

YACHT & MOTOR BOAT POLICY

The Assured named in the Schedule hereto having made to Navigators & General Insurance Company Limited ("the Company") a written proposal and declaration for the Insurance of the Vessel (as defined hereunder) and Personal Effects together with any additional items referred to in the schedule, (which together with the Vessel are referred to as "the subject matter insured") and in consideration of the payment to the Company of the premium (plus tax if applicable) for the period of the insurance mentioned in the schedule or any subsequent renewal, the Company binds itself to indemnify the Assured in respect of loss, damage, liability or expense subject to the exceptions, conditions, limitations, warranties and definitions contained in or affixed to this Policy or any renewal thereof and subject always to due compliance by the Assured with the General Conditions and Conditions Relating to Accidents and Claims which are conditions precedent to the Company's liability hereunder.

DEFINITIONS

(having the same meaning wherever they may appear in this Policy)

Vessel. The vessel described in the schedule, her machinery, including Outboard Motors not exceeding 10 horse power (unless otherwise stated in the schedule), boat(s) not exceeding 16 feet in length and not exceeding £2,000 in value (unless otherwise stated in the schedule), and gear and equipment such as would normally be sold with the Vessel if she changed hands.

Personal Effects. Personal belongings of the Assured or Assured's family resident at the same address that do not form part of the Vessel's inventory up to an amount of 2% of the sum insured on the Vessel (Minimum £500 - Maximum £2,500) unless otherwise stated in the schedule and up to a maximum of £200 any one item unless declared to and accepted by the Company.

In commission. When the Vessel is fitted out and ready for use.

Laid up out of commission. When the Vessel is not fitted out or available for use.

THE SUBJECT MATTER INSURED is covered subject to the provisions of this insurance:

Whilst in commission at sea or on inland waters or in port, dock, marina, on slipway or gridiron or on the hard or mud or at place of storage ashore, including hauling out and launching including trial trips, and with leave to assist or tow vessels or craft in distress or as is customary, but IT IS WARRANTED that the Vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by Owners or Managers or Charterers.

Whilst laid up out of commission as provided for in the schedule, including lifting or hauling out and launching, whilst being moved in shipyard or marina, dismantling, fitting out, overhauling or whilst under survey (also to include docking and undocking and periods laid up afloat incidental to laying up or fitting out and with leave to shift in tow or otherwise to or from her lay up berth but not outside the limits of the port or place in which the Vessel is laid up) and whilst at premises of repairers or manufacturers or whilst in store ashore.

Whilst in transit by road, rail, air or ferry within the Continent of Europe (provided that the Vessel herself if in transit is not over 30 feet in length), including loading and unloading.

Commencement of cover. Cover commences at 0001 hours (or as otherwise agreed) on the attachment date shown in the schedule or any

renewal notice.

NAVIGATING AND CHARTER HIRE WARRANTIES

Warranted not navigating outside the limits stated in the Schedule or, provided previous notice be given to the Company, held covered on terms to be agreed.

Warranted to be used solely for private pleasure purposes and not for hire charter or reward, unless specially agreed by the Company.

SPEED WARRANTY

Warranted that the maximum designed speed of the Vessel, or the parent Vessel in the case of a Vessel with boat(s), does not exceed 17 knots.

Where the Company has agreed to delete this warranty, the conditions of the Speedboat Clause shall apply.

SECTION A

LOSS OF OR DAMAGE TO THE SUBJECT MATTER INSURED

Cover for **Outboard Motors** is subject to the serial number being safely recorded by the Assured.

Cover for **Boats** is subject to their being permanently marked with the name of the parent Vessel.

Cover for **Personal Effects** is subject to the Vessel having lockable cabin accommodation.

In the event of **partial loss** or **damage** recoverable under this insurance, the Company will indemnify the Assured for the reasonable cost of replacing or repairing the damaged or lost part of the subject matter insured and the necessary expenses connected therewith.

Reasonable replacement or repair to be considered sufficient notwithstanding that the appearance and condition of the subject matter insured prior to the loss or damage may not be achieved.

The Company may at its option replace or repair any part of the subject matter insured damaged or destroyed instead of paying the amount of the loss or damage in money, or may join with other Insurers in so doing.

No deduction in respect of new material replacing old will be made **except** in respect of sails, protective covers, canopies and side screens, running rigging, batteries, outboard motors, personal effects, unspecified boats or items identified as obsolete and/or for which parts or a replacement are no longer available or legally compliant.

Notwithstanding the above in the event of loss of or damage to outboard motors and unspecified boats, the maximum amount payable shall be the secondhand market value of the item at the time of loss or damage.

The amount payable in respect of claims for **unrepaired damage or loss** shall be the reasonable depreciation in the market value of the Vessel at the time this Insurance terminates arising from such damage or loss, but not exceeding the reasonable cost of replacement or repair.

The Company shall not be liable in respect of unrepaired damage for more than the insured value at the time this Insurance terminates.

In no case shall the Company 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.

In the event of an **Actual Total Loss** of the Vessel, or at the Assured's option, where the reasonable costs of recovery and/or repair are expected to exceed the sum insured specified in the Schedule, the Company will pay the agreed value of the Vessel.

In no case shall the Company be liable to pay under this section more than the sum appearing as the Sum Insured as specified against the item under Section A in the schedule.

THIS INSURANCE COVERS physical loss of or damage to the subject matter insured other than personal effects directly caused by:-

1. External accidental means, fire and explosion, malicious acts, piracy and barratry.
2. Accidents in loading, discharging and handling stores, gear, equipment, machinery or fuel.
3. Latent defects in the subject matter insured, **but excluding** the cost and expense of replacing, repairing or renewing the defective part.
4. The negligence of any person whatsoever **but excluding:-**
 - (i) The cost of making good any defect in repair, maintenance or alteration work carried out for the account of the Assured resulting from either negligence or breach of contract.
 - (ii) The cost and expense of remedying a fault or error in design or construction or attributable to betterment or alteration in design or construction.
 - (iii) Any claim in respect of pilferage or theft.
5. Theft of the entire Vessel, or her boats, or any trailer if insured hereunder, provided that theft of the Vessel whilst on a trailer or of the trailer itself is only covered if the trailer has been immobilised or securely locked by an anti-theft device whilst left unattended.
6. Theft of any outboard motor if attached to the Vessel or her boat(s) provided it is securely locked by an anti-theft device in addition to its normal method of attachment.
7. Theft of machinery including outboard motors, gear and equipment following forcible entry into the Vessel or conveyance or place of storage ashore or following forcible removal of fixed gear and equipment from the exterior of the Vessel.

The expense of sighting the bottom after stranding will also be paid, if reasonably incurred specially for that purpose, even if no damage be found.

EXCEPTIONS

NO CLAIM will be allowed under Section A for

1. Motors, electrical machinery and equipment, batteries and their connections, (but not shaft and propeller) **unless caused** by malicious acts, frost (provided that all manufacturers recommended precautions have been taken to safeguard the item), sudden accidental incursion of water into the Vessel, dropping off and falling overboard of outboard motor(s), fire in store ashore, theft as in 5, 6 and 7 above, handling accidents as in 2 above, stranding, sinking from a peril insured against, fire on board the Vessel, collision or the Vessel being in contact with any external substance (ice included) other than water.
2. Sails, protective covers, canopies and side screens split by the wind or blown away **unless as a result** of the Vessel stranding or being in contact with any external substance (ice included) other than water or as a result of damage to spars to which sails are bent.
3. Sails, masts, spars and fittings attached thereto, standing and running rigging and blocks **WHILST RACING unless as a result** of the Vessel stranding, sinking from a peril insured against, being on fire or in collision or in contact with any external substance (ice included) other than water.
4. Loss or damage to consumable stores, the Vessels' own moorings or fishing gear.
5. Wear and tear (deterioration from use or gradual deterioration).
6. Depreciation, or loss in value following repair.
7. Scratching, bruising, and chafing occurring in the course of any transit by road, rail, air and ferry or any loading or unloading from conveyance or any damage sustained in consequence of insufficient packing of items dispatched to or by repairers.

LOSS OF OR DAMAGE TO PERSONAL EFFECTS

The Personal Effects of the Assured and/or Assured's family are covered against all risks of loss or damage while on board or used in connection with the Vessel, including whilst in transit from the Assured's place of residence to the Vessel, and until return to place of residence.

EXCEPTIONS

No claim will be allowed in respect of

- (1) Wear, tear, gradual deterioration, damp, mould, mildew, moth, mechanical derangement and electrical breakdown.
- (2) Breakage of articles of a brittle nature unless caused by the Vessel stranding, sinking from a peril insured against, fire, collision, stress of weather or malicious acts.
- (3) Loss of cash, currency or bank notes, travellers cheques and credit cards.
- (4) Loss of or damage to fishing tackle whilst in use.
- (5) Loss of or damage to portable computer equipment, mobile phones, jewellery, watches, video cameras and photographic equipment and works of art.

Average: Cover under this Clause shall be subject to the condition of average, that is to say, if the total value of Personal Effects on board and in transit shall at the time of any loss exceed the sum insured as Personal Effects, this insurance shall only pay such proportion of the said loss as the sum insured as Personal Effects bears to the total value of the said Personal Effects.

Non Contribution: Excluding any loss or damage to Personal Effects which at the time of the happening of such loss or damage is insured by or would, but for the existence of this Policy, be insured by any other existing policy or policies except in respect of any excess beyond the amount which would have been payable under such policy or policies had this insurance not been effected.

SECTION B

CLAIMS BY THIRD PARTIES (INCLUDING PASSENGERS)

The Company will indemnify the Assured up to the limit stated under Section B in the schedule in respect of any one accident (which shall be deemed to include a series of accidents arising from a single event) but unlimited in the aggregate, against payments made to Third parties in respect of legal liability incurred by reason of the Assured's interest in the subject matter insured and arising out of accidents which give rise to claims for:

- (A) Loss of or damage to any vessel or property other than the subject matter insured hereunder.
- (B) Bodily injury to or death of any person.
- (C) Any attempted or actual raising, removal or destruction of the wreck of the Vessel or any failure to do so.

EXCEPTIONS

No claim shall be allowed under Section B in respect of:-

1. Accidents to or illness of Workmen or any other persons employed in any capacity whatsoever by the Assured or by persons to whom the protection of this Policy is afforded by reason of the provisions thereof in, on or about or in connection with the Vessel or any work or repair thereto.
2. Accidents occurring whilst the subject matter insured is in transit by road.
3. Liabilities assumed under contract incurred solely by reason of an agreement entered into by the assured.

PERSONS IN CHARGE WITH PERMISSION OF THE ASSURED

The cover given by Sections B of this Policy extends to any person (other than a person operating or employed by the operator of a shipyard, repair yard, repair or maintenance facility, slipway, marina, yacht club, sales agency, yacht delivery service or similar organisation) authorised by the Assured to take charge of the Vessel and who whilst so in charge shall in consequence of any occurrence for which the Assured is covered under Section B hereof become liable to pay and shall pay any sum or sums by way of damage to any person or persons.

The benefit of this extension shall be subject to the limitations of the Company's liability imposed by this Policy and to all other terms, conditions, exceptions and warranties thereof and nothing in this clause shall override the provisions of the charter hire warranty.

SPEEDBOAT CLAUSES

WHERE THESE CLAUSES APPLY THEY SHALL OVERRIDE ANY CONFLICTING PROVISIONS IN THIS POLICY

1. Warranted that when the Vessel concerned is under way the Assured named in the Policy or other competent person(s) shall be on board and in control of the Vessel.
2. No claim shall be allowed in respect of:-
 - (A) loss of or damage to the Vessel or liability to any Third Party or any salvage services
 - (i) caused by or arising from the Vessel being stranded, sunk, swamped or breaking adrift while left moored or anchored unattended otherwise than in a Marina or sheltered anchorage.
 - (ii) arising while the Vessel is participating in racing or speed tests, or any trials in connection therewith.
 - (B) Loss of or damage to any rudder, propeller, strut, shaft and outdrive unit/outboard lower unit or part thereof whilst the Vessel is under way unless caused by the Vessel stranding, sinking from a peril insured against, being in collision with any other vessel or by impact with a pier or jetty.
 - (C) Any liability to or incurred by any person engaged in water ski-ing, aquaplaning, hang glide ski-ing or similar sport, whilst being towed by the Vessel or preparing to be towed or after being towed until safely on board the Vessel.
3. If the Vessel is fitted with inboard machinery no liability shall attach to this Policy in respect of any claim caused by or arising through fire or explosion unless the Vessel is equipped with fire extinguishing apparatus to the Company's requirements properly installed and maintained in efficient working order.

RACING RISK EXTENSION CLAUSE

Only to apply where indicated in the schedule or by subsequent endorsement of this Policy.

It is agreed that notwithstanding the provision of Exceptions 2 and 3 under Section A of this Policy:-

- (1) The cost of replacing or repairing sails, masts and spars (including fittings attached thereto) and standing and running rigging lost or damaged by an insured peril while the Vessel is racing shall be recoverable hereunder, to the extent only of 2/3rds of such cost (without additional deduction of new for old or the application of any excess clause in this Policy). **Warranted** that no additional insurance is or shall be placed covering any part of the cost of replacement or repair not recoverable hereunder.
- (2) Subject to the provisions of the foregoing paragraph (A).
The Company's liability arising out of any one occurrence whilst racing shall be calculated upon the basis that the full replacement cost of mast and spars (including fittings attached thereto) and standing and running rigging, plus the total replacement cost of the maximum number of sails that can be set at any one time, shall not exceed the sum insured placed against the Racing Risks Extension Clause in the schedule or as shown in or amended by subsequent endorsement of this Policy.

POLLUTION HAZARD CLAUSE

Subject to the terms and conditions of this Policy, this insurance covers loss of or damage to the Vessel directly caused by any governmental authority acting under the powers vested in them to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Company is liable under this Policy, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners or Managers of the Vessel or any of them to prevent or mitigate such hazard or threat, Masters, Officers, Crew or Pilots not to be considered Owners within the meaning of this clause should they hold shares in the Vessel.

SISTERSHIP CLAUSE

Should the Vessel come into collision with or receive salvage services from another vessel belonging wholly or in part to the Assured or under the same management, the Assured shall have the same rights under this Policy as the Assured would have were the other vessel entirely the property of

Owners not interested in the Vessel; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Company and the Assured.

CONTINUATION CLAUSE

Should the Vessel at the expiry of this Policy be at sea or in distress or at a port or place of refuge or of call, she shall, provided notice be given to the Company, be held covered at a premium to be arranged until anchored or moored at her port or place of destination in good safety.

EXCESS CLAUSE

The Assured has agreed to bear the first loss up to the amount appearing in the schedule hereto in respect of each claim except in the case of Total Loss of the Vessel.

INSTALMENT PREMIUM CLAUSE

Reference to the payment of premium includes payment by monthly instalments. If the Assured pays by this method the policy remains an annual contract and the date of payment and the amount of instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then subject to the Consumer Credit Act 1974 (if applicable) the credit agreement and the policy will be cancelled immediately.

LAW AND JURISDICTION CLAUSE

Unless otherwise agreed between the Company and the Assured when this contract of insurance was made, this insurance and any dispute arising under it, is subject to law of England and Wales, and to the exclusive jurisdiction of the English Courts.

DATE RECOGNITION CLAUSE

It is understood and agreed that in no case shall this insurance cover loss or damage to any item of equipment where such loss or damage is due to the item (or the relevant part of the item) not recognising the date correctly. However, subsequent loss or damage which is otherwise insured under this policy is nevertheless covered.

LAW COSTS

The Company will be responsible for all expenses properly incurred by the Assured in connection with Official Inquiries, Coroners' Inquests and also Law Costs incurred with the consent in writing of the Company in settling or defending any claim.

SALVAGE CHARGES

Subject to any express provision in this insurance, salvage charges incurred in preventing a loss by perils insured against may be recovered as a loss by those perils.

CHARGES FOR AVERTING OR MINIMISING LOSS

In the event of any loss or misfortune, it is the duty of the Assured to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

Subject to the policy excess, the Company will contribute to charges properly and reasonably incurred by the Assured for such measures.

Measures taken by the Assured or the Company 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.

The sums recoverable under this clause are in addition to the indemnity otherwise payable under this insurance but in no circumstances shall the sum recoverable under these conditions exceed the sum insured in respect of the Vessel.

CHANGE OF OWNERSHIP

THIS CLAUSE SHALL PREVAIL NOTWITHSTANDING ANY PROVISION WHETHER WRITTEN TYPED OR PRINTED IN THIS INSURANCE INCONSISTENT HEREWITH.

Should the Vessel be sold or transferred to new ownership, or, where the Vessel is owned by a company, should there be a change in the controlling interest(s) of the company, then, unless the Company agrees in writing to continue the insurance, this insurance shall become cancelled from the time of such sale transfer or change and a pro rata daily return of premium will be made calculated on the premium charged for the in commission and/or laid up period.

CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999

A person or company who was not a party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

CANCELLATION AND RETURN OF PREMIUM

This insurance may be cancelled by the Company at any time subject to 30 days notice to the Assured or by mutual agreement, when a pro rata daily return of premium shall be made calculated on the annual premium charged. Subject always to a minimum retained premium of £50.

NO CLAIMS BONUS

(APPLICABLE ONLY IF SHOWN IN THE RENEWAL NOTICE)

In the event of no claims arising under this Policy, the same having been in force 12 consecutive months (including an in commission period of not less than 4 months), the renewal premiums will be reduced as follows:-

If no claim arises in respect of	
1 year.....	5%
2 consecutive years.....	10%
3 consecutive years.....	15%
4 or more consecutive years.....	20%

Provided always that the bonus is only payable if the insurance is renewed and remains in force for a further period of 12 months (including not less than 4 months in commission), and on the understanding that this privilege shall not imply any obligation on the Company or the Assured to renew.

GENERAL CONDITIONS

1. The Assured shall maintain and keep the Vessel, her machinery, tackle, sails, boats and equipment, including any trailer, in a proper state of repair and seaworthiness or roadworthiness.
2. The Assured shall at all times exercise due care and diligence in safeguarding the subject matter insured.
3. If this Policy or any subsequent renewal thereof has been obtained through omission to state any material fact, or through any misstatement by the Assured or by anyone acting on the Assured's behalf or if in any statement or declaration made in support of any claim there shall be any untruth or suppression, then this Policy and any renewal thereof is null and void, and the premium paid in respect thereof shall be retained by the Company and all benefits hereunder and all right to recover for past or future damage or loss shall be forfeit.
4. It is agreed that no assignment of or interest in this Policy or in any monies which may be or become payable thereunder is to be binding on or recognised by the Company unless a dated notice of such assignment or interest signed by the Assured and (in the case of subsequent assignment) by the assignor be endorsed on this Policy and the Policy with such endorsement be produced before payment of any claim or return of premium thereunder. But nothing in this clause is to have effect as an agreement by the Company to a sale or transfer to new management.

THE FOLLOWING CLAUSES SHALL BE PARAMOUNT AND SHALL OVERRIDE ANYTHING CONTAINED IN THIS POLICY INCONSISTENT THEREWITH

WAR RISKS EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, terrorists or persons acting from a political motive, capture, seizure, arrest, restraint, or detainment (piracy and barratry excepted) and the consequences thereof or any attempt thereat, derelict mines, torpedoes, bombs or other derelict weapons of war.

NUCLEAR EXCLUSION

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from ionising radiations from or contamination by radioactivity from:

- a) any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel,
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof,
- c) any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

WILFUL MISCONDUCT EXCLUSION

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or arising from acts of recklessness or wilful misconduct by the Assured or other persons in control of the vessel including, but not limited to, conduct when under the influence of alcohol or drugs.

CONDITIONS RELATING TO ACCIDENTS AND CLAIMS

- (1) Notice shall be given to the Company as soon as reasonably possible in the event of any occurrence which may give rise to a claim under this insurance, and any theft or malicious damage shall also be reported promptly to the Police.
- (2) Where loss or damage has occurred, notice shall be given to the Company prior to survey and, if the Vessel is abroad and the Company cannot be contacted to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Company should it so desire.
- (3) The Company shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Company's requirements being refunded to the Assured) and the Company shall have a right of veto concerning a place of repair or a repairing firm.
- (4) The Company may require a number of quotations to be obtained for the repair of the Vessel.
- (5) The Assured shall give full information to the Company as to the circumstances of the accident and of all claims made, with names and addresses of claimants and all witnesses of the accident, as soon as possible after occurrence of the accident or receipt of claim or notice of claim.
- (6) The Assured also undertakes to send to the Company as soon as possible, all claims, letters, summonses, writs, etc., relating to any accident addressed to the Assured or to the Assured's servants by the authorities or by Third Parties.
- (7) No liability of any sort shall be admitted nor any offer, promise or payment made by the Assured or claimants nor legal expenses incurred without the written consent of the Company who shall be entitled, if it so desires, to take over and conduct in the name of the Assured the defence of any action.
- (8) The Assured shall render to the Company all possible aid in obtaining information and evidence should the Company desire to take proceedings at its own expense and for its 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.

for and on behalf of

NAVIGATORS GENERAL INSURANCE COMPANY LIMITED



PATRICK O'SULLIVAN
Chief Executive Officer



NAVIGATORS
& GENERAL

NAVIGATORS & GENERAL INSURANCE COMPANY LIMITED

Head Office: PO Box 848, Brighton BN1 3GQ Tel 01273 863400 Fax 01273 863401 www.navandgen.com e-mail: enquiries@navandgen.co.uk

Registered in England & Wales No. 173444 Registered Office: 60 St. Mary Axe, London EC3A 8JQ A member of the General Insurance Standards Council and Financial Ombudsman Service