

## YACHT AND MOTORBOAT POLICY

### CONTENTS

DEFINITIONS	PAGE 2
<b>SECTION 1</b>	
LOSS OR DAMAGE TO THE VESSEL INSURED	PAGE 4
RISKS COVERED	PAGE 4
EXCLUSIONS	PAGE 4
SUM INSURED AND MAXIMUM LIMIT OF INDEMNITY	PAGE 6
<b>SECTION 2</b>	
LEGAL LIABILITIES TO THIRD PARTIES	PAGE 7
RISKS COVERED	PAGE 7
EXCLUSIONS	PAGE 7
MAXIMUM LIMIT OF INDEMNITY	PAGE 9
<b>SECTION 3</b>	
GENERAL POLICY CONDITIONS AND EXCLUSIONS	PAGE 9
<b>SECTION 4</b>	
CLAIMS – CONDITIONS AND PROCEDURES	PAGE 15
<b>SECTION 5</b>	
COMPLAINTS PROCEDURES	PAGE 16
<b>SECTION 6</b>	
FRENCH TERRITORY ENDORSEMENT	PAGE 17

## INTRODUCTION AND PREAMBLE

This policy is based upon the details submitted to and accepted by Yachtmaster Insurance Services Ltd and is subject to the payment of the policy premium.

### Definitions Incorporated into this Policy

**Insured:-** The person(s) or corporation or society or association named in the Schedule and who have an insurable interest in the Vessel insured.

**Agent:-** The company or person acting as the Insured's insurance adviser, intermediary and/or broker.

**Average:-** In the event that the Personal Effects covered by this Insurance shall at the time of loss be of greater value than the sum insured under the heading Personal Effects, then the Insured shall only be entitled to recover in the same proportion that the limit bears to the total value of the Personal Effects due to there being under insurance.

**Schedule:-** The page or pages attaching to and forming part of this policy which show; the Insured, Vessel, navigation limits, mooring location and type, laid up dates (as applicable) and policy endorsements which apply to the policy contract. Such Schedule to be signed by an employee of the Company.

**In Commission:-** The period when the Vessel is prepared and ready for the Insured's immediate use.

**Laid up out of Commission:-** The period when the Vessel is not prepared and shall not be used by the Insured, except for the purpose of storing or whilst undertaking customary maintenance in preparation for the next season's use.

**The Company:-** Yachtmaster Insurance Services Ltd acting on behalf of the Insurers as stated in the Schedule who provide the security for this policy.

**Excess/deduction:-** The first amount of any claim which is payable by the Insured.

**House boat use:-** Where the Vessel is used as a permanent address/residence by the Insured or other persons.

**Personal Effects:-** Personal possessions belonging to the Insured and or family and or passengers including sailing gear (wet weather and leisure wear) and equipment (binoculars, navigational aids, safety equipment, telescopes, etc.) that is not permanently kept onboard the Vessel, and would not be normally sold with the Vessel. The policy does not cover perishable or consumable items of any nature, money, credit cards, mobile 'phones, jewellery, fishing gear or moorings. Laptops and similar equipment are excluded other than for total loss following total loss of the Vessel.

**Private and pleasure use only:-** Where the Vessel shall only be used by the Insured for pleasure purposes and shall not be used for any charter, hire, reward, commercial or business use, unless the Company agrees otherwise in writing.

**Sum Insured:-** The **Agreed Value** of the insured property, for the purpose of fixing the maximum amount payable in the event of accidental physical loss or damage covered herein.

**Insured Property:-** As specified in the Schedule; the Vessel, dinghy and/or boat and/or tender, liferaft, outboard motor(s), trailer and special equipment which would normally be sold with the Vessel, plus Personal Effects.

**Vessel:-** Includes; hull, engines, machinery and connections, equipment, spars, sails and rigging.

**Seaworthy:-** Vessel is maintained in a suitable condition to be safely used on the waters for which it is intended.

## **Section 1. Loss or Damage to the Vessel Insured**

### **1. A - Risks Covered**

This policy will indemnify the Insured for accidental physical loss or damage sustained to the Insured Property, occurring during the period of the policy as per Section 3.D. including, salvage charges and or sue & labour charges and the cost of inspecting the vessel after grounding even if no damage is found. Subject always to clauses B Exclusions, clauses C Sum Insured and Maximum Limit of Indemnity and Section 3. General Policy Conditions and Exclusions and Section 4. Claims - Conditions and procedures.

### **1. B - Exclusions**

This policy will not indemnify the Insured for physical loss or damage sustained to the Insured Property in respect of or caused by the following, unless agreed otherwise by the Company in writing:-

1.B.1. wear and tear, deterioration, lack of maintenance , the ordinary action of wind and waves, negligence or breach of contract in respect of any repair or alteration work carried out for the account of the Insured.

1.B.2. loss of use, delay or depreciation.

1.B.3. defect or error in design or construction, alteration in design or loss or expenditure incurred solely in remedying a fault in design, a latent defect (consequential damage may be recoverable, subject to all other terms conditions and limitations set out in this policy.)

1.B.4. engine(s), machinery, electrical or electronic equipment unless the loss or damage is caused by the insured Vessel being; struck by lightning, immersed as a result of heavy weather or stranded, sunk, burnt, on fire, or in collision or contact with any external substance (ice included) other than water, freezing provided the machinery has been protected in accordance with manufacturer's specification, or following sudden accidental incursion of water into the Vessel.

1.B.5. the failure or malfunction of any piece of working equipment or machinery, whether electrical, electronic or mechanical due to failure to recognise the change of any date whatsoever.

1.B.6. theft of any gear or equipment (including outboard motors, personal effects and the like but excluding tenders) unless in consequence of forcible entry into locked and secured, place of storage, Vessel, onboard storage locker(s) or forcible & violent removal from the exterior of the Vessel or theft of a trailer unless, it is immobilised for example by a wheel clamp or hitch lock or kept in a locked and secured building. Theft by trick or deception is excluded. Outboard motors attached to the vessel must be protected by an anti-theft device in addition to their normal method of attachment and serial numbers of outboard motors must be recorded by the Insured and produced to the Company in the event that that motor is stolen.

1.B.7. scratching, denting, bruising or marring of paint whilst Vessel is in transit by road rail, air or ferry.

1.B.8. loss or damage to the Vessel if it; exceeds 30 feet in length overall whilst in transit by road, rail, air or ferry, is not conveyed upon a purpose built trailer or cradle, is not adequately packed and prepared for the transit undertaken, or is not within the policy Navigation Limits.

1.B.9. loss or damage whilst the Vessel is used as a House boat.

1.B.10. loss or damage whilst the Vessel is undergoing major repair and/or alteration.

1.B.11. spars, sails, or rigging whilst the Vessel is competing in racing other than local club or class association racing events, subject always to the limitations noted in C.4, below, and the Insured having declared that the vessel will be raced.

1.B.12. the Vessel whilst ;

a. being towed except where in distress or in need of urgent emergency assistance or as may be necessary to enter harbour or mooring location, or as is customary on inland waters.

b. towing another vessel(s) except where such vessel(s) is/are in distress or in need of urgent emergency assistance or as is customary on inland waters.

1.B.13. un-repaired damage in the event of a subsequent total loss.

1.B.14. loss or damage to vessels sailing, cruising or motoring whilst used single-handed for passages with a planned duration in excess of 18 hours.

### **C - Sum Insured and Maximum Limit of Indemnity**

The maximum sum payable by Insurers under this section of the policy following accidental physical loss or damage suffered by the Insured Property arising from the same event will be as follows:-

1.C.1. the reasonable cost of repairing or replacing the part lost or damaged up to but not exceeding the 'Sum Insured' in the Schedule.

1.C.2. in respect of sue and labour charges an amount being equivalent to the reasonable costs which were incurred in minimising loss or damage covered under this policy up to but not exceeding the 'Sum insured' in the Schedule.

1.C.3. in respect of Personal Effects the limit for any one item is £500 unless specifically declared to and accepted by The Company in writing, but not exceeding the total amount stated in the Schedule under the heading Personal Effects. Where there has been under insurance an average adjustment may be applied.

1.C.4. in respect of spars, sails and or rigging, up to 50% of the 'Sum Insured' unless otherwise stated in the Schedule, subject to a 1/3<sup>rd</sup> deduction from this amount for claims occurring whilst the Vessel is racing, unless caused by the stranding or sinking of the vessel, the vessel being on fire, or impact between the vessel and any external substance including ice but not water.

1.C.5. The Company reserves the right to deduct a reasonable amount from the cost of repairs or replacement in respect of any betterment to the Vessel arising out of repairs or replacement.

## **Section 2. Legal Liabilities to Third Parties Arising from Ownership of the Insured Vessel**

### **2.A - Risks Covered**

This policy will indemnify the Insured for amounts that the Insured becomes legally liable to pay and shall pay arising from their interest and ownership of the insured Vessel following accidental loss, damage or injury occurring during the currency of the policy as per Section 3.D, including:-

2.A.1 legal costs which the Insured is compelled to pay in contesting liability or taking proceedings to limit liability subject to the Company's written approval,

2.A.2 navigation by any other person subject to the Insured's agreement and permission

2.A.3 removal of wreck expenses following loss or damage covered by Section 1 of the policy Subject always to clauses B Exclusions, clauses C Maximum limit of indemnity, Section 3, General Policy Conditions and Exclusions, and Section 4. Claims - Conditions and Procedures.

### **2.B – Exclusions**

The policy will not pay for liability or expense or cost arising from the following unless agreed otherwise by the Company in writing:-

2.B.1. directly or indirectly under Workmen's Compensation or Employer's Liability Acts and any other Statutory or Common Law liability in respect of accidents or illness of workmen or any other persons employed in any capacity whatsoever by the Insured, or by any person to whom the protection of this policy is afforded by reason of the above provisions, in on or about or in connection with the insured Vessel or materials or repairs, other than captain or crew employed by you.

2.B.2. the navigation of the Vessel by any person who operates or is employed by the operator of a shipyard, repair yard, marina, slipway, council, yacht or sailing club, sales agency or yacht broker or any other similar organisation, which is responsible for or has a duty of care for the Vessel or arising from any contractual agreement in respect of the Vessel insured by this policy.

2.B.3. the liability to or incurred by any person engaged in water skiing, aqua planing or riding on an inflatable or rigid recreational toy or paragliding or sky kiting of any nature whatsoever.

2.B.4. the liability to or of any person engaged in any underwater sport or activity including whilst disembarking or boarding other than physical contact between such person and the vessel.

2.B.5. whilst the Vessel is in transit attached to or has broken away from or becomes accidentally detached from, a motor vehicle.

2.B.6. whilst the Vessel is being towed or undertaking a tow, except as is customary on inland waters, to enter harbour or mooring location or to tow a vessel(s) which is/are in distress or in need of urgent emergency assistance.

2.B.7. punitive or exemplary damages or fines of whatsoever nature howsoever described.

2.B.8. liability arising out of contract.



## **2.C - Maximum Limit of Indemnity**

2.C.1. The liability of Insurers under this section of the policy, in respect of any one accident or series of accidents arising from the same event, shall not exceed the limit as stated in the Schedule.

2.C.2. Where the Insured has incurred legal costs under clause 2.C.1 and where the Company has given written approval, Insurers will also pay the legal costs which the Insured incurs or is compelled to pay.

2.C.3. In respect of sue and labour charges Insurers will pay a sum being the reasonable costs which were incurred in minimising amounts payable herein, up to but not exceeding the limit as stated in the Schedule.

2.C.4. If the amount recoverable under clause 2.A exceeds the limit under clause 2.C.1 then any legal costs incurred will only be recoverable in the same proportion that the limit bears to the total amount of the liability the Insured is due and compelled to pay.

2.C.5. Nothing in the provisions above shall increase Insurers Liability beyond the amount shown in the Schedule for this Section of the policy.

## **Section 3. General Policy Conditions and Exclusions**

### **3.A.1 - Law and Jurisdiction Applicable**

This contract will be governed by English law and practice and shall be subject to the exclusive jurisdiction of English courts.

### **3.A.2 Sanctions Limitation and Exclusions Clause:**

This insurance shall not provide cover to the extent any trade or economic sanctions, or other laws or regulations prohibit any one or more of the (re)insurers from providing such cover.

No (re)insurer shall be liable to pay its share of any claims or provide any benefit to the extent that that (re)insurer is prohibited by any trade or economic sanctions, or other laws or regulations from paying such claims or providing such benefits.

Nevertheless, this (re)insurance shall continue to apply to the extent that such trade or economic sanctions, or other laws or regulations do not apply to any other (re)insurer(s) that subscribes thereto.

### **3.B - Duty of the Insured, General Policy Exclusions**

3.B.1. The Insured shall use their best endeavours to avert and minimise any loss or damage that may be covered by this policy.

3.B.2. This policy excludes all loss or damage or liability or expense or cost directly attributable to the wilful misconduct or gross negligence or illegal act of the Insured. Further all benefit under the policy shall be forfeited if any claim be in any respect fraudulent or intentionally exaggerated.

3.B.3. The Insured shall ensure that the Vessel is kept in a seaworthy condition at all times and is only operated within the cruising limits defined in the Schedule.

3.B.4. The Vessel shall have adequate and customary fire protection in the engine room/space and, if the design allows, the tanks space; a portable fire extinguisher in efficient working order of not less than 1kg and a fire blanket in the galley. However, where the Vessel is capable of exceeding 17 Knots or 20 mph whilst under the power of its own engine(s) / machinery or has engines or machinery exceeding 350Hp in total the Vessel's engine room or engine space, and tank space shall be fitted with a fire extinguishing system which either operates automatically or is operable from the steering position and is properly installed and maintained in efficient working order.

3.B.5. Whilst the vessel is under the power of its own engine(s) / machinery this policy will exclude loss or damage or liability arising whilst racing, undertaking speed trials or tests. Where the Vessel is capable of exceeding 17 knots or 20 mph this policy will exclude loss or damage or liability whilst the Vessel is being navigated or is in the charge of a person who has less than 2 years experience with similar types of craft.

3.B.6. Any dinghy or tender insured hereunder must be marked with the parent vessel's name or some other unique marking.

3.B.7. The Insured must ensure that the vessel is safely laid up during any period specified in the Schedule.

3.B.8. If gas is carried on board, the installation must comply with current British or European standards, all gas containers must be secured against movement and must be contained within a gas locker properly vented to the exterior of the vessel.

### **3.C - Policy Excess/deduction**

The Insured shall be responsible for the sum or sums as specified in the Schedule or policy in respect of each and every claim that is recoverable under this policy.

### **3.D - Policy Period and Premium Payment**

This policy is a **Time Policy** which shall run from 00.01hrs Greenwich meantime on the date of inception shown on the Schedule for a period of 12 months and is subject to an annual premium.

### **3.E - Policy Cancellation**

3.E.1. The policy shall be cancelled from inception if there is **any deliberate or reckless** misrepresentation.

3.E.2. This policy may be cancelled subject to 30 days notice in writing by either party to the contract as follows:- the Insured shall send written notice of cancellation to the Company; where the Company wishes to cancel then notice of cancellation shall be in writing sent by post to the Insured at the address shown on the Schedule.

3.E.3. The policy shall become cancelled immediately when the vessel is sold.

3.E.4. Return of premium shall only be made where there have been no claims made, known or advised for the current 12 month period; where premium is to be returned this shall be calculated on a pro rata basis less any cancellation charge.

### **3.F - Usage**

The Vessel is covered for private and pleasure use only excluding charter under this policy, unless otherwise agreed in writing by the Company.

### **3.G - Navigation Limitations**

The Vessel shall navigate within the limits specified in the Schedule however the Vessel will be held covered subject to an additional premium being paid, in the event of an emergency situation which leads to such limits being breached.

### **3.H - Mooring Limitations**

The Vessel shall be moored, used in Commission and laid up out of Commission as stated in the provisions of the Schedule, and any changes must be notified immediately to the Company. The Company will where such change is acceptable supply written confirmation accepting the change. An additional premium may be charged.

### **3.i - War and Strikes Exclusions**

This policy excludes absolutely all loss or damage or liabilities or expenses arising from or caused by;

3 i.1. war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or hostile act by or against a belligerent power,

3.i.2. capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat,

3.i.3. derelict mines, torpedoes, bombs or other derelict weapons of war,

3.i.4. strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions,

3.i.5. any terrorist or any person acting from political motive,

3.i.6. any chemical, biological, bio-chemical or electromagnetic weapon,

3.i.7. the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic system.

### **3.J – Extended Radioactive Contamination Exclusion Clause**

This policy excludes absolutely all loss or damage or liability or expense directly or indirectly caused by or contributed to by or arising from;

3.J.1. ionising radiations from or contamination by radioactivity from any nuclear fuel or any nuclear waste from the combustion of nuclear fuel,

3.J.2. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof,

3.J.3. any weapon of war employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter,

3.J.4. the radioactive, toxic, explosive or other hazardous or contaminating properties of 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.

### **3.K - Any Other Insurance Condition and Exception**

It is a condition precedent to Insurers liability under this contract that no claim shall be recoverable under this insurance where there is in place at the same time another insurance under which loss or damage, liability or expense described herein would be recoverable except for the existence of this insurance.

### **3.L - No Claims Bonus**

The Company at its discretion may allow the following discounts from the gross premium, subject to the vessel being in Commission for at least 3 months in each policy period;

1 year claims free - 5%

2 years claims free - 10%

3 years claims free - 15%

4 years claims free - 20%

5 years claims free - 25%

At the discretion of the Company it may honour no claims bonus achieved with other insurers and allow such no claims bonus to be used as though earned as set out above.

### **3.M – Medical Expenses**

Doctor's or Surgeon's fees up to £250 per person or a maximum of £675 any one event, for attendance to the Insured or the Insured's passengers or guests, as the direct result of personal injuries caused by violent accidental external and visible means, sustained as a direct result of an accident involving the vessel which would be recoverable within the terms, conditions and limitations of this policy.

## **Section 4. Claims - Conditions and Procedures**

### **4.A - Notice of Accidents and Quotations for Repairs**

4.A.1. In the event of an accident whereby loss or damage or liability or expense may result in a claim under this policy the Insured must give prompt notice to the Company. In the event of loss or damage the Company may require a minimum of two quotations for incident related loss or damage and reserve the right on behalf of Insurers to accept and pay only an amount equivalent to the most economical quotation.

4.A.2. If notice is not given to the Company within 12 months of the actual date of or first knowledge of an incident that could give rise to a claim under this policy, Insurers will be automatically discharged from all liability.

### **4.B - Conduct in the Case of Third Party Liability Claims**

4.B.1. No liability shall be admitted or legal expense incurred without the written consent of the Company, which shall be entitled, if it so desires to take over and conduct in the name of the Insured the handling of any action, or to prosecute any claim for indemnity or damages, or otherwise, against any third party.

4.B.2. The Insured undertakes to promptly send to the Company all claims, letters, summonses, writs and the like, relating to any accident addressed to the Insured or his agents sent by authorities or by third parties.

### **4.C - Reinstatement and or Replacing**

4.C.1. The Company may at its option reasonably reinstate or replace any part of the insured property damaged or destroyed instead of paying the amount of loss or damage in money, notwithstanding that the former appearance and condition of the insured property may not be precisely restored.

4.C.2. If the Company elects to reinstate or replace, the Insured shall furnish to it when required all such information as may be deemed necessary or expedient for the purpose.

### **Section 5. Complaints Procedures**

If on any occasion our service falls below the standard you would expect us to meet, you should contact David Long at;

Yachtmaster Insurance Services Ltd,  
Ferry Quay House,  
Ferry Quay,  
Woodbridge,  
Suffolk, IP12 1BW.

If following contact with the above, you feel that you require further assistance then please write to **The Compliance Officer, Cobra London Markets Limited at 110 Fenchurch Street EC3M 5JT** or, following contact with them, if that does not satisfy your complaint, you may contact Allianz Global Corporate & Speciality SE at Allianz House, 60 Gracechurch Street, London, EC3V 0HR.

If the policy is in the name of a company, society, association or any name other than a private individual(s), then any complaint would fall outside the remit of the Insurance Ombudsman.



## **Section 6. French Territorial Endorsement**

THIS ENDORSEMENT ONLY APPLIES WHILST THE VESSEL IS ON THE NATIONAL TERRITORY OF FRANCE, FRENCH OVERSEAS DEPARTMENTS AND FRENCH TERRITORIAL COLLECTIVES.

This endorsement overrides Section 3 of this policy but only whilst your Vessel is in the National Territory of France, French Overseas Departments and French Territorial Collectives.

### **ENDORSEMENT**

Where insurance contracts insure against fire damage to property on the national territory and damage to land motor vehicles, the insured is also covered for direct material damage to insured property sustained on the national territory caused by terrorist attacks as defined in articles 421-1 and 421-2 of the French Penal Code.

Repair of material damage, including the costs of decontamination and the repair of immaterial damage caused by such damage are covered within the limits of the deductible and the limit for fire damage set by the contract.

In the event that decontamination of real estate property is necessary, indemnification of the damages, including the costs of decontamination, shall not exceed the market value of the building or the amount of the insured capital.

Moreover, if the insured is covered for business interruption, this cover is extended to the damage caused by terrorist attacks, in accordance with the terms of the corresponding contract.

This cover does not apply to the decontamination of debris and the containment of such debris.

Any clause to the contrary is deemed to be unwritten.

A decree of the "Conseil d'Etat" determines the possible dispensations or exclusions applicable to contracts covering large risks defined in Article L.111-6 with regard to the insurability of such risks.

David J. Long

For and on behalf of

Yachtmaster Insurance Services Ltd.

20.2.2017.