - 2.7 Sexual and/or Physical Abuse or Harassment are defined as sexual or physical injury or abuse, including but not limited to assault and battery, negligent or deliberate touching, corporal punishment and verbal, mental or emotional abuse or harassment of any person.

OPA Disclaimer Clause

Oil Pollution Act 1990 Disclaimer – This Policy of Insurance or an Endorsement hereto is evidence only of the contract of indemnity insurance between the 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 that the Insurer thereby consents to act as guarantor or to be sued directly in any jurisdiction whatsoever, the Insurer does not so consent.

Sanction Limitation and Exclusion Clause

No (re)insurer shall be deemed to provide cover and no (re)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 (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations

Communicable disease exclusion

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

This insurance excludes coverage for:

- 1) any loss, injury, damage, liability, cost, or expense directly or indirectly arising from the actual, alleged, or suspected transmission or existence of a "Communicable Disease" or the substance or agent that causes the "Communicable Disease";
- 2) any liability for, or loss, cost, or expense incurred to identify, detect, prevent, clean up, detoxify, remove, eliminate, neutralize, monitor, or test for a "Communicable Disease" or the substance or agent that causes the "Communicable Disease";
- 3) any liability for, or loss, cost or expense arising out of, any loss of revenue, loss of hire, diminution of value, business interruption, loss of market, delay or any direct or indirect financial loss, howsoever described, as a result of, or relating to a "Communicable Disease" or the substance or agent that causes the "Communicable Disease";
- 4) any fines, penalties, or punitive or compensatory damages as a result of, or relating to (1), (2), or (3) above.

DEFINITION

“Communicable Disease” means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

U.S. Economic and Trade Sanctions Clause

Whenever coverage provided by this policy would be in violation of any U.S. economic or trade sanctions such as, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), such coverage shall be null and void. Similarly, any coverage relating to or referred to in any certificates or other evidences of insurance or any claim that would be in violation of U.S. economic or trade sanctions as described above shall also be null and void.

Section P: Mandatory Non-Binding Mediation

With respect to any dispute concerning coverage or loss owed pursuant to this insuring agreement **you** agree to submit such dispute in the first instance to mandatory non-binding mediation. Such mediation shall be a condition precedent to any litigation between **you** and **us**. The location of the mandatory mediation shall be at a site mutually agreed on by **you** and **us** and neither shall unreasonably withhold such agreement. The withholding of agreement to non-binding mediation in the city where the policy was delivered or the loss occurred shall be presumptively unreasonable and good cause must be shown for the withholding of such agreement. If the parties cannot agree on a location for the mediation, it shall take place in the jurisdiction where the loss occurred.

The cost of the mediation shall initially be borne equally by **you** and **us**. The ultimate cost may be the subject of negotiation during the mediation. If the mediation is unsuccessful, it is agreed that the cost of the mediation shall be taxed as a court cost in any subsequent litigation.

The parties shall mutually agree on a mediator. If no mutual agreement is reached, then the insured shall have the right to select the mediator, from the society of arbitration, provided that he initially bears the full cost of the mediation, If the insured is unwilling to initially bear the full cost of the mediation in exchange for the right to select the mediator, then the same right shall pass to the insurer(s).

The insurer has the right to obtain an Examination Under Oath of the insured before any mediation takes place.

Mediation shall take place within thirty (30) days of demand by either **you** or **us** provided a satisfactory proof of loss has been

previously furnished and any requested Examination under Oath has been completed. If the insured makes a demand for mediation before both satisfactory proof of loss and any requested Examination Under Oath have been completed, then mediation shall take place within thirty (30) days from the determination of coverage and any requested Examination Under Oath.

The mediation shall be subject to a standard mediation confidentiality agreement.

US Litigation:

If mandatory non-binding mediation is unsuccessful, then it is hereby understood and agreed that the resulting dispute as to coverage or loss owed is to be subject to the sole and exclusive jurisdiction of the United States District Court for the district within which the policy was delivered.

It is further understood and agreed that in the event that mandatory non-binding mediation is unsuccessful and resort is had to litigation in the federal district court for the district within which the policy was delivered, then the coverages issue(s) on any and all such litigation between **you** and **us** is to be resolved by reference to the well-established, entrenched principles of the federal maritime law of the United States. Only in the event that there is no such well-established, entrenched principle(s) of federal maritime law of the United States then only then shall the dispute as to coverage or amount be resolved according to the applicable law of the State of New York.

Service of Suit Clause (U.S.A):

This Service of Suit Clause will not read to conflict with or override the obligations of the parties to arbitrate their disputes as provided for in any Arbitration provision within the Policy. This Clause is intended as an aid to compelling arbitration or enforcing such arbitration or arbitral award, not as an alternative to such Arbitration provision for resolving disputes arising out of this contract of insurance

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon:

Mendes and Mount 750 Seventh Avenue, New York. 10019

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or any Appellate Court in the event of an appeal

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof

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Section Q: How to Make a Complaint

If **you** are unhappy with any aspect of the handling of **your** insurance or claim, please contact **us** at the following address:

***Yachtinsure Ltd,
33 Creechurch Lane,
London, EC3A 5EB UK,
Phone +44 20 7469 6190 or email
complaints@yachtinsure.uk.com***



YACHTINSURE