

POLICY OF INSURANCE

Edition 10/17

The insurance policy between you and Yachtline is laid out in the following documents:

- ❖ **Your Certificate of Insurance, which lays out the details, extent and amount of cover that is specific to your own policy with Yachtline.**
- ❖ **Your Policy Wording, which defines in detail all the terms of Yachtline's normal contract of insurance, and which when taken together with your certificate forms the policy.**
- ❖ **Your terms of business agreement, which lays out your business relationship with Yachtline, and covers such matters as the service we provide, your responsibilities, cancellation and premium payment terms.**

PLEASE KEEP THESE DOCUMENTS SAFE.

We have prepared your policy on the basis of information we have been given by you or your broker. Please read your Certificate of Insurance carefully to ensure that the information it contains is accurate and that the policy we offer satisfies your demands and needs for insurance. If this information is not accurate a claim may not be covered.

If any of the information or facts you have given us change during the period of insurance you must tell us immediately, since if underwriters are not aware of such changes and your cover is no longer accurately described, a claim may not be covered.

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A SUMMARY OF THE KEY FACTS

This is a Summary for your help and is **NOT** part of the Contract of Insurance

keyfacts®

Yachtline is authorised and regulated by the Financial Conduct Authority. Yachtline is permitted to carry out non investment insurance contracts as an intermediary. Yachtline's FCA register number is 312927.

We are covered by the Financial Services Compensation Scheme as laid out in our Terms of Business Agreement.

Yachtline's Policy normally runs for a period of twelve months. If your Vessel was professionally built and properly maintained the Policy covers you and your Vessel and your passengers for loss or damage arising from:

- 1 external accident
- 2 grounding
- 3 accidental sudden water incursion
- 4 accidental or malicious removal or damage to gear attached to your craft
- 5 theft and malicious damage
- 6 fire

WHEN

- 1 you are using the Vessel for the purposes and in the waters as shown in your certificate
- 2 the Vessel is afloat at moorings as shown in your certificate
- 3 the Vessel is ashore for storage or maintenance as shown in your certificate
- 4 the Vessel is laid up as shown in your certificate

Unless otherwise specified, Yachtline's policy will normally cover you for:

1. Salvage or wreck recovery costs and the legal costs (*section 4*).
2. Claims made against you by passengers or other third parties up to the value shown in your certificate (*section 5*).
3. Personal effects on your Vessel to a value shown in your certificate. No single item valued in excess of USD 500 is covered unless you have shown it separately (*section 9*).

Yachtline's Policy is normally subject to a Deductible in each section-that is to say the first amount of any loss which we have with you we will deduct when we pay your claim.

These Deductibles are shown in your certificate. In the event of a total loss, we will not apply a Deductible, and when a claim affects more than one section only one Deductible being the highest will be applied.

Yachtline's Policy excludes the following significant events

- 1 malicious damage by you or your passengers (*see section 2*)
- 2 wear, tear and general deterioration (*see section 4*)
- 3 mechanical failure or damage to machinery that was not caused by an accident to the Vessel itself (*see section 4*)
- 4 losses caused by your Vessel not being seaworthy or sailing during the laid up period (*see sections 4 and 1*)
- 5 sails or protective covers split or blown away by wind (*see section 4*)
- 6 cash, credit cards, or high value items as personal effects unless specified (*see section 9*)
- 7 losses to masts, spars, sails and rigging whilst racing (unless specifically covered in your certificate) (*see section 12*)
- 8 third party liability whilst in maintenance or road transit (*see sections 1 and 8*)
- 9 named windstorms (*see sections 1 and 13*)

In order to keep the Policy valid, you must observe the following conditions

- 1 maintain the Vessel and its gear in seaworthy condition
- 2 exercise due care and diligence in using the Vessel, and in safeguarding it
- 3 notify Yachtline of all that we need to know to evaluate the risk
- 4 you must not admit liability to a third party without our agreement
- 5 notify us or your broker of any potential claim as soon as possible
- 6 the conditions laid out in this Policy of insurance.

You have the right to cancel this Policy within fifteen days of receiving the Policy documents, and providing you inform us of this within the fifteen days we will refund the entire premium, although you may be charged a proportion of our fees. If you wish to cancel your Policy. Please inform us in writing or by email returning your certificate of insurance. Any premium refund will be at our discretion. For details see our Terms of Business Agreement.

If you need to make a claim, see section 3.

Yachtline contact details are;

Yachtline Limited, 8 Holyrood Street, London SE1 2EL

Telephone 44 (0)20 7403 3884 Email yachtline@yachtline.co.uk

We operate a complaints procedure which is laid out in our Terms of Business Agreement.

TERMS OF BUSINESS AGREEMENT

Introduction

Yachtline is pleased to welcome you aboard as our customer. We will do everything we can to assist you during the time you hold a Policy of insurance provided through our agency. This section sets out the basis on which we will provide our services to you and clarifies our regulatory status. It also contains certain responsibilities that you have to us and to insurers.

We specifically draw your attention to the following headings below which set out what you must do to ensure that this Policy provides you with the insurance protection you need:

- 1 Your proposal form and your demands and needs for insurance cover
- 2 Your responsibilities
- 3 Policy documentation

The Financial Conduct Services Authority (FCA) UK Insurance regulator

Yachtline is authorised and regulated by the FCA and our FCA register number is 312927. We are permitted to carry out non-investment insurance contracts as an intermediary. For more information go to www.fca.gov.uk/register or call + 44 (0)20 7066 1000.

Yachtline's Service as Intermediary

Yachtline acts as agent for a limited number of insurance companies, and is authorised by these organisations to provide policies of insurance for pleasurecraft. In providing you with this Policy we do not seek to recommend our own Policy over other policies available, but rather to provide you with sufficient information for you to make an informed choice between our Policy and those available from other insurers. Since we do not offer the whole range of policies available on the market, we are not in a position to advise or recommend which Policy of the range available you may wish to take up.

If you wish to take up a Yachtline Policy of insurance, we will do everything we can to assist you in maintaining and operating your Policy.

We are authorised to collect premiums and claims funds on behalf of the insurers for whom we act. Should we be unable to meet our financial obligations, your rights to make claims against those insurers will not be affected.

Ownership

Yachtline Limited is 90% owned by Sinclair Robertson Ltd & Co. Ltd.

Premium Indications

If you wish to consider insuring with Yachtline, we will send you a premium indication, which will tell you the total price to be paid including any fees, taxes or other adjustments.

Premium indications are not legally binding. Their purpose is to advise you of the terms insurers will consider if you wish to insure with Yachtline.

Premium indications may be valid for a specified period and may be subject to requests for additional information as required by insurers. Consequently, premium indications may change to reflect additional information or changes in circumstances, both in terms of the amount payable, and/or the terms and conditions that are applied.

Payment

Full payment of premium, fees, taxes and other charges is due within 15 days of cover commencing unless otherwise specifically agreed.

Renewals

If you are already insured by Yachtline we will send you a renewal quotation at least twenty-one days before your policy expires. **The renewal quotation will be based on the information we hold about your policy, and we ask you to read it to ensure this information is correct. You must use reasonable care to ensure that you inform us of any changes that may have occurred, and not to make any misrepresentations in the information you give us. If you fail to disclose any information to your insurers that they have asked for, or any changes to the information they hold, this could invalidate your insurance.** The renewal quotation is not legally binding - it informs you of the terms the insurer will consider if you wish to insure through Yachtline. If you wish to renew your policy, please confirm that the renewal quotation has the correct information on it and that the cover conforms to your demands and needs for insurance. To ensure cover is continued, you must settle your premium to Yachtline within fifteen days of renewal date.

Your Proposal Form and Your Demands and Needs for Insurance Cover

The information we have received from you is detailed in your Proposal Form. Included in the Proposal Form is a statement setting out what we understand to be your demands and needs for insurance cover. This statement is there to help us understand what cover you need, and for you to understand what cover we can provide.

When we cannot meet all of your demands and needs, we will draw this to your attention as soon as we can. We will show on your Proposal Form and demands and needs statement any cover you have asked for that we have not been able to provide.

The Proposal Form and demands and needs section have been compiled from information you have given us, or from our record of your existing policy.

To ensure that we have correctly recorded this information and understood your demands and needs for insurance cover please read it through very carefully and ensure that it is accurate and correct. If there is any incorrect information, or if we have failed to record one of your demands or needs please let us know immediately.

Your Responsibilities

Under the Consumer Insurance (Disclosure and Representations) Act 2012, when you are asked for information you must use reasonable care not to make a misrepresentation in your answer because if you fail to disclose any information to your insurers that they have asked for then you could invalidate your insurance. If you are unsure of an answer disclose all available information.

Every proposer or insured must disclose any information which the insurer has asked for in deciding whether or not to accept the risk, what the terms of the policy should be, or what premium to charge. If you fail to respond accurately and completely or omit a reply to the questions we have asked this may render the policy void from the start date of the contract and may enable the insurer to refuse to pay your claims. Any changes to the information you have provided must be advised to us at renewal or at any time during the period of insurance as soon as you become aware of them.

Examples of changes are:

- 1 Change in moorings or navigation;
- 2 Change in the type of use, such as charter work;
- 3 If your vessel is for sale and the asking price is different from the insured value;
- 4 Full disclosure of any claims you may have made in the past.

These are only examples, and this is not meant to be an exhaustive list.

Policy Documentation

A Yachtline Policy Document is issued with every Certificate of Insurance and these documents describe the contract of insurance you have purchased. **You should read carefully all Policy documentation that we send to you. Please ensure that you understand the Policy terms and conditions or contact Yachtline with any queries, so that we can explain them to you.**

A breach of the terms and conditions may enable insurers to terminate your Policy from the date of the breach and/or repudiate a claim under your Policy.

We have summarised the significant benefits and limitations of your Policy in the Key Facts Section. The summary is provided to help you and does **not** form part of the legal contract of insurance.

Cancellation and Cooling-Off Period

The Policy Document sets out your rights to cancel any insurance you have taken out. You will be entitled to a '15 days cooling-off period' during which you may decide not to proceed with the purchase of the insurance Policy. The cooling-off period commences on the day you say you want to buy the cover or the day when you receive the full Policy terms and conditions, whichever is the later.

To cancel this Policy contract within the cooling-off period, please write, fax or email us. You will find our contact details on the cover of the Policy Document. **Please note that you must return any relevant Certificate of Insurance to us.** If you do cancel this Policy within the cooling-off period, you may be charged a proportion of any of the fees which you have incurred.

The insurance contract can be cancelled at any time by either party in writing, giving 30 days' notice, and returning any relevant Certificate of Insurance to us. If we or insurers wish to cancel the insurance contract we/they will write to you at your last known address in our/their records. See below for premium returns.

Should you fail to pay the premium by the due date, the insurance may be cancelled automatically or by insurers giving notice of cancellation.

Return of Premium

Premium may be returned if an insurance risk is reduced or a Policy cancelled as laid out above. Insurers may refuse to return premium if any claims have been made under the current Policy.

If you sell the Vessel during the Period of Insurance, a premium refund based on the unused Policy period will be made, subject to Section 1 under premium, renewal returns of the Policy Wording and proof of sale. If you decide during the 15 day cooling-off period not to proceed with the purchase of the insurance contract, we will refund any premium you have paid. If the Policy is cancelled for any other reason than those described above, return of premium is at the discretion of insurers, depending on the precise Policy terms and conditions.

In all cases where a return of premium is made we reserve the right to charge you all or a proportion of our fees that you have incurred.

Notification of Incidents and Claims

You should note the required procedures in the event of a claim, as stated in the Policy Document. Insurers require immediate notification of a claim or circumstances that might lead to a claim. You should make this notification whether or not you believe you may be liable.

Claims Handling Arrangements

Please refer to the Claims Section 3 of the Policy Wording.

We shall use our best endeavours when acting on your behalf in relation to a claim and to handle all elements of the claim with due care and attention. We will advise you as soon as possible of insurers' requirements concerning claims, including the provision of information required to establish the nature and extent of a loss.

If there are any conflicts of interest, we shall only handle a claim on your behalf after we have disclosed to you all the information you require to enable you to decide whether to give your informed consent, and you have given that consent. Where it is not possible for us to manage the conflict, we will withdraw from acting for you.

We will forward to you without delay any payments received from insurers in respect of any claim.

We will provide you with any assistance in submitting a claim and seeking to obtain reimbursement for you. However, in the event that an insurer becomes insolvent or delays making a settlement, we do not accept liability for any unpaid amounts.

Security (Insolvency of Insurers)

We do not guarantee the solvency of any insurer with whom we place business. If an insurer with whom you have a Policy becomes insolvent, you may still be liable for any unpaid premiums and we may be unable to collect any return premiums or claims that might be due to you.

Payment for our Services

Our remuneration may be a fee and/or brokerage, which is a percentage of the insurance premium paid by you and allowed to us by the insurer with whom the insurance is placed. Brokerage and fees are earned for arranging the Policy and we will be entitled to retain all fees and brokerage in respect of the full Policy period in relation to policies placed by us.

If you would like to know the amount of brokerage that we are paid in respect of your contract of insurance, please contact the office. Contact details are provided on the cover of the Policy Document.

We may in certain circumstances be paid other remuneration which may include a profit commission dependent on the profitability of the insurer account when that is known. Or in respect of premium financing, we may derive additional income from a finance provider depending on the total amount of premiums financed by it. This does not affect our position in relation to our responsibilities under the law of agency.

Insurance Money

We have agreed with certain insurers to collect and hold premiums from you as agent for the insurers. Therefore, once we have collected premiums from you, under the terms of our agreements with insurers those premiums are treated as being paid by you and received by the insurer. We remit the premiums to insurers, after deduction of any brokerage due to us, in accordance with the terms of our agreement with insurers.

Interest

Any interest earned on client money held by us and any investment returns on any segregated investments will be retained by us for our own use.

Confidentiality of Personal Data

All personal information supplied by you will be treated in confidence by Yachtline and the insurers shown in the Certificate of Insurance. Your information will not be disclosed to any third parties except where your consent has been received or where permitted by law.

Data Processed for Marketing Purposes

We do not pass on any data to be used by third parties for marketing purposes.

Access to Your Records by Insurers

Under the terms of the majority of insurers' agency agreements, we may be obliged to provide insurers with access to records and/or documents that we maintain and hold on your behalf. You acknowledge this situation and consent to the provision of such information to insurers where they have a contractual right to it unless you advise us to the contrary by writing to us at the above address.

Money Laundering/Proceeds of Crime Act

UK money laundering regulations require us to obtain evidence of the identity of clients for whom we act at the start of a business relationship. This might, for example, be sight of a current signed passport and two utility bills. For companies, other than listed companies, evidence of identity will usually comprise the certificate of incorporation, lists of directors and shareholders and the registered address. We are obliged to report to the National Criminal Intelligence Service any evidence or suspicion of money laundering.

Governing Law

This Agreement shall be governed by the laws of England & Wales and the parties agree herewith that any dispute arising out of it shall be subject to the exclusive jurisdiction of the High Court of England.

However, for US Flagged Vessels:

This Policy shall be governed by, interpreted and construed under United States federal maritime law or, in the absence of any entrenched federal maritime law on the issue in question, under the internal laws of New York without regard to conflict of laws principles, or in the case of any Named Insured domiciled in California, under the internal laws of California without regard to conflict of laws principles.

The parties agree to submit to the exclusive jurisdiction of the United States District Court for the Southern District of New York, or if the Named Insured is domiciled in California, of any competent jurisdiction in California, with respect to any dispute arising under or in connection with this Policy.

Notwithstanding any provision elsewhere in this insurance relating to jurisdiction, it is agreed that the Underwriters have the right to commence an action in any court of competent jurisdiction in the United States of America, and nothing in the clause constitutes or should be understood to constitute a waiver of the underwriter's right to remove an action to the United States Federal District Court or to seek remand therefrom or to seek a transfer of any suit to any other court of competent jurisdiction as permitted by the laws of the United States of America or any state therein

Complaints and Compensation

We are proud of the service we provide to our customers and set ourselves high standards. If we do not meet your expectations and you are dissatisfied in some way then we would like to know. We are also proud to be able to offer our customers insurance cover from Lloyd's, who also operate a formal complaints process.

Therefore, if you have a complaint please contact your Broker or Yachtline directly.

The contact details for Yachtline are;
Yachtline Limited, 8 Holyrood Street, London SE1 2EL
Email address: yachtline@yachtline.co.uk

We will acknowledge your complaint within two working days, and provide you with a full response within two weeks. If you do not receive a full response within two weeks, or you are dissatisfied with our response you are entitled to refer the matter to Lloyd's who will then conduct a full investigation of your complaint and provide you with a written final response.

The contact details for Lloyd's are;
Complaints, Lloyd's, One Lime Street, London EC3M 7HA
Tel: 44 (0)20273275693. Email address: Complaints@lloyds.com

Details of Lloyd's complaints procedure are set out in a leaflet "Your Complaint - How we can Help" available at www.lloyds.com/complaints and is also available from the above address.

If you remain dissatisfied after Lloyd's has considered your complaint, or you have not received a response within eight weeks from the date Yachtline received your complaint, you may be entitled to refer your complaint to the Financial Ombudsman Service who will independently consider your complaint free of charge.

Their contact details are;
The Financial Ombudsman Service, Exchange Tower, London E14 9SR
Tel: 08000234567 (fixed) 03001239123 (mobile) 44(0)2079640500 (outside UK)
Email address: Complaint.info@financial-ombudsman.org.uk

Please note: you must refer your complaint to the Financial Ombudsman Service within six months of the date of our final response. The Financial Ombudsman Service will normally only consider a complaint from private individuals or from a business that has an annual turnover of less than 2 million Euros and fewer than 10 employees.

Financial Services Compensation Scheme (FSCS)

Once you have an insurance contract with Yachtline, you are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of insurance, size of business (if a commercial customer) and the circumstances of the claim. Further information about compensation scheme arrangements is available by contacting:

FSCS

10th Floor Beaufort House

15 St. Botolph Street

London EC3A 7QU

telephone + 44 (0)20 7741 4100

e-mail enquiries@fscs.org.uk.

DEFINITIONS AND GENERAL

This is a legal contract between you, the Insured and us, the Insurers. We will provide the insurance coverage described in this Policy Wording, the Certificate and any Endorsements issued by us (together hereafter referred to as the “Policy”) in return for the premium and for compliance by all the covered persons with all the provisions of this Policy. Throughout this Policy “you” and “your” refer to the “named insured” shown on the Certificate, and “we”, “us”, “our” and “the Insurers” refer to the company providing this Policy. Certain other words and phrases used in the Policy are defined as follows:

a) Your Insured Property

This is defined as the Vessel declared by you to us and shown on the Certificate issued by us, including spars, sails, machinery, furniture, dinghies, outboard motors, fittings and other equipment normally required for the operation or maintenance of the Vessel, such as would normally be sold with her if she changed hands, as per Section 4 of this Policy (hereafter referred to as the “Vessel”). Consumables, moorings and cradles are not included. Your Insured Property may also include Trailers and Personal Effects as per Sections 8 and 9 below.

b) The Covered Person

This is defined as you, or any other person declared in advance by you to us and shown on the Certificate issued by us or additionally declared and approved by us in writing, who operates your Vessel. It is a condition precedent to our liability under this Policy that they are responsible persons and have the appropriate knowledge and experience and physical capability to operate such a Vessel. This definition **excludes** any person employed under a contract relating to the insured property, with any company or similar legal entity e.g being paid crew, an employee or agent of a marina, boat repair yard, yacht club, sales agency, boat service station, transport or ferrying service or other such organization.

c) Certificate

This means the document issued by us (or our duly authorised representative) to you as the formal confirmation of cover entitled “**CERTIFICATE OF MARINE INSURANCE**” and which contains summary details of your insurance, including the period, premium, deductibles and any special terms, conditions and Endorsements.

Navigating Limits

The Vessel must not be or navigate outside the limits stated on the Certificate unless you obtain our prior written agreement and you accept the relevant terms and conditions and promptly pay any additional premium to us. Whenever the Vessel is situated or navigating outside the limits stated without our prior agreement, there will be no insurance cover, and no claims will be paid.

Manning of the Vessel

The Vessel is only covered for navigation between the hours of sunrise and sunset local time and only for a cumulative total of 100 nautical miles per day, unless she is manned by not less than two fit strong adults at least one of whom is competent to be in command, and both of whom are actively engaged in the operation of the Vessel.

Policy period

This means the period stated on the Certificate during which the Policy covers risks set out therein. This Policy only applies to events occurring within the Policy Period. However should the Vessel at the time of expiry be at sea or in distress or at a port or place of refuge, we will, provided you inform us before the expiry of this Policy, hold the Vessel covered at a premium to be agreed, until safely anchored or moored at her next port of call.

Premium, renewal, returns

The premium shown on the Certificate is the premium for the first Policy Period of this Policy. If we agree to renew this Policy, then at renewal time, we will calculate the premium according to the terms, conditions, rules, forms and guidelines that will exist at that time. In the event of cancellation during the Policy Period we shall return the unearned premium on a simple pro rata basis. You may be charged a proportion of our fees. If we pay a claim hereunder, the full annual premium shall be deemed earned and no returns are payable whatever the circumstances.

Cancellation

Either you or we may cancel this Policy at any time by giving 30 days written notice to the other party. Any return premium will be paid to you as soon as possible after the cancellation. This provision is without prejudice to our right to avoid this Policy from inception in accordance with the provision contained in Section 2 (Concealment, misrepresentation or fraud).

Changes

This Policy and the Certificate contain all the terms and conditions of this Policy between you and us. Nevertheless its terms and conditions may be changed or waived by agreement with us, the terms and conditions of which agreement must be recorded in writing in an Endorsement issued by us or our duly authorised representative. If a change requires a premium adjustment, we will adjust the premium as at the effective date of the Policy change.

Horsepower

This is defined as the maximum developed horsepower measured at the flywheel stated by the manufacturer.

Jurisdiction

Unless the Certificate states to the contrary, any difference or dispute arising out of the Policy and/or this Policy shall be subject to the exclusive jurisdiction of the High Court of England.

Law

You and we are free to choose the law applicable to this Policy. However, unless the Certificate states to contrary, this Policy shall be governed by and construed in accordance with English law.

Latent Defect

This is defined as a flaw or defect in the Vessel or her machinery, which is not discovered in the course of ordinary inspection by competent persons using normally appropriate means.

Layup Period

The certificate states the period when the Vessel is laid up out of commission. If you give us previous notice we may hold it covered during this period on terms and conditions agreed in writing. If the Vessel is in use or navigating during this period without our written agreement, there will be no insurance cover and no claims will be paid.

Racing

This is defined as any organised competitive events with a designated start and finish; including speed tests and/or connected trials, and preparatory activities for such.

Sue and Labour charges

This means those reasonable costs and/or expenses which are incurred by you if necessary to prevent damage, injury or loss of life or to prevent or minimise any further loss or damage that may be covered by Section 4 of this Policy.

Seaworthy

This means that the Vessel must be in all respects fit for its intended purpose. Seaworthiness applies not only to the physical condition of the Vessel's hull, machinery and all its parts, equipment and gear, but also to the provision of a competent crew that is appropriate and sufficient for the Vessel's intended use. To be sufficient, the crew must not only be present, but also be actively involved in the operation of the Vessel.

Design Speed

The maximum design speed of the Vessel or any of its boats or tenders must not exceed 50 knots. If the maximum design speed of the vessel or any of its boats or tenders exceeds 50 knots, there will be no insurance cover for that Vessel, boat or tender, and no claims will be paid.

Personal Effects

Possessions belonging to you and members of your immediate family who live with you, which do not form part of the Vessel and/or its permanent fixtures and fittings, and are temporarily taken on board the Vessel for personal use. This term also includes wet weather clothing, navigational aids and equipment belonging to you or your immediate family whilst on board and used in conjunction with the Vessel.

Personal Watercraft

Small craft (powered or not) designed to carry up to four people such as jetskis, waterbikes and the like intended for inshore sport or recreation. The riders sit or stand on the craft rather than being inside it as in a vessel. Such craft are not intended to travel any distance from the parent craft or the shore or to navigate or make any form of nautical voyage or passage.

**GENERAL LIMITATIONS AND EXCLUSIONS
APPLYING TO ALL SECTIONS**

Computer failures

There is no cover under this Policy for loss damage liability or expense directly or indirectly caused by or contributed to by and/rising from:

- 1 Failure of electronic equipment correctly to recognize data representing any date.
- 2 Failure of computers, including hardware, software, data, electronic data processing equipment, microchips (including integrated circuits and microcontrollers) and other computing and electronic equipment linked to a computer, for whatever reason, which prevents any operating system, computer programme and/or software working properly or at all.
- 3 Failure of navigation systems of any kind that are microchip-controlled.

Concealment, misrepresentation or fraud

This Policy will be voided from its inception if you or your agent withhold, conceal, or misrepresent any material fact or circumstance relating to this contract of insurance, or the application for such insurance, whether before or after a loss and regardless of whether directly related to the loss or not.

Dishonest or illegal Acts

There is no cover under this Policy for loss or damage caused by or contributed to by and/or arising from or consequent upon the dishonest or illegal act of any Covered Person, or any person to whom your insured property is entrusted, regardless of whether or not any such person is charged with or convicted of such act by a court of law.

Intentional Act

There is no cover under this Policy for loss damage, injury and/or loss of life arising from an intentional act by any Covered Person nor if any intentional act is committed with the knowledge and/or consent of the Insured or any Covered Person.

Paid custodian

No person or organization which has the custody of your Insured Property and is to be paid for services in respect of your Insured Property shall benefit from this Policy.

Private Pleasure Use Only

It is a condition of this insurance that the Vessel is to be used solely for private pleasure purposes and not for hire charter or reward nor for any commercial use whatsoever, unless you have informed us prior to any such use and we have agreed to grant insurance cover for that use in writing, and you have paid any additional premium we require to cover that use. If the Vessel is used for hire charter reward or any commercial use whatever without our prior agreement, there will be no insurance cover for the Vessel and no claim will be paid for any loss during the period when the Vessel was being so used. Attempts by you or your Vessel to aid another vessel in distress are not excluded from cover under this policy providing that you do not charge for such services.

Radioactivity, Nuclear, etc.

There is no cover under this Policy for loss, damage, liability or expense directly or indirectly contributed to, caused by and/or arising from the following:

- 1 Ionizing radiations from, and/or contamination by radioactivity from, any nuclear fuel and/or from any nuclear waste and/or from the combustion of nuclear fuel.
- 2 The radioactive, toxic, explosive and/or other hazardous and/or contaminating properties of any nuclear installation, reactor and/or other nuclear assembly and/or nuclear component thereof.
- 3 Any weapon and/or device employing atomic and/or nuclear fission and/or fusion or other like reaction and/or radioactive force and/or matter.
- 4 The radioactive, toxic, explosive and/or other hazardous and/or contaminating properties of any radioactive matter.
- 5 Any chemical, biological, bio-chemical and/or electromagnetic weapon.

Strikes, Riots

There is no cover under this Policy for loss, damage, liability or expense directly or indirectly contributed to, caused by and/or arising from the following:

- 1 Strikers, locked-out workmen, or persons taking part in labour disturbances, and/or riots and/or civil commotions.
- 2 Any terrorist and/or any person acting from a political motive.

Arrest, Confiscation

There is no cover under this Policy for loss, damage, liability or expense directly or indirectly contributed to, caused by and/or arising from the following:

Seizure, arrest, restraint, detention, confiscation or expropriation by or under the order of a government or any public or local authority under regulations covering quarantine, customs, VAT (or any tax, excise or duty), trading, or by reason of any judicial process.

Transfer of Interest

This Policy automatically terminates upon the sale, change of ownership (or change of the controlling interest if the Insured is a company or similar structure), assignment, transfer or pledge of the Insured Property or of this contract unless you have obtained our prior written agreement.

War and allied perils

There is no cover under this Policy for loss, damage, liability or expense directly or indirectly contributed to, caused by and/or arising from navigating in a war zone designated as such by Lloyd's of London or specified in Excluded Areas List attached to the Certificate.

Sanction Limitation and Exclusion Clause

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.

Cyber Attack Exclusion Clause

Clause 1

Subject only to clause 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 of inflicting harm of any computer, computer system, computer software¹ programme, malicious code, computer virus or process or any other electronic system.

Clause 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 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 and/or guidance system and/or firing mechanism of any weapon or missile.

GENERAL PROVISIONS IN THE EVENT OF LOSS

Protection Against Loss

If your Vessel or other Insured Property damaged by a covered cause of loss, you and your servants and agents must take all lawful, reasonable steps to protect it from further damage. We will reimburse you for such reasonable Sue and Labour Charges so incurred. Such reimbursement shall be in addition to any other payments we make for losses covered by this Policy, but not exceeding in total the relevant Policy limit.

If we act to protect damaged property, we are not thereby waiving any rights or accepting any abandonment of the property. Correspondingly if you act to protect damaged property, this does not mean you are waiving any right you may have to abandon the property.

Notice of Loss

You must give us notice in writing to our authorised agent and to us as soon as it is practically possible after the occurrence of any accident, loss, damage or expense which may be covered under this policy, but in any case within seven days of having become aware of such an occurrence. This notice must amongst other things state when, where and how the event occurred, who was on board and operating the Vessel at the time and include the name and address of any witness. If your property has been or may have been stolen, damaged, destroyed or vandalised then you must notify the police and file a police report within twenty four hours of becoming aware of the fact. If you do not give us the notice described above within seven days of becoming aware of the loss, or if you do not file a police report within twenty four hours as described above, we reserve the right to refuse to pay your claim.

Proof of Loss

It is a condition precedent to our liability under this Policy that as soon as possible, at the latest within one month of notice of loss, you must file with our authorized agent and/or us a detailed proof of loss signed and sworn to by you setting forth the facts of the loss to the best of your knowledge.

Claim Against You

If a claim is made and/or suit is brought against you for liability that may be covered under this Policy, do not reply but immediately notify us and send us every demand, notice, summons and/or other legal papers received by you and/or your representative. We will pay the ensuing cost of the suit. We will also have the option of naming lawyers to represent you. Payments for the cost of your legal defence will be in addition to any payments we make under your coverage for liability claims against you.

Making a claim

It is a condition precedent to our liability under this Policy that when making a claim under this Policy you must :

- 1 Cooperate with us in the investigation, settlement and/or defence of any claim and/or suit under this Policy.
- 2 Assist us in the enforcement of any right of contribution or indemnity against any person or organization, which may be liable to any Covered Person.
- 3 Allow us to inspect and appraise all damaged property, not stolen or otherwise unrecoverable, before it is repaired and/or disposed of. Sign a written authorization permitting us to obtain medical files and/or any other pertinent records.
- 4 Not assume any obligation or admit any fault or liability that you and/or we may be liable for without first obtaining our written consent.
- 5 Not incur any expenses that we may be liable for without first obtaining our written consent. The only expenses you may incur without obtaining our written consent are those described in Section 3 of this Policy in the paragraph headed **Protection Against Loss**.

CONDITION

It is a condition of this Policy that we shall be entitled to decide the location to which your Vessel shall proceed for docking and repair (we will refund to you the actual additional expense of any voyage needed to comply with our requirements) and that we shall have the right of decision regarding the surveyor, and/or place of repair, and/or repairing firm. Also we have the right to take tenders and/or may require tenders to be taken for the repair of your Vessel.

Please Note:

If you breach the above condition by proceeding with repair of the Vessel without our prior written agreement, the Policy will be invalidated and the claim will not be paid.

Uncompleted repairs

The amount we will pay for a total loss shall be reduced by the amount paid for repairs of earlier occurring damage covered hereunder but not completed at the time of the total loss whether or not such subsequent loss is covered by this Policy.

Our right of recovery

If we make a payment under this Policy and the person to or for whom payment was made has the right to recover from another for the covered loss, we shall be subrogated to that right. It is a condition precedent to our liability under this Policy that such person is required to do whatever is reasonably necessary to enable us to exercise our rights and that person must do nothing after the loss to prejudice our right of recovery. Likewise if we make a payment under this Policy and the person to or for whom payment is made recovers damages from another, that person will hold the proceeds of the recovery for us and will reimburse us to the extent of our payment. Again, if we have made payment under this Policy for loss and/or damage and if there is salvage and/or recovery in respect of that loss and/or damage, we have the right to recover that salvage and/or recovery to the extent of our payment.

Suit against us

It is a condition precedent to our liability under this Policy that to bring a suit against us you must have complied fully with all the terms of this Policy; and in addition:-

- 1 That you must commence any suit regarding property within one year of the date of the occurrence.
- 2 That regarding any other type of claim, no suit may be brought against us until the amount of the covered person's obligation to pay has been determined by final judgment after trial or by written agreement signed by you, the claimant, and us. A suit must then be commenced within one year of the date of such determination.
- 3 That no one shall have any right to join us as a party to any action against a Covered Person.
- 4 That if any time limitations of this Policy are prohibited or invalid according to the law applicable to this Policy, then legal action against us must be commenced within the shortest limitation of time permitted by such law.

Other Insurance

In respect of property damage, if any Covered Person has any other insurance against a loss covered by this Policy, we will only pay up to the amount the applicable Amount of Insurance stated on our Certificate bears to the total amount of insurance covering the loss.

In respect of liability, we will pay only in excess of the amounts payable under any and all other valid and collectible insurances.

Deductible Amount

We will adjust each claim for a covered loss to your Insured Property separately. The amount of the adjusted claim will be automatically reduced by the Deductible amount shown on the Certificate. We will treat each covered loss as a separate claim. We will treat two or more covered losses resulting from the same accident and/or occurrence as one claim. Any variation to this is specified under the heading **Deductible** in the following sections where applicable.

PROPERTY DAMAGE

Cover, general

We insure your property against direct accidental physical loss or damage from any external cause as well as physical loss or damage directly caused by fire or a latent defect in hull or machinery (but excluding the cost or expense repairing or replacing any latently defective part), provided that loss or damage has not resulted from want of due diligence or intentional damage by the owners of the Vessel or by the Insured as well as Salvage Charges (as set out below), except as specifically excluded by this Policy and subject always to all the conditions and Policy limits.

Cover, land transit

This Policy insures the Vessel (provided it's length overall does not exceed 30 feet) against direct accidental loss or damage from any external cause during transit by road, rail, car ferry or air, including loading and unloading from the conveyance, for journeys starting and finishing on land adjacent to the Navigation Limits shown on the Certificate provided that such loss or damage has not resulted from want of due diligence or intentional damage by the owners of the Vessel or by the Insured. If your Vessel is over 30 feet long, this cover must be agreed in advance by us in writing. However this cover only relates to physical loss of or damage to your Insured Property, it does not cover any type of third party liability whatsoever. It also does not cover scratching, bruising, and/or denting arising during such transit and any repainting or re-varnishing costs.

Exclusions

There is no cover under this Policy for loss of or damage to your Insured Property or expense or claim arising out of or resulting from:-

- 1 Wear, tear, and/or gradual deterioration, weathering, insects, mould, animals, marine life, marring, scratching, bruising, denting and/or previous known damage, inherent vice, osmosis, blistering and/or electrolysis.
- 2 The enforcement of any repair yard lien.
- 3 Loss or expenditure incurred in remedying a fault in design or construction or any cost or expense incurred by reason of betterment or alteration in design or construction.
- 4 The cost of replacing any latent defect that causes damage to your Insured Property.
- 5 The Vessel not being seaworthy, as defined in Section 1, paragraph **Seaworthy**.
- 6 Any loss or damage or claim in respect of the sheathing of the Vessel.
- 7 The Vessel's dinghy, tender or other boat or small craft and/or any property contained therein or attached being towed behind your Vessel. Furthermore such tenders and/or boats are not covered at any time unless:
 - a. permanently marked with the name of the Vessel and/or other individual means of identification and
 - b. details of model, year, serial numbers and the above markings have been submitted to us prior to the loss.
- 8 Theft of outboard motors, unless there is evidence of forcible and violent entry into a locked premises or locked place of storage or securely locked to the Vessel by an appropriate anti-theft device in addition to the normal method of attachment, and/or from theft of outboard motors, and/or from outboard motors dropping off or falling overboard. Furthermore outboard motors are not covered at any time unless:
 - a. permanently marked with the name of the Vessel and/or other individual means of identification and
 - b. details of model, year, serial numbers and of the above markings have been submitted to us prior to loss.

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- 9 Your Vessel, your Vessel's boat or tender having an actual or maximum designed speed exceeding 17 knots unless the Certificate states that such Vessel, its boat and/or tender has an actual or maximum designed speed in excess of 17 knots and the Certificate states that **SECTION 10 SPEEDBOAT EXTENSION** below applies.
 - 10 Splitting by wind or blowing away while set, of sails and protective covers unless the loss follows from damage to the spars to which sails are bent, or occasioned by your Vessel being stranded or in collision or contact with any external substance (ice included) other than a) water and/or b) from failure of standing rigging more than 11 years old, unless we have accepted and approved in advance in writing a rigging report from a professional rigger.
 - 11 Activities of a competitive nature and/or in including races, speed trials and similar, unless the loss or damage is caused by it being stranded, sunk, burnt, on fire or in collision or contact with any external substance (ice included) other than water or another Vessel, unless previously agreed by us in writing and subject also to the conditions of the **SECTION 12 - RACING RISKS EXTENSION** below.
 - 12 Theft of or loss or damage to consumable stores or moorings or cradles.
 - 13 A Named Windstorm, unless previously agreed by us in writing with terms and conditions to be decided and only following the submission of a Hurricane Preparedness Plan, agreed by us in an Policy Endorsement, and then subject also to the conditions of **SECTION 13 - NAMED WINDSTORM**.
 - 14 Loss or damage to engines, machinery, motors and/or their connections unless such loss or damage has been directly caused by fire or explosion, sinking, stranding, or colliding with any substance other than water, or the Vessel being immersed as a result of heavy weather.
 - 15 Theft of your Vessel or your Vessel's boat or tender when on a trailer whilst unattended unless the trailer is secured with a wheel clamp and locked to a fixed object or following forcible and violent entry into a locked premises or locked place of storage, or theft of your Vessel's boat when left unattended, unless your Vessel's boat is locked to a fixed object (which can include the Vessel) or there is evidence of forcible and violent entry into a locked premises or locked place of storage (which can include the Vessel).
 - 16 Any form of consequential loss whatsoever, including, but not limited to, loss of use and depreciation in market value.
 - 17 Damage to your Vessel or your Vessel's boat during a delivery or ferry voyage unless previously notified to and agreed by us in writing and additional premium if any, paid.

Amount of Insurance

This is not an agreed value policy, but based on the actual market value of the vessel, up to a maximum of the sum insured. Agreed value policies can be arranged upon request and receipt of a current independent valuation at Underwriters discretion.

Deductibles

We will adjust each claim for a covered loss to your insured property separately.

The amount of each adjusted claim will automatically be reduced by the amount of the relevant Deductible shown on the Certificate, except if there is a total loss to your Vessel.

We will treat any two or more covered losses resulting from the same accident and/or occurrence as one claim.

Replacement

In the event of loss of and/or damage to the Insured Property items set out below and where we agree to replace Insured Property, we will pay no more than the replacement cost of the Insured Property minus depreciation at the time of the loss and/or damage, less the deductible noted on the Certificate:

- a. Carpet, fabric, vinyl, plastic and/or canvas coverings, inclusive of all weather-bridge and cockpit enclosures and dodgers, biminis, sails, masts and/or rigging;
- b. In respect of loss of and/or damage to tenders and outboards, we will pay you up to the “current market value” at the time of the loss and/or damage, less the deductible in the Certificate. “Current market value” is the value of these insured items taking into account their age and condition at the time of the loss and/or damage. This Policy is therefore not a “New for Old” cover in the sense that it does not cover the full „new-replacement cost” of the abovementioned items.
- c. Electronic equipment.

Emergencies

In case of emergency, where you and your Vessel are in imminent danger, if help is not available and you have to obtain Commercial Assistance, we will reimburse you for the reasonable cost you incur, not to exceed a total of USD 10,000 (or equivalent in other currencies) resulting from the following services to your Vessel in respect of any one incident and/or occurrence or any series of incidents and/or occurrences arising out of the same event:-

- 1 Towing to the nearest place where necessary repairs can be carried out. A deductible amount of USD 500 will be applied to each adjusted claim.
- 2 Delivery of Fuel and/or Oil, parts, and/or loaned battery (excluding the cost of these items themselves) and/or emergency labour, whilst away from the safe harbour.

The indemnity under this Clause is included within the Policy Limit for the Vessel set out in the Certificate. No deductible is applicable except for towing.

Salvage Charges

We will pay the reasonable cost of the salvage of the Vessel incurred by you arising from a covered loss, up to a maximum of 25% of the Policy Limit for your Vessel shown in the Certificate, less the specified Deductible, on condition that you do not agree any salvage award with any salvor or alleged salvor, without our prior written consent. However we do not provide cover, and will pay no claim, in respect of any salvage by any sister ship, or Vessel under the same or associated management or ownership or control or by any person or company connected with you or with any company with which you are associated. The indemnity under this Clause is included within the Policy Limit for the Vessel set out in the Certificate.

Temporary removal

We cover your Insured Property when temporarily removed from your Vessel for storage on shore, provided always that such property is kept in a locked and/or secure building and/or compound. The amount of insurance on the Vessel is reduced by the amount of your Insured Property insured on shore.

Wreck Removal

We will pay the reasonable costs of attempted or actual raising, removal or destruction of the wreck of the Vessel resulting from loss or damage covered by this Policy, where a competent authority so requires, but subject always to the overall limit per event of the sum insured hereon.

Loss payable clause

Where there is a Loss Payee noted on the Certificate who has an interest in the Vessel as Mortgagee and/or otherwise, any sums recoverable under **SECTION 4 - PROPERTY DAMAGE** shall be paid to them up to the extent of their interest in the Vessel, and such Loss Payee shall be entitled to give a good discharge in respect of any claim up to the extent of the interest specified in the Certificate or an Endorsement issued by us.

SECTION 5

LIABILITY

(THIS SECTION APPLIES ONLY WHEN THE CERTIFICATE SHOWS
A SUM INSURED FOR THE PURPOSE.)

Cover

We will pay sums which you and/or a Covered Person becomes legally obligated to pay as a result of the ownership, operation or maintenance of your insured property arising from:-

- 1 Bodily injury and/or loss of life.
- 2 Loss and/or damage to any property.
- 3 Attempted or actual raising, removal and/or destruction of the wreck of your insured Vessel.
- 4 Failure to raise, remove and/or destroy the wreck of your Vessel.
- 5 Bodily injury and/or loss of life, and/or loss and/or damage to any property through Pollution resulting directly from damage to the Vessel covered hereunder, provided always that such Pollution or threat thereof was:-
 - a. Sudden, unintentional and unexpected by you
 - b. Initiated during the period of this Policy.
 - c. Known to you within 72 hours of its commencement.
 - d. Not resultant from negligence of you or your agents to prevent or mitigate such pollution.
 - e. Reported to us in writing not later than seven days after having become known to you.

The sum insured for Liability on the Certificate is specially amended for **Pollution** cover up to US\$1,000,000. However any claim paid for Pollution shall reduce the overall sum insured for Liability, such that it is not exceeded per event whether Pollution is involved or not.

Exclusions

There is no cover under this Policy in respect of any liability, expense or claim relating to, in connection with or resulting from:-

- 1 Your spouse and/or other persons who reside in your household and or paid crew regarding your liability to them and/or theirs to you.
- 2 Any contract or agreement, assumed by you.
- 3 Fines and/or other penalties and/or punitive damages of any nature whatsoever and howsoever described.
- 4 Any Jones Act and/or General Maritime Law Coverage and/or any direct and/or indirect responsibility by you, the Insured, under Workmen's Compensation or Employers' Liability Acts or similar legislation of any nature whatsoever to any other person employed in any capacity whatsoever by you in, on or about or in connection with the Vessel hereby insured.
- 5 Your Vessel or any boat or tender belonging to your Vessel having a maximum designed speed exceeding 17 knots unless the Certificate states that the Vessel, its boat and/or tender has a maximum designed speed in excess of 17 knots and the Certificate states that **SECTION 10 SPEEDBOAT EXTENSION** below applies.
- 6 The activities involved in any person from the Vessel water-skiing and/or aquaplaning or while being towed by the Vessel or its boat and/or tender and/or preparing to be towed and/or after being towed until safely on board the Vessel, its boat or tender or ashore, unless previously agreed by us in writing and subject also to the conditions of the **SECTION 11 - LIABILITY OF WATER-SKIERS CLAUSE** below.

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- 7 The actions of any person from the Vessel engaging in any sport and/or activity outside the Vessel, such as swimming, snorkelling, surfing or diving, (other than water-skiing or aquaplaning), until safely back on board, unless previously agreed by us in writing and subject to terms and conditions to be agreed.
 - 8 The Vessel being in transit where the Road Traffic Act or equivalent legislation or regulations apply and/or all trailers, either coupled or uncoupled, where such legislation or regulations apply.
 - 9 A Named Windstorm unless previously agreed by us with terms and conditions to be decided and only following the submission of a Hurricane Preparedness Plan, agreed by us in the form of a Policy Endorsement, and then subject also to the conditions of **SECTION 13 - NAMED WINDSTORM EXTENSION**.
 - 10 Environmental damage to reefs, sea grass, coral and/or environmentally sensitive areas and their like and/or any fines arising therefrom, and/or all fines arising solely from trespass.
 - 11 The carrying or passing on of any infectious disease and/or virus.
 - 12 Your Vessel and/or your Vessel's boat taking part in activities of a competitive nature, and/or involving speed trials, sailboat racing, regattas, rallies and/or similar, unless previously agreed by us in writing.
 - 13 Your Vessel and/or your Vessel's boat not being seaworthy, as defined in the paragraph so headed in **SECTION 1**.

Amount of Insurance

The Sum Insured in the Certificate is maximum amount payable by us in respect of any one accident and/or occurrence or any series of accidents and/or occurrences arising out of the same event. It is the maximum we will pay regardless of the number of covered persons involved, claims made, boats and/or premiums shown on the Certificate or the number of boats involved. Within this there is the above-mentioned special liability limit for pollution up to \$1,000,000 in respect of any one accident and/or occurrence or any series of accidents and/or occurrences arising out of the same event.

Fines Against You

We will not cover any fine and/or other penalty of any nature whatsoever and howsoever described which you are required to pay.

MEDICAL EXPENSES

Cover and Amount of Insurance

We will refund any doctor's or surgeon's fees up to USD 10,000, or equivalent in other currencies, per person for emergency attendance upon the Assured and/or any passenger arising as a direct result of the insured Vessel being damaged following an insured peril.

Exclusions

There is no cover under this Policy in respect of:-

- 1 Any employee of yours injured whilst in the course of their duties and/or while using, maintaining and/or repairing your insured property.
- 2 Any responsibility for payment assumed by you under contract or agreement.
- 3 Anyone to and/or for whom benefits are payable under the Compensation Act or other legislation or regulations.

Deductible Amount

The amount of each adjusted claim will automatically be reduced by a deductible amount of USD 500.

UNINSURED BOATER

Cover

We will pay the damages which, because of bodily injury received aboard your Vessel, you are legally entitled to recover from the uninsured owner and/or operator of another vessel involved in an accident with your Vessel.

“Uninsured Boater” and “Uninsured Owner or Operator” means an owner or operator of a vessel other than the Vessel specified in the Certificate who is legally responsible for the accident, and:

- a. To whom no liability Policy applies or
- b. Who cannot be identified (such as in a “hit and run” incident).

Exclusions

There is no cover under this Policy where:-

- 1 Claims settled without our written consent.
- 2 The uninsured Vessel is owned by the government or any agency or department of the government or if benefit of this Policy would apply directly nor indirectly to the benefit of any insurer under any compensation act, legislation or regulation.
- 3 The other Vessel involved in the accident is owned by and/or furnished for the regular use of you, a member of your immediate family, and/or any person insured by this Policy.
- 4 A written report has not been made to the police, Coast Guard or other appropriate authority, of the loss occurrence and its circumstances, and a copy sent to us.
- 5 The Vessel named in this Policy is under bareboat charter terms and conditions.
- 6 No evidence of physical contact exists between your Vessel and an unidentified vessel and/or where no evidence of physical contact exists between your Vessel and an uninsured vessel.

Amount of Insurance

The amount shown for Uninsured Boater on the Certificate is the maximum we will pay out under this extension, regardless of the number of insured persons, claims made, or vessels involved in any one accident and/or series of accidents arising out of the same event. Payment made under this Section to and/or for an insured person will reduce the amount which that person is entitled to recover under the Liability Section of this Policy by that amount.

SECTION 8

VESSEL TRAILER

Cover

All direct accidental physical loss and/or damage from any external cause to any trailer specified in the Certificate but only:

- 1 If exclusively used for transporting the Vessel, while located in the area stated in the Certificate.
- 2 Subject to all trailers coupled or uncoupled, used and/or situated in a public place (such as a public road/car-park) being covered by compulsory third party insurance under an automobile Policy to comply with the Road Traffic Act or equivalent and/or related legislation or regulations.

Exclusions

There is no Cover under Section 8 of this Policy for loss of and/or damage to the Insured Property arising out of or resulting from:-

- 1 Physical loss of and/or damage to the trailer's tires, nor do we cover the trailer's tires for wear, tear, and/or gradual deterioration, or manufacturers' defects.
- 2 Theft whilst the trailer is left unattended, unless the trailer is secured with an appropriate wheel clamp and/or there are visible signs of forcible and violent entry into a locked premises and/or locked place of storage.
- 3 Theft whilst the trailer is left unattended in transit, unless it is secured with an appropriate wheel-clamp as well its normal method of attachment to the towing vehicle.

Amount of Insurance

The maximum amount recoverable under this Section 8 is the insured value specified in the Certificate. However in case of loss or damage, we will pay you whichever is less at the time of loss of the following:-

- 1 Replacement cost minus depreciation.
- 2 The cost of repair and/or replacement using similar materials.
- 3 The amount shown on the Certificate.
- 4 From the amount of each claim payable for a covered loss to your Insured Property we will automatically deduct the amount of the relevant Deductible shown on the Certificate. We will treat any two or more covered losses resulting from the same accident and/or occurrence as one claim.

PERSONAL EFFECTS

Cover

We cover direct accidental physical loss and/or damage from any external cause, including theft but only where there are visible signs of forcible and violent entry into a locked premises and/or locked place of storage, including loss and/or damage to clothing, personal effects, fishing gear and/or sports equipment, which belongs to you and/or members of your family while these items are on board your Vessel and/or are being loaded or unloaded onto the Vessel.

Exclusions

There is no Cover under this Policy for Loss of and/or Damage to the Insured Property in respect of:-

- 1 Money, jewellery, travellers' checks, nor any other valuable papers and/or documents, cellular phones, camera equipment, camcorders, portable stereos, MP3's and similar.
- 2 Loss or damage caused by wear, tear, and/or gradual deterioration and/or corrosion.
- 3 Loss or damage caused by mechanical breakdown or mechanical derangement.
- 4 Loss or damage caused by changes in temperature and/or humidity.
- 5 Any mechanical and/or electrical failure and/or disturbance, unless caused by lightning.

Amount of Insurance

- 1 The maximum amount recoverable under this Section 9 is the insured value specified in the Certificate, but no more than USD 500 (or equivalent) is payable on any single item unless it has been declared in advance to us and is specially itemized in the Certificate or in an Endorsement.
- 2 From the amount of each claim payable for a covered loss to your Insured Property, we will automatically deduct the amount of the relevant Deductible shown on the Certificate, except if there is a total loss to your Vessel. We will treat any two or more covered losses resulting from the same accident and/or occurrence as one claim.
- 3 This Policy is subject to the Condition of Average: i.e. if property covered by this Extension shall at the time of loss be of greater value than the amount insured for it, we will only pay you the proportion of the loss that the amount insured bears to the actual value of the property.
- 4 This Policy does not cover any loss and/or damage which, at the time of its happening is or, but for the existence of this Policy, would be insured under any other insurance. However if the loss should exceed the amount of such other insurance then that excess amount is payable hereunder, subject always to all the conditions and Policy limits.

SPEEDBOAT EXTENSION

Cover

It is a condition of this policy that every Vessel covered has a maximum design speed of less than 17 knots.

If specifically agreed by insurers and in consideration of the payment of an additional premium where required this policy is extended to afford cover for vessels with an actual or design speed in excess of 17 knots.

Section 4 property Damage clause 9 and section 5 Liability clause 5 are hereby deleted but all other clauses and conditions remain in force.

There is no cover where:

- 1 The vessel is under way but is not under the command of the insured or a competent person authorized in advance by the insured.
- 2 The vessel is under the control of any person who is under the influence of drugs or alcohol.
- 3 The vessel is participating in racing, speed tests or any similar competitive activity.
- 4 The vessel has inboard machinery there is no cover for fire or explosion unless the engine room or engine space is equipped with a fire extinguishing system which is automatically controlled or whose controls are at the steering position and which is properly installed and maintained in efficient working order.
- 5 The vessel's rudder, strut, shaft, propeller or outboard unit or dinghy or tender is damaged except where this is caused by contact with another vessel, pier or jetty or the vessel has been sunk or immersed.
- 6 The vessel is stranded, sunk, swamped, immersed or has broken adrift whilst left moored or anchored unattended off an exposed beach, shore or riverbank without secure moorings.
- 7 The vessels maximum actual or designed speed exceeds 50 knots, in which case there is no cover at all.

LIABILITY OF WATER-SKIERS EXTENSION

Cover

Where we agree to delete Clause 6 in **SECTION 5 - LIABILITIES Exclusions** here above, the cover under the Policy shall be accordingly extended, subject otherwise to all the conditions and limits of this Policy, and subject also to the following additional conditions:-

- 1 When the Vessel is under way, either the Insured named in the certificate and/or other competent person or persons authorized in advance by the Insured shall be on board and in control of the Vessel. If this is not the case at any time, insurance cover will cease immediately and no claim will be paid for any loss occurring when the Vessel was not under the control of the Insured or another competent person authorized by the Insured.
- 2 In addition to the driver of the Vessel, another competent person shall be on board at all times to supervise the activities permitted under this extension. If this is not the case at any time, insurance cover will cease immediately and no claim will be paid for any loss occurring when there was no competent person on board in addition to the driver.
- 3 That the relevant Acts, legislation, regulations, guidelines and/or stipulations for this type of activity permitted under this extension are strictly adhered to.

RACING RISKS EXTENSION

Cover

It is a condition of this policy that activities of a competitive nature including races, speed trials and similar are not covered.

If specifically agreed by insurers and in consideration of the payment of an additional premium if required, this policy is extended to cover the vessel while involved in local club activities including sailboat racing, pursuit racing, simulated racing, regattas and rallies.

Clause 4 in section 4 and clause 12 in section 5 are hereby deleted, but all other clauses and conditions remain in force.

If the vessel is being used for activities of a competitive nature the following conditions apply:

- 1 Loss or damage to masts spars or running and standing rigging is not covered unless specifically agreed by insurers. Where such cover is agreed, the values of sails masts spars and rigging shall be the sum stated for this purpose in the certificate of insurance, and the proportion of that value covered by this insurance shall be the proportion stated in the certificate of insurance.
- 2 The deductible shown in the certificate for property damage, liability and personal property are doubled for each and every loss under this extension.
- 3 No insurance shall exist for any part of the cost of repair or replacement not specifically covered under this extension.

SECTION 13

NAMED WINDSTORM EXTENSION

Cover

Where the Certificate specifies that we agree to delete Clause 13 of **SECTION 4 PROPERTY DAMAGE Exclusions** here above, the cover under the Policy shall be accordingly extended in consideration of any additional premium charged, subject otherwise to all the conditions and limits of this Policy, and subject to the following additional conditions:-

- 1 You must adhere in every respect to the Hurricane Preparedness Plan, and any changes to it must be advised to us and agreed by us in writing prior to those changes taking effect. If you have not adhered to the Hurricane Preparedness Plan and any agreed changes as described above, there will be no insurance cover and no claims will be paid for any losses arising during the period when you did not adhere to the Hurricane Preparedness Plan.
- 2 The deductible applicable to this section, unless otherwise agreed, is set at 10% of the Vessel sum insured, but subject to a minimum deductible of USD 10,000 or equivalent in other currencies in respect of each and every claim.

CHARTERERS EXTENSION

Cover

It is a condition of this policy that the Vessel will be used at all times only by the owner for private and pleasure purposes.

If specifically agreed by insurers and in consideration of the payment of an additional premium if required this policy is extended to afford cover while the vessel is in use in consideration of payment for hire and reward.

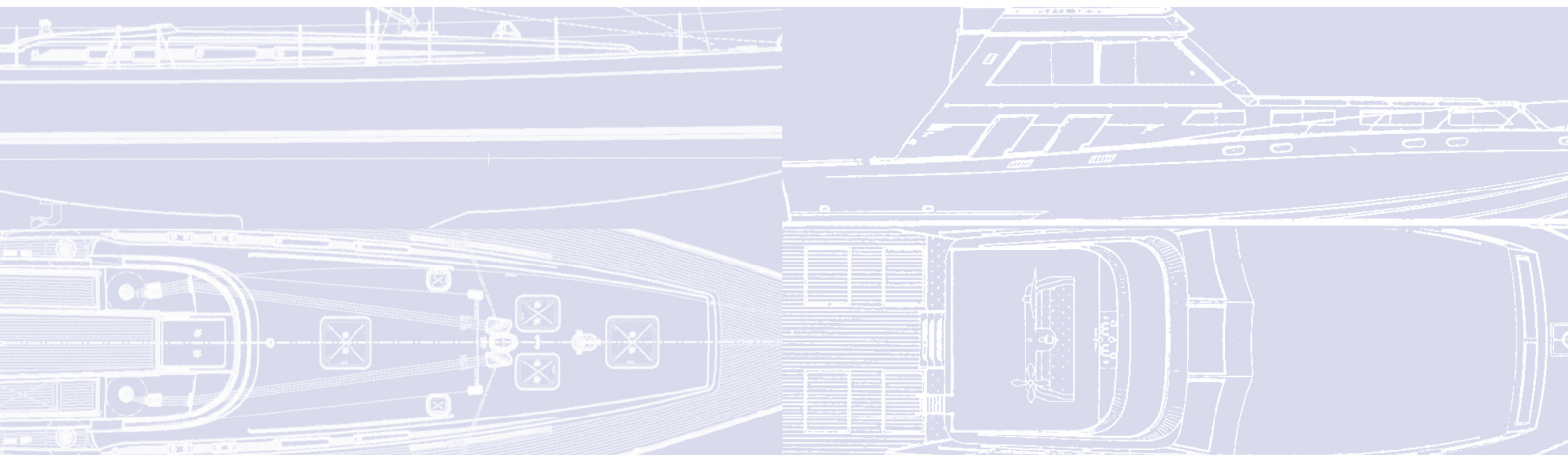
Clause “private pleasure use only” in section 2 is hereby deleted, but all other clauses and conditions remain in force.

If the vessel is used for bareboat charter there is no cover where:

- 1 The vessel is stolen by the charterer.
- 2 The vessel is under way not being under the command of a competent person who holds any appropriate qualification required by any applicable regulations.
- 3 If the manager or agent has not recorded the passport number of the charterer and additionally verification of the identity of the charterer by means of a bank statement or utility bill.
- 4 A deposit of the charter fee has not been taken by cleared cheque or credit card, and verification of the identity of the charterer by means of a copy bank statement or utility bill has not been obtained and recorded.
- 5 A charter agreement for each charter has not been prepared and signed.

If the vessel is used for skipper charter there is no cover where:

- 1 The vessel is not under the supervision of a sufficiently qualified person who is either the assured or is appointed and remunerated by the assured.
- 2 The vessel is under way but is not under the command of a competent person who holds an appropriate qualification required by any applicable regulations and is either the assured or is appointed and remunerated by the assured.
- 3 The vessel is not under the supervision of a sufficiently qualified person.
- 4 The vessel does not comply with MCA/ISAF Codes of practice and/or local licensing authorities as applicable or such requirements have not been maintained.
- 5 There are more than twelve passengers on board.



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