

POLICY OF INSURANCE

Edition 6/09

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

A Summary for your help - this is NOT part of the Contract of Insurance

keyfacts

Yachtline is authorised and regulated by the Financial Services Authority. Yachtline is permitted to carry out non investment insurance contracts as an intermediary. Yachtline's FSA register number is 312927. More information is available on the FSA website www.fsa.gov.uk/register or by telephone on 0845 606 1234.

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

Yachtline acts as agent for a limited number of insurance companies. Your certificate of insurance will tell you which insurance company has insured you.

Yachtline's policy normally runs for a period of twelve months. If your vessel was professionally built and properly maintained the policy covers you, 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

Yachtline's policy will normally cover you (unless otherwise specified) for salvage or wreck recovery costs and the allied legal costs.

Yachtline's policy will also cover you for personal accident to the owner or passengers up to the value shown in your certificate. (This cover only exists when you have requested it and we have arranged it).

Yachtline's policy will normally cover you (unless otherwise specified) for claims made against you by passengers or other third parties up to the value shown in your certificate.

Yachtline's policy covers personal effects on your vessel to a value shown in your certificate. No single item valued in excess of £2,500 is covered unless you have shown it separately.

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 agreed 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
- 2 wear, tear and general deterioration
- 3 mechanical failure or damage to machinery that was not caused by an accident to the vessel itself
- 4 losses caused by your vessel not being seaworthy or sailing during the laid up period
- 5 sails or protective covers split or blown away by wind
- 6 cash, credit cards or high value items as personal effects unless specified
- 7 losses to masts, spars, sails and rigging whilst racing (unless specifically covered in your certificate)
- 8 third party liability whilst in maintenance or road transit
- 9 for full details of our exclusions and conditions see the Policy Wording sections 1.8, 2.3, 3.7, 4.3 and 5.5

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 material facts 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 and warranties in section 6.2

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 due to the sale of your vessel, we will normally refund the unexpired portion of the premium upon sight of the bill of sale. If you wish to cancel your policy for other reasons, any premium refund will be at our discretion. You may be charged a proportion of our fees. For full details of your rights on cancellation and over returned premiums see the Terms of Business Agreement "Cancellation of Insurances" and "Return Premium" and the Policy Wording section 6.10 "Cancellation and Return Premium".

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

Your certificate of insurance may be subject to some of our additional clauses and special conditions:

Theft and malicious damage Warranty

Theft or damage to the vessel whilst on a trailer is only covered if:

- 1 the trailer is locked to the towing vehicle when left unattended whilst in transit
- 2 when not in transit wheel clamps are fitted to the trailer or it is kept in an enclosed and supervised marina, locked garage or storage building

Speedboat Clause

If your vessel does over 17 knots it is classified as a speedboat. Speedboats are only covered by specific agreement of insurers, when the following provisions will apply:

- 1 a competent person not under the effect of drugs or alcohol must be in charge
- 2 claims occurring whilst racing are not covered
- 3 outboards over 65HP are not covered if they become detached or lost overboard
- 4 claims for fire or explosion are only covered if the engine room has a proper fire extinguishing system, either automatic or controlled from outside the engine room
- 5 unless otherwise agreed vessels are not covered if left unattended on an exposed shore
- 6 unless otherwise agreed vessels are not covered for damage to rudder, strut, propeller or outboard unless caused by collision with another vessel, pier or jetty

Personal Watercraft

If insurers agree to insure personal watercraft:

- 1 claims will be subject to a specific Deductible shown on your certificate
- 2 theft will only be covered where the watercraft was forcibly removed from its permanent fixings on board or by forcible entry into the vessel
- 3 personal watercraft are subject to speedboat clauses as above

Racing Risks Extension

If insurers agree to cover racing risks cover will be granted for 2/3rds of the value of mast, spars, sails and rigging whilst racing. Unless specifically agreed by underwriters, cover is granted for local club racing only.

Waterskiers cover

If insurers agree to cover your liabilities whilst towing waterskiers, the level of cover will be shown separately on your certificate.

Bareboat Charter Clause

Unless specifically agreed by insurers, theft by the charterer is not covered.
If insurers have agreed to cover you for bareboat charter, you must:

- 1 verify the identity and address of the charterer by inspection of passport and municipality bill
- 2 record the charterers ID/passport number and address if the fee is paid in cash
- 3 ensure fees paid by cheque/credit card are cleared before the charter begins

Skipper Charter Clause

If insurers have agreed to cover you for skipper charter, you will be covered for up to 12 passengers so long as:

- 1 the vessel is in your charge or the charge of a competent skipper appointed by and paid by you
- 2 all relevant licensing requirements are met

Bay of Biscay clauses

If insurers have agreed to cover you sailing in the Bay of Biscay, please note that:

- 1 unless otherwise agreed, cover is only valid between 1st May and 30th September
- 2 you have at least 3 experienced crew if you are more than 30 nautical miles from land

Third Party Liability Only Insurance

If you have asked for third party liability only insurance, please note that salvage or wreck removal costs are not included.

WHEN YOU NEED TO MAKE A CLAIM

OUR ADVICE

Your Policy of Insurance is a legal contract under which you have certain responsibilities.

YOU MUST:

- 1 Take all reasonable steps to avert or minimise any loss or damage.
- 2 Provide us with as much information as possible including the names, addresses and contact numbers of the other parties involved.
- 3 Pass on to Yachtline as soon as possible all communication from other parties relating to any matter which might give rise to a claim under this policy You must not respond to such communications without our agreement.

YOU MUST NOT:

- 1 Admit liability
- 2 Make any offer to settle or compromise or pay any costs.
- 3 For the detailed clauses see section 6.9 in your policy 'Claims Procedure'.

Please help us by following this procedure should you need to make a claim on your policy.

Notify us or your broker as soon as possible following the incident, providing us with your contact telephone, fax number or e-mail address and details of the loss. You will find our address, telephone and fax numbers and e-mail address on the front page of this policy.

IF YOU NEED OUR URGENT ADVICE OUTSIDE OFFICE HOURS, OUR EMERGENCY NUMBER IS 07813 714560

When you have contacted us, we can discuss the potential loss and assist where we can with any advice needed. We will also forward a Claim Form for completion or one can be downloaded from our website.

Please complete the Claim Form and return it as soon as you are able. Please include (if possible) a written estimate to repair any damage or replace damaged/stolen items. If any additional information is required subsequent to this, we will contact you as soon as we can.

Please note that work, other than that necessary to safeguard the vessel and/or mitigate any damages, should not be carried out until you have agreed it with us, as insurers may wish to ask a surveyor to attend. If a surveyor is appointed you will be advised and we suggest that you are present during the survey if possible.

Please ensure you retain all estimates, invoices etc. and forward them to us or your broker as soon as possible.

If the claim includes any theft or criminal damage, please ensure you notify the Police or relevant authority immediately and obtain a crime report number and/or details of the Police Station or Officer.

Salvage

If you get into difficulty, please remember that your first consideration must always be the safety of yourself, your crew and passengers and it is only after you have ensured that you are all safe that you should consider the implications of salvage costs. If salvage services are offered by another vessel, where possible you should contact us and/or your broker for guidance before accepting any terms. In most cases however this will not be possible and you must then act in the best interests of yourself and insurers. General guidance on this is difficult, but if you are offered a fixed price contract which is obviously reasonable you should consider accepting it. In making your decision, consider the following factors:

- 1 What danger threatens your vessel
- 2 Professional salvage contract operators can be costly, but know what they are doing
- 3 Opportunist offers of salvage from non-professionals can lead to heavy costs and disputes if you do not agree what they are going to do and how much they are going to charge you at the time.

If you can, try to leave the matter of payment for later and only if necessary agree to sign a Lloyd's Open Form Salvage Agreement.

Dealing with the claim/settlements

Following your presentation of the claim form and repair estimates and our receipt of any survey or other expert reports we will contact you advising whether the claim has been accepted, or seeking additional information.

If the claim has not been accepted as recoverable under the terms and conditions of your policy, or for any other reason, you will receive a full explanation.

If the claim is accepted the onus is then on you as the owner of the vessel to arrange the repairs or replacements and then forward the original receipts or paid accounts for reimbursement. This is because a marine Policy of Insurance indemnifies you for your loss. It is not intended that insurers should be responsible to put everything right for you.

In the event of problems we can look into alternative methods of dealing with the settlement such as the issuing of a Discharge Form to enable cash settlement to your account or to a repairer.

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 which detail the actions you must take in order to ensure that this policy properly 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 Services Authority

Yachtline is authorised and regulated by the Financial Services Authority. We are permitted to carry out non investment insurance contracts as an intermediary. Our FSA register number is 312927. More information is available on the FSA website www.fsa.gov.uk/register or by telephone on 0845 606 1234.

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 seek 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, this will not affect your rights to make claims against those insurers.

Ownership

Yachtline Limited is 90% owned by Sinclair Robertson Ltd, a U.K. Limited Company.

Premium Quotations

If you wish to consider insuring with Yachtline, we will send you a premium quotation, which will tell you the total price to be paid. Any fees, UK taxes or other charges will be shown on the quotation. Full payment of premium, taxes and other fees or charges is due within 15 days of cover commencing (unless otherwise specifically agreed). Premium quotations or renewal quotations are not legally binding – they are there to advise you of the terms underwriters will consider if you wish to insure with Yachtline.

Premium quotations may be valid for a specified period and may be subject to requests for additional information as required by insurers. Consequently premium quotations may be subject to change in respect of the amount of premium indicated and/or the terms and conditions that are applied.

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 very carefully to ensure that all the information is correct. If any material fact is incorrect or not included, this may invalidate your cover.** 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.

Where we cannot meet all 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

We are required to tell you that it is your duty as our customer to disclose all material facts. You must ensure that the information, statements and answers you have given Yachtline are correct.

In particular, your Proposal Form and demands and needs statement describes the information we believe you have given us, and you must ensure that it is correct and accurate.

Every proposer or insured must disclose any information which might influence the insurer 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 disclose all material facts, this may render the policy void from the start date of the contract and may entitle the insurer to refuse to pay your claims. All such material facts should be disclosed to us at proposal, renewal or at any time during the period of insurance when you become aware of them.

Examples of material facts 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. If you are not sure whether a fact is material, you should disclose it, or should you need guidance please do contact us.

Policy Documentation

You should read all insurance policy documentation we send to you carefully. Please ensure you understand the policy terms, conditions and warranties in them.

A Yachtline Policy Wording is issued with every new Certificate of Insurance and these documents together with the Proposal Form, form the basis of the insurance contract purchased. We strongly advise you to read these documents carefully and contact Yachtline should you have any queries so that we can explain them to you. A breach of the terms, conditions and warranties may enable insurers to terminate your policy from the date of that breach, and/or repudiate a claim under your policy.

We have summarised the significant benefits and limitations of your Policy of Insurance in our Summary of the Key Facts which you will find at the front of the Policy Wording. This summary is there to assist you and does not form part of our legal contract with you. The full terms, conditions and exclusions of the policy are defined by the Policy Wording.

We advise you to read the Certificate of Insurance and the Policy Wording to ensure that they meet your requirements. If they do not, you have a 15 day cooling off period after you have received the policy during which you can cancel the contract.

Cancellation of Insurances and Cooling Off Period

Your policy documents will detail your rights to cancel any insurance you have taken out. You will be entitled to 15 days “cooling off” period during which you may decide not to proceed with the purchase of the insurance contract. The period commences from either the day of conclusion of the contract, or the day on which you receive the full policy terms and conditions whichever is the latter.

To cancel this insurance contract within the cooling off period please write, fax or e-mail us. You will find our details on the first page of this policy. **Please note, you must return any relevant Certificate of Insurance to us.** If you do cancel this insurance within the cooling off period, you may be charged a proportion of any of our fees that you have incurred.

The insurance contract can be cancelled at any time by either party in writing giving notice of cancellation (usually 30 days) within the policy terms. If you wish to give notice of cancellation, please write, fax or e-mail us and return any relevant Certificate of Insurance to us. If we, or insurers wish to cancel the insurance contract we/they shall write to you at the last known address we/they have for you on our/their records. See below for premium returns.

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

Return Premiums

Return premiums may arise if an insurance risk is reduced or a policy cancelled as laid out in the preceding section. Insurers may refuse to allow a 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 6.10 and proof of sale.

If you decide during the 15 day “cooling off period” not to proceed with the purchase of the insurance contract, then we will refund any premium you have paid.

If the policy is cancelled for any other reason than those described above, return premiums are at the discretion of the 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, which will be stated in the policy documentation. Generally, 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 our Claims advice on pages 6 and 7 and also Policy Section 6.9

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 (Solvency Of Insurers)

We do not guarantee the solvency of any insurer we place business with. 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 insurance contract this information is available on request.

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 upon 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 agents of 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 agreements 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 your 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. In order to provide you with our products and services this information will be held in the data systems of Yachtline and the insurers shown in your certificate of insurance, or their respective subcontractors. The insurers may pass your personal data to other companies for processing on their behalf. Some of these companies may be based outside Europe in other countries which may not have laws to protect your personal data, but in all cases insurers will ensure that it is kept securely and only used for the purposes for which you provided it. Details of these companies and the countries involved can be provided to you on request.

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 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 ones), evidence of identity will usually comprise of certificate of incorporation, a list of directors, a list of shareholders and the registered address.

We are obliged to report to the National Criminal Intelligence Service any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report.

Claims payment will be made in favour of you. If you require a payment to be made to a third party then you must confirm the required payee name and details and provide a brief explanation for your request.

Governing Law

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

Complaints and Compensation

We care about the service that 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. If you follow the steps outlined below, your complaint will be dealt with in the most efficient manner.

❖ Step one

Speak to the person at Yachtline or at your brokers or agent handling your insurance. Have your Policy or claim number ready as a reference.

❖ Step two

If the matter is not resolved to your satisfaction, please write to The Compliance Officer, Yachtline Ltd.

Telephone: +44 (0)20 7403 3884

Fax: +44 (0)20 7403 3885

Email: yachtline@yachtline.co.uk

❖ Step three

If you are still not satisfied, you may refer the matter to the Financial Ombudsman Service (unless you are a commercial customer with a group annual turnover of £1m or more, a charity with an annual income of £1 million or more or a trustee with a net asset value of £1m or more). You may contact The Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR, telephone 0845 080 1800, fax 020 7964 1001.

We are covered by the Financial Services Compensation Scheme (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 from the FSCS at 7th floor Lloyds Chambers, Portsoken Street, London E1 8BN, telephone 020 7892 7300, fax 020 7892 7301, email enquiries@fscs.org.uk.

POLICY WORDING

Introduction

Your Policy and Certificate of Insurance form a legally binding contract between the Insurers named on the Certificate, and you, the Assured.

Please read these documents carefully. The cover that you have is shown on the Certificate of Insurance. The explanation of the contract between you and underwriters is described in the Policy Wording. **If the Certificate and Policy do not provide you with the protection you want, either now or at any time in the future, please inform us immediately.**

If you arrange this insurance through a broker or agent you should communicate with us through them.

This contract is based on the information you have provided us which is laid out in your Proposal Form and the statement of your insurance demands and needs. You must check this information and ensure it is correctly recorded. You must also tell us of any change in this information or of any material fact as soon as possible, as failure to do so could invalidate your Policy. You should not wait until the renewal date.

We will insure you under those Sections shown on your Certificate of Insurance, subject to the terms and conditions of the Policy, during any Period of Insurance for which we have accepted your premium, or for which you have agreed to pay.

Jurisdiction

This Policy is subject to English law and any dispute arising under this Policy will be decided in accordance with English law. Marine insurance under English law is subject to an Act of Parliament called the Marine Insurance Act 1906 and accordingly that Act will regulate our dealings. Furthermore you agree to submit to the exclusive jurisdiction of the English High Court in London for all disputes arising between you and insurers.

Complaints handling

Please see our Terms of Business Agreement on Pages 8-12.

All Risks

1.1 Scope of Cover

Subject to the terms of the attached certificate, this insurance is to protect you against physical loss or damage to the Vessel. This loss or damage may be caused by any accidental fortuitous cause, or by the negligent or malicious act of any person, or by theft, or by the act of any governmental authority done for the purpose of preventing or mitigating pollution, or risk of pollution which may result from loss or damage to the Vessel where such loss or damage is covered by this insurance.

The term “the Vessel” includes the Vessel named in the schedule, her gear and equipment, (other than moorings), boat or tender and bunkers, being the property of the Assured and such as would be transferred upon sale, but excludes Personal Effects as referred to in Section 5 of this insurance.

1.2 Salvage

The Insurers will pay the reasonable cost of the salvage of the Vessel following any casualty, provided that the Assured shall not, without the consent of the Insurers, make any admission of liability for salvage, nor agree any salvage award with any salvor or alleged salvor.

Nothing shall be payable under the insurance in respect of any salvage by any sister ship, or ship under the same or associated management or control, or by any person or company connected with the Assured, or with any company with which he is associated.

1.3 Wreck Removal and Disposal

The Insurers will pay the reasonable cost of removing the wreck of the Vessel from any place from which the Assured is required, by the order of any competent authority, to remove it, and will in addition pay the reasonable cost of disposing of the wreck.

1.4 Inspecting Bottom after Grounding

The Insurers will pay the reasonable cost of inspecting the bottom of the Vessel after a grounding, if reasonably incurred specially for that purpose, even if no damage be found.

1.5 Inland Transit

The Insurers will pay for any loss or damage, caused as set out in Clause 1.1 above, while the Vessel (or part thereof as defined in Clause 1.1) is in transit by road, rail, car-ferry or air, including loading and unloading from the conveyance, on journeys starting and finishing on land adjacent to the Navigation Limits in accordance with the certificate. No claim shall be allowed in respect of scratching, bruising and/or denting arising during transit covered by this clause and the cost of consequent repainting or re-varnishing, or in respect of liability to third parties however arising. See also section 6.2.7.

1.6 Duty of Assured

The Assured has the following duties:

- 1.6.1 In the case of any loss or misfortune, it is the duty of the Assured, their Servants and Agents to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.
- 1.6.2 Subject to the provisions below, and to the other terms of this insurance, the Insurers will contribute to charges properly and reasonably incurred by the Assured, their Servants or Agents for such measures. General average, salvage charges, collision defence or attack costs and costs incurred by the Assured in contesting liability are not recoverable under this clause, but see section 3 clause 3.3.
- 1.6.3 The Assured shall render to the Insurers all possible aid in obtaining information and evidence should the Insurers desire to take proceedings at their own expense and for their own benefit in the name of the Assured to recover compensation, or to secure an indemnity from any third party in respect of anything covered by this insurance.

1.6.4 Measures taken by the Assured or the Insurers with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment, or otherwise prejudice the rights of either party.

1.6.5 The sum recoverable under this clause shall be in addition to the loss otherwise recoverable under this insurance, but in no circumstances shall amounts recoverable under Clause 1.6.2 exceed the sum insured under this insurance in respect of the Vessel.

1.7 War

Subject always to the exclusions shown in section 1.8.15, this Section 1.7 of this insurance covers:

1.7.1 Loss of or damage to the Vessel caused by:

- 1 War, civil war, revolution, rebellion, insurrection or civil strife arising there from, or any hostile act by or against a belligerent power.
- 2 Capture, seizure, arrest, restraint or detainment, and the consequences thereof or any attempt thereat.
- 3 Derelict mines, torpedoes, bombs or other derelict weapons of war.
- 4 Strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions.
- 5 Any terrorist or any person acting from a political motive.
- 6 Confiscation or expropriation.

1.7.2 Detainment

In the event that the Vessel shall have been the subject of capture, seizure, arrest, restraint, detainment, confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the Vessel for a continuous period of 12 months, then for the purpose of ascertaining whether the Vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the Vessel without any likelihood of recovery.

(N.B.) the detainment or expropriation of the vessel when engaged in illegal activity, or by the authorities of the home country is not covered by this clause.

1.7.3 Termination

- 1 This Section 1.7 of this insurance may be cancelled by either the Insurers or the Assured, giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by, or to, the Insurers). The Insurers agree, however, to reinstate this insurance subject to agreement between the Insurers and the Assured prior to the expiry of such notice of cancellation, as to new rate of premium and/or conditions and/or warranties.
- 2 Whether or not such notice of cancellation has been given, this insurance shall TERMINATE AUTOMATICALLY: Upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 1.8.15.1 wheresoever or whensoever such detonation may occur and whether or not the Vessel may be involved. Upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries: **United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China**. In the event of the Vessel being requisitioned, either for title or use.
- 3 In the event either of cancellation by notice, or of automatic termination of this insurance by reason of the operation of this Clause 1.7.3.2, or of the sale of the Vessel, pro rata net return of premium shall be payable to the Assured.

1.8 Exclusions

This Section 1 of this policy does not cover:

- 1.8.1 Any speedboat, being any Vessel boat or tender whose designed or actual maximum speed exceeds 17 knots. If specifically agreed by Insurers this exception may be deleted, Section 2 of this insurance shall then be deemed to apply.
- 1.8.2 Any loss or damage caused by the failure of the Assured to exercise due diligence properly to manage the vessel or to maintain her in a seaworthy condition.
- 1.8.3 Any loss or damage caused by the malicious act of the Assured, their Servants, Agents, any member of the Assureds' family, or any person on board the Vessel with the consent of the Assured.
- 1.8.4 Any loss or damage caused by wear, tear or deterioration.
- 1.8.5 The cost of replacing any part of the Vessel found to be latently defective.
- 1.8.6 The theft of the Vessel by any person having control of the Vessel with the consent of the Assured.
- 1.8.7 The theft of any outboard motor, unless at the time of the theft it was either secured to the Vessel by some locked means other than its operating mounting, or it was inside a locked cabin, storage compartment, conveying vehicle, or building to which access was forcibly effected.
- 1.8.8 The theft of any of the Vessel's gear or equipment unless resulting from forcible entry into a locked cabin, storage compartment or building. This Clause shall not apply to items of equipment which are permanently fixed to the Vessel provided that the Assured demonstrates forcible removal.
- 1.8.9 The loss of any of the Vessels' equipment whilst in transit unless resulting from the theft following forcible entry into the conveying vehicle.
- 1.8.10 The theft of any boat or tender to the Vessel unless permanently marked with the name of the Vessel.
- 1.8.11 The Deductible set out in the certificate in respect of each and every loss, "Loss" meaning any loss or series of losses arising out of any one event or series of events resulting from any one cause.
- 1.8.12 Loss of, or damage to, protective covers or to sails split by the wind or blown away while set, unless consequent on damage to the spars on which sails are bent, or occasioned by the Vessel being stranded or in collision with any external substance (ice included) other than water.
- 1.8.13 Loss of, or damage to sails, masts, spars or standing and running rigging while the Vessel is racing unless the loss or damage is caused by the Vessel being stranded, sunk, burnt, on fire or in collision or contact with any external substance (ice included) other than water.

PROVIDED THAT if specially agreed by Insurers, this exception may be deleted, and this insurance will cover:

- 1 The cost of replacing or repairing sails, masts, spars, standing and running rigging lost or damaged whilst the Vessel hereby insured is racing, to the extent only 2/3rds of such cost (without application of the Deductible in this insurance).
- 2 The Insurers Liability under this section above arising out of any one occurrence whilst racing shall be calculated upon the basis that the full replacement cost of all sails carried, whether set or not, masts, spars, standing and running rigging shall not exceed the sum stated for this purpose in the Certificate. If the replacement cost exceeds the sum stated, the Assured shall be deemed to be his own insurer in respect of the uninsured balance.
- 3 This insurance will only cover local club racing unless insurers specially agree to cover other types of race.

1.8.14 Loss of or damage to any mooring or any part thereof.

1.8.15 Section 1.7 is subject to the following exclusions:

- 1 Any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war.
- 2 The outbreak of war (whether there be a declaration of war or not) between any of the following countries:
United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China.
- 3 Requisition or pre-emption.
- 4 Capture, seizure, arrest, restraint, detainment, confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the Vessel is owned or registered.
- 5 Arrest, restraint, detainment, confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations.
- 6 The operation of ordinary judicial process, failure to provide security, or to pay any fine or penalty, or any financial cause.
- 7 Any claim for expenses arising from delay.

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

- 1 Ionising radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
- 2 The radioactive, toxic, explosive or other hazardous or contamination properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
- 3 Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

1.8.17 Any claims arising during the Laid-Up period 1st November to 31st March, or such other period as may be specified on the Certificate of Insurance where:

- 1 The vessel was sailing or was otherwise in use.
- 2 The vessel was not in a marina or securely stored ashore.

1.8.18 Any loss or Damage to motors and connections unless caused by fire or explosion, the vessel sinking, stranding or colliding with any external substance other than water or the vessel being immersed as a result of heavy weather.

1.8.19 Unless specifically agreed by Insurers and shown on your certificate, no cover is given for commercial hire, including skipper charter and bareboat charter. See also the insured's warranty under clause 6.2.2. Where insurers have specifically agreed to cover commercial hire, this is subject to restrictions detailed in clause 6.2.3 and 6.2.4.

1.8.20 Personal watercraft are not covered except by the specific agreement of insurers. Theft of personal watercraft is excluded unless as a result of forcible entry to the vessel or forcible removal from the permanent fixings aboard. Where Insurers have agreed to cover personal watercraft they shall be subject to the clauses in Section 5.

1.8.21 Any claim arising from any breach of the warranties in section 6.2.

SECTION 2

Speedboats

2.1 A speedboat is:

- 1 Any Vessel whose designed or actual maximum speed exceeds 17 knots, or
- 2 A boat or tender whose designed or actual maximum speed exceeds 17 knots, even if the designed or actual maximum speed of the Vessel to which it is a boat or tender does not exceed 17 knots.

2.2 It is warranted that, when a speedboat is under way, a competent person shall be on board and in control.

2.3 Exclusions

This part of this insurance does not cover any claim for loss or damage to the speedboat, or any liability to any third party or for any salvage services:

- 2.3.1 Arising while the speedboat is participating in racing, or speed tests, or any trials in connection therewith.
- 2.3.2 Resulting from any outboard motor becoming detached from the speedboat, or being dropped overboard, if the Horse Power of the engine as rated by the manufacturer exceeds 65 Horse Power.
- 2.3.3 Resulting from the speedboat, with the knowledge of the Assured, being under the control of any person for the time being under the influence of alcohol or drugs.
- 2.3.4 Resulting from fire or explosion on board any speedboat having an engine room, or engine space, unless such engine room or engine space is equipped with a fire extinguishing system automatically operated, or having controls at the steering position, or outside and adjacent to the engine room or engine space, and properly installed and maintained in efficient working order.
- 2.3.5 Damage to rudder, strut, shaft, propeller or outboard unit or outdrive unit or dinghy or tender is not covered unless caused by contact with another vessel, pier or jetty, or unless the speedboat be sunk or immersed.
- 2.3.6 Damage is not covered which was caused by or arose from the speedboat being stranded, sunk, swamped, immersed or breaking adrift while left moored or anchored unattended in an open or exposed position such as a beach shore or riverbank not properly sited or equipped to provide secure moorings.

SECTION 3

Third Party Liability

- 3.1 Subject to the other terms of this insurance, the persons having the benefit of this Section 3 (called “the Assured Persons”) are the Assured, any person having at the relevant time control of the Vessel with the consent of the Assured, and if so agreed by Insurers, any person engaged in any of the activities listed in Section 3.7.4.
- 3.2 If any Assured Person shall, by reason of his interest in or control of the Vessel, incur any legal liability to any Third Party, the Insurers will indemnify him against such liability provided that the sum payable under this Section 3 in respect of any Claim or Claims arising out of any one event or series of events resulting from any one cause shall not exceed the sum set out in the Certificate.
- 3.3 If with the consent of the Insurers, an Assured Person defends or prosecutes any legal proceedings arising out of, or in connection with, an event in respect of which indemnity is afforded under this Section 3, including proceedings before a Coroner’s Court, the Insurers will, in addition to the sum assured under this section, pay the costs incurred by an Assured Person and any costs which he may be ordered to pay to any other party in connection with such proceedings.
- 3.4 The Insurers shall be entitled to take over and conduct, in the name of any Assured Person, any proceedings in respect of which indemnity is afforded under this Section 3, and the Assured and any Assured Person shall afford the Insurers full co-operation in conduct of such proceedings.
- 3.5 No admission of liability, or offer of settlement shall be made by, or on behalf of, any Assured Person without the consent of the Insurers. The making of any such admission or offer shall render this Section 3 of this insurance void.
- 3.6 On the happening of any event which might give rise to a Claim under this Section 3, the Assured or any Assured person shall immediately give notice to Yachtline Ltd, Mariners Wharf, 8 Holyrood Street, London, SE1 2EL. Telephone +44 (0)20 7403 3884, Fax +44 (0)20 7403 3885.

3.7 Exclusions

This Section 3 does not cover:

- 3.7.1 Liability incurred by any Assured Person:

- 1 to any person employed by any Assured Person in connection with the Vessel.
- 2 to any person on board the Vessel in consideration of payment, hire or reward.
- 3 while the Vessel is on land being towed or transported.

- 3.7.2 Any person in control of the Vessel by reason of his occupation as marina operator, sales agent, mooring contractor, delivery contractor, slipway operator, shipbuilder or repairer, yacht club operator or any like operation, or as an employee of any such organisation.
- 3.7.3 Any liability of any Assured Person (unless otherwise agreed by insurers) to any person engaged in:

- 1 Water-skiing
- 2 Bare-foot skiing
- 3 Aqua-planing or any like activity

While under tow of the Vessel, or preparing or intended so to be.

- 3.7.4 Any liability of any person (unless otherwise agreed by insurers) engaged outside the Vessel in any such activity as is mentioned in Section 3.7.3.
- 3.7.5 In the event of the insured vessel being damaged or lost, the cost of removing the wreck and salvage charges is not covered by this section 3.

Personal Accident

4.1 Scope of Cover

Subject to the other terms of this insurance, the Insurers will pay to the Insured Person or his executors or administrators the sum set out in the Schedule of Compensation if at any time during the Period of Insurance, an Insured Person shall sustain accidental bodily injury whilst aboard the Vessel named in this insurance, including embarking and disembarking therefrom and to include embarking and disembarking via a yacht tender which is not powered by a motor exceeding 5 Horse Power, which shall solely and independently of any other cause result in his death or disablement, as specified, within 12 calendar months from the date of the Accident causing the injury

Schedule of Compensation

Death	100% of insured value
Loss of one limb	50% of insured value
Loss of two limbs	75% of insured value
Loss of the sight of one eye	50% of insured value
Loss of the sight of two eyes	75% of insured value
Permanent total disablement	100% of insured value

For children under 16 years of age the benefit payable in respect of death is limited to £2,500.

4.2 Conditions

- 4.2.1 No Claim will be payable under more than one item in the Schedule of Compensation in respect of the consequence of one accident. In the event that an accident covered hereunder should result in the death of the Insured Person within 12 months of the date of the accident and prior to the definite settlement of the compensation for disablement, there will be paid instead of the latter, the compensation payable in the case of death.
- 4.2.2 If a Claim hereunder exceeds a total of 6 Insured Persons arising out of an accident covered hereunder, then the Sum Insured per Insured Person shall proportionately be reduced until their total does not exceed the sum stated for this Section 4 Personal Accident in the Certificate.
- 4.2.3 Written Notice must be given to Yachtline Ltd, Mariners Wharf, 8 Holyrood Street, London, SE1 2EL, Telephone +44 (0)20 7403 3884, Fax +44 (0)20 7403 3885 as soon as practicable in the event of any accident which causes or may cause a Claim to be made under this insurance. If disablement results, or may result, the Insured Person must place himself as early as possible under the care of a qualified medical practitioner.
- 4.2.4 In the event of a Claim under this insurance, the Insured Person will permit the Insurers' own appointed medical adviser or advisers to examine him as often as may be deemed necessary.
- 4.2.5 In interpreting this Section 4 of this insurance, words in the masculine gender shall include the feminine.

4.3 Exclusions

The Insurers will not be liable for death or disablement:

- 4.3.1 if the Insured Person had reached his 70th birthday at the commencement date of this insurance.
- 4.3.2 directly or indirectly resulting from disease or natural causes, surgical treatment (unless rendered necessary by accidental bodily injury cover hereunder), suicide, attempted suicide, intentional self injury, deliberate exposure to exceptional danger (except in an attempt to save human life), or the Insured Person's own criminal act.
- 4.3.3 consequent on war, invasion or civil war.
- 4.3.4 when the Vessel is used for purposes other than private pleasure use of owner.

Personal Effects

5.1 Scope of Cover

Subject to the other terms of this insurance, this Section 5 of this insurance is against all risks of physical loss or damage to the Personal Effects of the Assured and, if an individual, his immediate family, from any external accidental fortuitous cause, or from the negligent or malicious act of any person, or from theft.

5.2 Average

If any of the Personal Effects hereby insured shall, at the commencement of any destruction or damage to such property, by any peril hereby insured against, be collectively of a greater value than the Sum Insured for Personal Effects set out in the Certificate, then the Assured shall be considered to be his own insurer for the difference and shall bear a rateable share of the loss accordingly.

5.3 Non-Contribution

If any of the Personal Effects hereby insured shall, at the commencement of any destruction of, or damage to such property by any peril hereby insured against, be also covered by any other insurance, then this insurance shall not insure the same, except only as regards any excess of value beyond the amount of such other insurance or insurances, which said excess is declared to be under protection of this insurance, and subject to average as aforesaid.

5.4 Transit

Cover under this Section 5 of this insurance begins at the commencement of transit from the place of ordinary residence of each Assured Person, continues during the ordinary course of transit to the Vessel, while the Personal Effects are on board the Vessel, during the ordinary course of transit to the place of ordinary residence of each Assured Person, and terminates on arrival at such place of ordinary residence, provided that the period of transit to and from the Vessel shall not exceed 7 days for any one return journey.

5.5 Exclusions

This Section 5 of this insurance does not cover:

- 5.5.1 The Deductibles set out in the Certificate in relation to each and every loss, "loss" meaning losses sustained by any one person on any one occasion.
- 5.5.2 Theft while the Vessel is unattended, unless resulting from forcible entry into the Vessel or into any locked storage compartment.
- 5.5.3 Damage caused by atmospheric conditions.
- 5.5.4 Damage to electric, electronic, optical or photographic equipment by ingress of water unless sustained in circumstances in which the Vessel has become an actual or constructive total loss.
- 5.5.5 Jewellery, specie, antiques, works of art, china, glass, consumable stores, documents, valuable securities, negotiable instruments, travellers cheques, currency, or any single item with a replacement value in excess of £2500 unless advised separately by you.
- 5.5.6 Any loss or damage caused by the malicious act or theft of the Assured, their Servants, Agents any member of the Assureds' family, or any person on board the Vessel with the consent of the Assured.

General Conditions Applicable to all Sections of this Policy

6.1 Proposal Form

The Proposal Form completed by or on behalf of the Assured shall be the basis of this Contract of Insurance. If anything stated in the Proposal Form is materially untrue, or if any material information has been omitted, then at the option of the Insurers this insurance may be cancelled and avoided from its inception.

6.2 Limits of Navigation and Use

The following warranties apply. Failure to comply with any warranty shall cause cover to cease from the date upon which the non-compliance occurs:

- 6.2.1 The Vessel is covered while anchored, moored or navigating within the Navigation Limits set out in the Certificate annexed, including while aground at customary berth, at place of storage ashore, including lifting out and launching, while being moved in shipyard or marina, while being dismantled, fitted out, refitted, overhauled, undergoing normal maintenance or survey, but not while being used as a houseboat or undergoing major repair or alteration. Gear and equipment are covered whether on board the Vessel or not, while in transit to and from place of storage ashore, and while in storage ashore, always subject to the terms and conditions of this insurance.
- 6.2.2 It is warranted unless specifically otherwise agreed that the Vessel at all times be used only for the private pleasure purposes of the owner.
- 6.2.3 If specifically agreed by Insurers and in consideration of the payment of an additional premium if required this insurance is extended to afford cover while the vessel is in use in consideration of payment for hire and reward. Clause 3.7.1.2 and clause 6.2.2 are deleted, but clause 4.3.4 and all other terms remain in force.

If used for bareboat charter it is warranted that:

- 1 No cover shall be granted for theft of the vessel by the charterer.
- 2 When under way the vessel is under the command of a competent person who holds any appropriate qualification required by any applicable regulations.
- 3 That the assured or his managers or agents shall record the passport number of the charterer and additionally verify and copy the identity and address of the charterer by other means such as a copy of a bank statement or utility bill.
- 4 That the payment of the deposit of the charter fee shall be made in advance by credit card or cheque and such payment shall have been cleared prior to the commencement of the charter. In the event of the balance of payment by cash a copy of the passport or identity card is required. In addition, a copy of the bank statement or municipality bill is required in order to verify the identity and address of the charterer.
- 5 That there will be a charter agreement for each charter.

If used for Skipper Charter it is warranted that:

- 1 If the persons referred to in clause 6.2.4 are not the assured, they shall be appointed by and remunerated by the assured.
- 2 The owner or a professional skipper shall be on board and in charge.
- 3 The vessel complies with MCA/ISAF Codes of Practice and/or local applicable licensing authorities as applicable and such requirements being maintained.
- 4 That there shall be no more than twelve passengers on board.

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- 6.2.4 When cover is extended under Clause 6.2.3 it is warranted that the Vessel shall be under the supervision of a sufficiently qualified person, and that while under way she shall be under the command of a competent person.
- 6.2.5 It is warranted that unless the Vessel is manned by at least 2 persons of adequate physical strength, one of whom shall be competent to be in command, she shall not be navigated except between the hours of sunrise and sunset local time for a cumulative distance not exceeding 50 nautical miles on any one day.
- 6.2.6 It is warranted that the Vessel will be used for lawful purposes and in so far as the Insured, their Servants and Agents can control the matter the Vessel will be operated in a lawful manner.
- 6.2.7 It is warranted that when the vessel is on a trailer it is kept in an enclosed and supervised marina or a locked garage or storage building, or that wheel clamps are fitted. If the vessel is in transit, it must be locked to the towing vehicle if left unattended.
- 6.2.8 If the vessel's navigation limits are extended to include the Bay of Biscay, it is warranted that:

- 1 The vessel will only sail in the Bay of Biscay between 1st May and 30th September.
- 2 There will be a minimum of three experienced crew on board whilst cruising from Brest to Gibraltar.
- 3 Insurers may at their discretion waive requirement 2. It is then warranted that the vessel will cruise no more than 30 nautical miles from the shore.

- 6.2.9 It is warranted that the following have been declared to insurers:

- 1 Any refusal to grant insurance or the imposition of special terms by any previous insurers.
- 2 Where the insured has any previous convictions for fraudulent or criminal activity or has previously been shown to have misrepresented facts

6.3 Change of Ownership

Subject to Clause 6.4 this insurance shall automatically cease on the ownership of the Vessel changing. If the Vessel is owned by a body corporate, a change in control of the body corporate shall be deemed to be a change of ownership.

6.4 Continuation of Insurance

If the Vessel is at sea when this insurance expires, it shall automatically continue until the Vessel arrives safely at her next port of call, provided that prompt notice is given to the Insurers and any additional premium required is paid.

6.5 Due Diligence

The Assured shall at all times exercise due diligence to maintain the Vessel in a seaworthy condition, to see that she is properly fitted with all prudent safety equipment which shall be maintained in working order, and that when unattended she is properly moored and her accommodation and storage compartments are secured and locked, and to prevent pollution or the risk of pollution following damage to the Vessel. Bottled gas systems and appliances shall be professionally installed and properly maintained.

6.6 New for Old

In respect of any Claim for replacement of sails, protective covers, standing or running rigging, or outboard motors, there may be deducted such sum not exceeding one third of the Claim as in the opinion of the Insurers shall represent the advantage to the Assured in receiving a new item in replacement for any old item.

6.7 Unrepaired Damage

- 6.7.1 The measure of indemnity in respect of Claims for unrepaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such unrepaired damage, but not exceeding the reasonable cost of repairs.
- 6.7.2 In no case shall the Insurers be liable for unrepaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.
- 6.7.3 The Insurers shall not be liable in respect of unrepaired damage for more than the insured value at the time this insurance terminates.

6.8 Constructive Total Loss

- 6.8.1 In ascertaining whether the Vessel is a constructive total loss, the insured value shall be taken as the repaired value, and nothing in respect of the damaged or break-up value of the Vessel or wreck shall be taken into account.
- 6.8.2 No Claim for constructive total loss, based upon the cost of recovery and/or repair of the Vessel, shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

6.9 Claims Procedure

- 6.9.1 When any event occurs which may give rise to a Claim on this policy, the Assured must immediately give notice to Yachtline Ltd, Mariners Wharf, 8 Holyrood Street, London, SE1 2EL, Telephone +44 (0)20 7403 3884, Fax +44 (0)20 7403 3885.
- In the event of theft or malicious damage, the Assured should also notify the local police.
- 6.9.2 The Assured must take all reasonable steps to minimise loss and damage to the Vessel or to its contents if insured, and to minimise liabilities to third parties. Attention is drawn to Clause 1.6 “Duty of Assured” and to Clause 3.5 “No Admission”.
- 6.9.3 If the Assured shall make any Claim knowing it to be false or fraudulent then this policy shall be void from its inception and the Insurers shall be entitled to retain premium paid.

6.10 Cancellation and Return Premium

This section details your rights to cancel any insurance you have taken out.

- 6.10.1 If you have taken out a new policy you are entitled to 15 days cooling off period during which you may decide not to proceed with the purchase of the insurance contract. The period commences from either the day of conclusion of the contract or the day on which you receive the full policy terms and conditions, whichever is the later. To cancel this policy within the cooling off period please write to Yachtline Ltd. at the address shown on the front of this policy returning the relevant Certificate of Insurance. If you cancel this insurance within the cooling off period you may be charged a proportion of any of our fees that you have incurred.
- 6.10.2 In the event of the sale of the Insured Vessel a return premium payment shall be made from the date of sale, notice of such sale must be given to Insurers within a reasonable time. Insurers may require proof of sale .
- 6.10.3 The insurance contract can be cancelled at any time by either party in writing giving notice of cancellation (usually 30 days) within the policy terms. If you wish to give notice of cancellation, please write to us at the above address and return any relevant Certificate of Insurance to use. If we, or insurers, wish to cancel the insurance contract we/they shall write to you at the last known address we/they have for you on our/their records. In the event of cancellation outside the cooling off period, premiums are non-refundable except in exceptional circumstances.
- 6.10.4 In the event you fail to pay the premium by the due date, the insurance may be cancelled automatically or by insurers giving notice of cancellation.

6.11 Notices, Law and Jurisdiction

The following apply:

- 6.11.1 Any notices required by this policy to be given by the Insurers to the Assured may be given to the Assured by letter posted to him at the address stated in the Certificate. Any notices required by this policy to be given by the Assured to the Insurers may be given to the Insurers by delivery to them of such notice at Yachtline Ltd. You will find our address on the front of this policy document.
- 6.11.2 Unless otherwise agreed with you prior to commencement of cover this insurance is subject to English law and practice.
- 6.11.3 Unless otherwise agreed with you prior to commencement of cover any dispute arising under or in connection with this Policy of Insurance shall be subject to the exclusive jurisdiction at the English High Court of Justice, the Strand, London, EC4.

Definition of Terms

The following is a definition of certain words and expressions used in the Policy Wording. They shall have the same meaning wherever they are used in the policy or certificate, unless the context requires otherwise.

Actual Total Loss

A loss where the Vessel or any item separately insured is completely destroyed or irretrievably lost.

Assured

You or any person having control of the Vessel(s) with your permission and who is not otherwise specifically excluded in this insurance. Any reference in this policy to “you” or “your” is a reference to the Assured.

Boat

The word “boat” means the maritime vessel named in the certificate of insurance, being the hull, machinery, gear and equipment which would normally be sold with the insured vessel if it changes hands. This includes any dinghies or tenders permanently marked with the name or number of the insured vessel and any outboard motors, additional equipment or trailers whose sum insured is specified separately in the Certificate. The term “boat” does **not** include consumables including food, drink, lubricants, fuel, paint and/or the like. Unless specified separately in the certificate the term “boat” does **not** include the personal property of any person, diving, fishing or sports equipment, or personal watercraft such as jetskis, sailboards and the like.

Certificate of Insurance

The document which shows, amongst other things, your details and those of this Vessel; the period of insurance; the values insured; the cruising limits; the Laid-Up period and location; any special terms, conditions, warranties and endorsements; the deductibles and the premium.

Constructive Total Loss

A loss where: the cost of recovering and/or repairing the Vessel or its tender(s) or outboard(s) will exceed the insured value; you have been deprived of the free use and disposal of the Vessel(s) or its tender(s) or outboard(s) as applicable for a period of 12 consecutive months commencing during the period of insurance, except in the cases of theft when the period shall be a reasonable period depending upon the facts of each individual case.

Deductible

The sum shown on the Certificate against each section is the amount to be deducted from your total claim for each section in respect of each separate incident, except in the case of actual or constructive total loss, where the claim will be paid in full. If an incident produces a claim under more than one section of the policy, only the highest applicable deductible will apply.

General Average

Where part of the property insured (for example equipment, fittings, personal effects or cargo) is voluntarily sacrificed in order to protect the other property insured (for example the hull and machinery). If the property sacrificed belongs to one party, and the property protected belongs to other parties, then the party who has suffered the loss is entitled to call upon the others to make a contribution to his loss. This contribution is called a General Average.

In Commission

The period when the Vessel(s) is not required to be laid-up and may be used in navigation for the purposes stated on the Certificate. You are insured whilst your Vessel is on land and on water and including whilst being lifted out of or into the water.

Incident

An accident or occurrence (or series of accidents or occurrences arising from the same originating cause) recoverable under the terms of this policy.

Insured Persons

Shall mean the Owner of the Vessel named in this insurance and/or any other person whilst aboard the named Vessel with the permission of the Owner, including embarking and disembarking therefrom.

Insured Value

The sum(s) noted on the Certificate for each individual item and the maximum amount of Underwriters' liability under Section 3.

Laid-Up

The period (if any) noted on the Certificate when the Vessel(s) must not be used for any purpose except for the purpose of carrying out minor maintenance and repairs. The Vessel(s) must be Laid-Up in a marina or in a secure place ashore or the manner and at the place agreed by us in writing.

Latent Defect

A defect that is not discoverable upon inspection by a competent person.

Loss of a Limb

Means loss by physical separation of a hand at or above the wrist, or of a foot at or above the ankle, and includes total and irrecoverable loss of use of hand, arm or leg.

Machinery

Includes the main or auxiliary engines, electrical equipment, cables, fittings and hydraulic equipment, piping and fittings, boilers and shafts.

Navigational Limits

The geographic area as shown on the Certificate.

Period of Insurance

The period noted on the Certificate and any further period agreed by us in writing.

Permanent

Means lasting for 12 consecutive months and at the end of that time being without hope of improvement.

Personal Accident Expense

Reasonable compensation for accidental bodily injury sustained whilst on board the Vessel, including embarking or disembarking, limited to the sum insured for the section shown on the Certificate.

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.

Speedboat

A mechanically powered Vessel with actual or maximum designed speed, which exceeds 17 knots.

Total Disablement

Means disablement which prevents the Insured Person from engaging in his usual occupation.

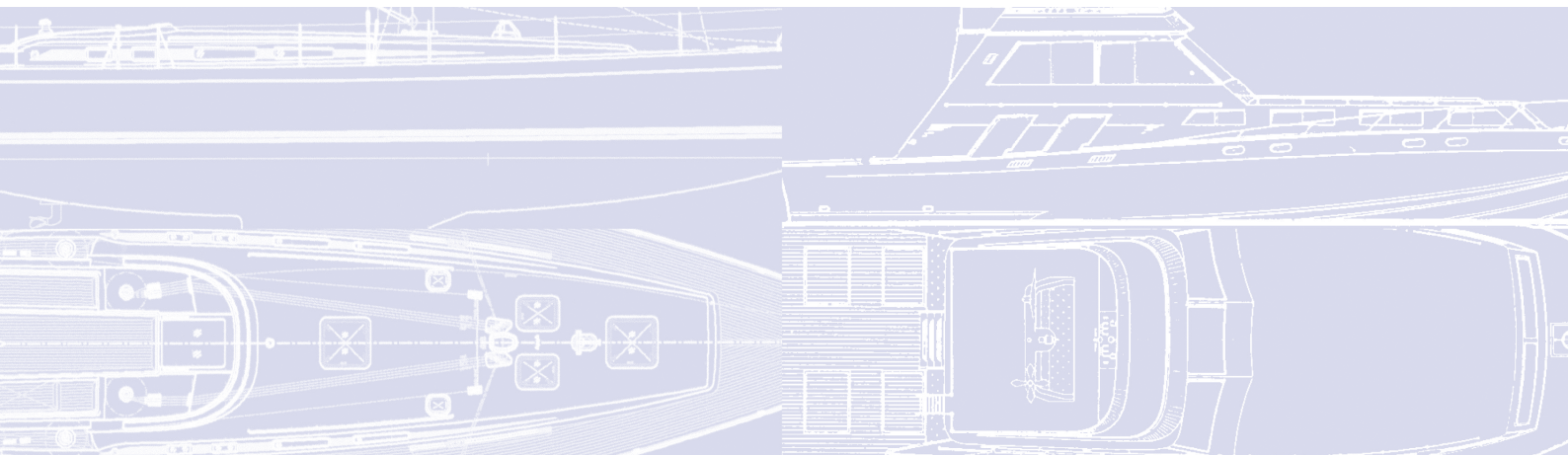
Vessel

The word "Vessel" means the maritime vessel named in the certificate of insurance, being the hull, machinery, gear and equipment which would normally be sold with the insured vessel if it changes hands. This includes any dinghies or tenders permanently marked with the name or number of the insured vessel and any outboard motors, additional equipment or trailers whose sum insured is specified separately in the Certificate. The term "vessel" does **not** include consumables including food, drink, lubricants, fuel, paint, and/or the like. Unless specified separately in the certificate the vessel does **not** include the personal property of any person, diving, fishing or sports equipment, or personal watercraft such as jetskis, sailboards and the like

Warranty

The term warranty is a promise by you that some particular thing shall not be done; or some condition shall be fulfilled; or a particular state of affairs does not exist.

A warranty must be strictly complied with and if it is not insurance cover ceases from the date of the breach of the warranty.



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