USA Yacht Clauses

02/02/2025

ION INSURANCE COMPANY, INC.

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Our commitment to you:

ION Insurance, through their appointed underwriting agents, is not led by a computer-generated quotation system but has a team of dedicated marine underwriters with the traditional skill of 'reading' the risk based upon the information provided. As a family- owned business our commitment is to provide an exemplary customer service coupled with the ability to arrange flexible tailor-made cover without imposing unnecessary restrictions.

The dedication of our staff and agents in providing you with the very best service wherever you may be in the world is reflected in our clients remaining with us for many years and happily recommending us to others. A fact of which we are most proud and drives us to offer you the same high standards of care.

Contact information – Appointed Main Agents – Keane Specialty Insurance LLC

Email Us: info@keanespecialty.com

Write to Us: 1800 N Federal Hwy, Suite 206, Pompano Beach, Florida 33062

About ION Insurance Company:

Incorporated in 2016, ION Insurance Company Inc has assets in excess of $50million as per the latest accounts and is registered with the National Association of Insurance Commissioners (NAIC) under the Company code 15936.

We pride ourselves on our exemplary customer service and the ability to offer marine insurance tailor-made to your individual requirements.

Benefits of Insuring with ION:

The following summary contains some important information about your policy. It will help you understand if this insurance meets your needs as not everything is covered by this insurance: policy limits, conditions and exclusions apply. You should review your policy on a regular basis to ensure that the cover provided is adequate for your requirements.

For details of the full cover provided please read the policy wording together with the policy schedule, your original application, the signed warranties and conditions form and any endorsements or conditions applied.

In return for the payment of the premium and compliance with all applicable terms and conditions of this policy and any endorsements shown on your policy schedule, the underwriting Insurers agree to provide the coverage that you have selected as shown on the proposal form and policy schedule

which forms part of the contract of insurance. At your request, various changes to this insurance contract may be made by us but only by our prior written agreement. By accepting this policy, you agree that the statements on the proposal form and any other required information or communications are your agreements and representations. This policy is issued in reliance upon the truth of your representations during the application process and it includes all agreements existing between you and us or any of our representatives.

This is a 12-month policy or as shown on your policy schedule. The Insurance policy is underwritten by ION Insurance and is a policy of indemnity unless otherwise stated on your policy schedule.

PLEASE ENSURE THAT YOU READ THIS POLICY CAREFULLY TO ENSURE THAT THE COVERAGE OFFERED IS TOTALLY SUITED TO YOUR INSURANCE REQUIREMENTS. SHOULD YOU HAVE ANY CONCERNS THESE SHOULD IN THE FIRST INSTANCE BE DIRECTED TO YOUR BROKER.

Understanding what is not covered.

Section B of this document sets out the cover we can provide you with. You will need to decide if the limits, type, and levels of cover are appropriate for you and will cover your potential loss. If they are not, you may be underinsured which will result in you having to bear part of any loss that you have not covered yourself. Not everything is covered by this insurance policy, limits and conditions apply. It is important that you read this document carefully so that you can understand what is covered and the limitations. Remember that your policy is not a maintenance or breakdown contract. It is up to you to ensure that all measures are taken to maintain your **vessel** and **machinery** in a condition conducive to its use and failure to do so could result in a claim not being settled and/or the policy being cancelled from inception. Read the words with special meaning to ensure that you understand what we mean by terms used in relation to the cover that we provide. For example, '**Market Value'** is a defined term that affects what we cover you for. Make sure that you understand what we specifically exclude. Each cover has specific exclusions that apply to it. You should also ensure that you comply with the general conditions and claims conditions of the policy which set out certain obligations that you have. Failure to comply may result in a refusal to pay a claim. We will only cover your interest in the **insured** property unless we specifically include the interest of a third party on your **policy schedule.** The terms of your **policy** and premium are based on the information you have provided to us. You must ensure that all facts given are correct and you must contact us immediately if there are any changes to the information you have provided or at any time that you discover that the information is incorrect. Examples include but are not limited to:

i. Changes in conditions, **Market Value** or use of the **vessel**.
ii. Criminal charges or convictions of any person having an interest in the **vessel**.
iii. Changes in mooring location or type of mooring for the **vessel.**

A failure to provide full and accurate information may invalidate your policy and may result in part of a claim not being paid or the entire claim not being paid. If you are in any doubt, please contact us to ensure that you are and remain fully covered.

Deductible

If you make a claim under your **policy**, you may first have to pay a **policy deductible**. We will pay the relevant amounts that we cover you for above any **policy deductible**. You will be required to pay us any **policy deductible** applicable prior to us dealing with a third-party claim. We will specify any **policy deductible** on your **policy schedule** when we issue cover.

Language

Unless otherwise agreed in writing the language of your policy and any communication throughout the duration of the policy will be in English.

Law and Jurisdiction

This is a **policy** of marine insurance. As your **policy** is underwritten by ION Insurance Company Inc then your **policy** shall be governed by and construed in accordance with the General Maritime law of the United States of America and any beneficiary hereunder shall submit to the jurisdiction and venue of the United States District Court for the Eastern District of Louisiana and shall comply with all requirements necessary to give such court jurisdiction, or if that court is found to lack subject matter jurisdiction, then the 23rd Judicial District Court for the Parish of Ascension in the State of Louisiana shall apply in order to settle any dispute or claim arising out of or in connection with your **policy** or its subject matter or formation (including non-contractual disputes or claims) unless specifically agreed to the contrary. Nothing in this Clause constitutes or should be understood to constitute a waiver of our right to remove any action to a United States District Court or to take any other measures necessary to enforce our rights under the policy.

Data Protection Notice

To consider your request for insurance cover or administer subsequent dealings in respect of your **policy** we must process your personal data and where appropriate your 'sensitive' personal data and in doing this we will comply with the provisions of any applicable domicile data protection act. We may check and/or pass some or all the personal information we obtain in connection with your **policy** or claim to our appointed service providers to administer the **policy** or for underwriting and claims handling purposes. We may also pass some or all the personal information to regulatory or other organisations, so that we can comply with our obligations, and we may also pass on some or all the personal information to databases and fraud prevention agencies.

Premiums and Claims

All premiums are handled by us or on our behalf by our agents. Claims are initially handled by an appointed Loss Adjuster and will be passed to us as the underwriting Insurer for approval prior to settlement.

Applying for Cover

To apply for this insurance, you must complete our application/proposal form and send it to us. Depending on the information you provide on your proposal we may ask you for further information. When completing the proposal or providing us with additional information in relation to your proposal, you must comply with your **duty of disclosure**. Please refer to the **Duty of Disclosure** section of this **policy**. Where we agree to provide cover, we will issue you with a **schedule** of insurance which sets out:

- **i.** The period of insurance.
- **ii.** The **vessel** and/or property covered.
- **iii.** The limits of those covers.
- **iv.** The **deductibles** that will apply to you or others.
- **v.** Any variation to the standard terms.

The premium that we charge you is based on several factors including your risk profile (e.g., where your **vessel** is located, the type of **vessel** being **insured**, its value, **navigational limits**, and your insurance history etc.) It includes any amounts that consider our actual or estimated obligation to pay any relevant government charges in relation to your **policy** as well as any additional service charges that we tell you about. We will tell you when you apply, what premium is payable, when it needs to be paid and how it can be paid. Additional charges do apply if you pay your premium by instalments. Special conditions also apply to instalment payments as shown on your **policy schedule**.

You may be eligible for a no claims bonus which is a discount off your premium. The no claims bonus you receive will depend on the number of years you have **insured** your **vessel** and the number of claims that you have had. You are eligible for a no claims bonus if you have experienced no claim against a pleasure craft **policy** for at least 12 consecutive months of cover. The no claims bonus discount is as follows:

1. year = 5% Discount
2. years = 10% Discount
3. years = 15% Discount
4. Years = 20% Discount (30% renewals only)
5. Years = 20% Discount (40% renewals only)

If you make a claim against your **policy** your no claims bonus would revert to zero for the following renewal and will be earned again year on year as per the details above

Cooling off Period

You have a cooling off period which means you can return your policy within 7 days of the commencement of the cover, and we will refund the premium paid less any charges unless you have made or are entitled to make a claim under the policy, or another party is entitled to make a claim against you for which you intend to rely on your policy. After the cooling off period ends you can cancel the policy by notifying us in writing. For full details of your cancellation rights please see full details of cancellation rights under Section 10 of this policy wording.

Your Cover

Where we have agreed to cover you, your **policy** will consist of:

- **i.** These **Yacht Clauses** that explain the details of your cover and its limitations.
- **ii.** The **policy schedule** we issue to you, which shows the terms and conditions that apply specifically to you such as the **deductibles** that apply, the **sums insured**, the **navigational limits** of your **policy** and the endorsements that apply to your **policy**.
- **iii.** Any additional endorsements issued and the signed warranties and conditions form.

You should carefully read and retain this document, the **schedule** and any other document referred to above. These documents should be read together as they jointly form the contract of insurance between you and us. Any new or replacement **schedule** we may send you detailing changes to your insurance contract, or the period of insurance will become the current **schedule**, replacing all previous **schedules** from the date of issue. Any new and amended **schedules** should be read carefully and retained. Should you find any errors or wish to make any changes to the cover in any way please contact your broker or us immediately in order that they can issue the relative endorsement. We cannot be held responsible for any oversight on your part unless advised. Where we have agreed to cover you, we will insure you for the cover(s) specified on the **schedule** for the period of insurance on the basis:

- **i.** That you have paid the premium or agreed a payment plan for the cover(s) you have selected when you applied for this insurance and which the **schedule** indicates are in force.
- **ii.** That the **insured vessel** is for private pleasure use only. Coverage is not provided for charter, lease, or any other commercial activity unless agreed by us and shown on the **schedule**.
- **iii.** Of the verbal and/or written information provided by you which you gave having been advised of your duty of disclosure either verbally or in writing. If you failed to comply with your duty of disclosure, we will be entitled to reduce our liability under the policy in respect of a claim to zero and/or we may cancel the policy. If you have deliberately misled us or told us something which is fraudulent, we also have the option of voiding your policy from the beginning and/or taking legal action against you. For your assistance, we have provided a full explanation of your duty of disclosure and the consequences of non-disclosure under the heading ‘Your Duty of Disclosure’ in this policy wording.

Please note that the following covers (Sections 1 to 6) are subject to the sections of this policy called general conditions, general exclusions and claims conditions as well as the other terms of the policy.

ALL LIABILITY COVERAGES UNDER THIS INSURANCE POLICY INCLUDE DEFENSE EXPENSES THAT ARE DEDUCTED FROM THE APPLICABLE LIABILITY LIMITS OF THE POLICY AND ERODE THOSE LIABILITY LIMITS.

Important Features and Benefits.

Section 1 Accidental Loss or Damage to Your vessel

This section covers accidental loss, damage, **fire and/or explosion or theft** to your **vessel** and certain other property up to the **sum insured** and limits specified in the **schedule** of insurance or this document. Additional limits apply to certain property such as fishing gear, water ski equipment, diving equipment, tools, and **personal belongings**. Please note this is a **market value policy** which means that in the event of a claim, settlement would be based on our assessment of value or **sums insured** whichever is the lower.

Section 2 Liability to Others.

This section covers your and other specified persons' legal liability to pay compensation for property damage and in some cases death and injury up to the **sums insured** noted on the **policy schedule** (excluding legal costs and expenses) to others in certain circumstances. Coverage under this section is eroded by the costs of investigating and defending suits against you, meaning that the expenses we pay under this coverage (such as attorneys' fees and other related pre-litigation and litigation expenses) will reduce the amount available to pay claims asserted against you.

Section 3 Captain and Crew Liability

This section covers damages (including if applicable, maintenance and cure, repatriation and other related expenses) for which you and/or any insured person are legally liable to pay an employed captain or crew member in respect of your legal liability to any employed crew which occurs whilst the crew member is in the service of your vessel. Coverage under this section is eroded by the costs of investigating and defending suits against you, meaning that the expenses we pay under this coverage (such as attorneys' fees and other related pre-litigation and litigation expenses) will reduce the amount available to pay claims asserted against you.

Section 4 Injury to the Named Insured

This section covers named insureds up to a maximum of $5,000 (or equivalent in any other currency) for death and certain specified injuries. If more than one person is named on this insurance policy, then the amount paid to each insured will be the amount payable under this section divided by the number of insured persons.

Section 5 Emergency Medical Expenses

This section covers the reasonable cost of emergency medical expenses up to US$5000 (or equivalent currency) or as specified on your policy schedule in respect of injuries incurred within one year from the date of an accident causing bodily injury to any person while in, upon, boarding or leaving an insured **vessel**. The injured person must submit to an examination by a physician selected by us when and as often as we reasonably require.

Section 6 Racing

This section provides details of the cover allowed for **racing**. This section is not automatic to the policy and must be applied for at inception or renewal.

Section 7 General Conditions Applying to The Whole Policy

This section details all the conditions of the **policy** that apply to all sections of the **policy** and that you **must comply** with. Failure to comply with these conditions will invalidate any claim.

Section 8 General Exclusions Applying to the Whole Policy

This section shows all the exclusions that apply to all sections of the **policy** and are in addition to any exclusions shown under individual sections.

Section 9 General Excesses and Deductions

This section shows details of the amounts that will be deducted from any claim that you make under this **policy**.

Section 10 Cancellation and Return of Premium

This section details your cancellation rights and returns you can expect following cancellation of the **policy** as well as the rights of us to cancel your **policy**.

Section 11 Claims

This section details what is required of you to instigate the claims procedures and what is required from you to ensure that the claims process runs smoothly.

Section 12 Your Duty of Disclosure

This section details what you should tell us and when you should tell us regarding details that may affect our decision to offer cover under this **policy** or the premium to be charged and conditions to impose.

Section 13 Complaints Procedure

This section details what you need to do in the event of a complaint as well as the addresses and telephone numbers that you would need to contact.

Section 1 – Accidental Loss or Damage to Your Vessel.

What We Cover

1.1 We will cover you for **accidental loss, damage, fire and/or explosion and theft** to your **vessel** directly caused by external means which occurs during the period of insurance as shown on your **policy schedule** and while the **vessel** is in compliance with the **navigational limits** shown on your **policy schedule**, including whilst your **vessel** is in transit on the **trailer** by road, rail, or ship, provided that your **vessel** is designed to be towed on the trailer and all local laws regarding towing are adhered to. Any contract or common carrier must be licenced and provide a certificate of insurance covering the **insured vessel**.

At our option, we will (subject to payment of the relevant excess)

i. Repair or replace your **vessel** or
ii. Pay you the reasonable cost of repairing or replacing your **vessel** or
iii. Pay you the **market value** of your **vessel**.

We will not pay more than the applicable sums insured and limits specified in either this policy wording or your marine insurance **schedule**. In respect of the repair or replacement of property, we will reimburse you for the cost of reasonable repairs and or replacements required to bring the property as near as possible to its appearance prior to the claimed **loss or damage**. We will deduct an amount for wear and tear and depreciation that we may consider applicable due to the age and general condition of the item/s being claimed for. In the event of partial damage, claims will be settled based on the proportion of the vessel damaged being the proportion of the sum insured applicable. Where only part of the vessel is damaged, the maximum amount payable as a percentage of the applicable sum insured as stipulated on the policy schedule will be equivalent to the percentage of the vessel that is damaged. Therefore if only half the vessel is damaged (for example) then the maximum sum insured payable would be 50% of the applicable amount on the **policy schedule**.

Loss or damage to the **vessels** main engine(s) or attached gearbox and transmission caused by the failure of any component part provided that:

i. The engine(s) or attached gearbox and transmission are less than 5 years old from the date of first manufacture.
ii. Is professionally installed.
iii. Has a **maximum design speed** not exceeding 17 knots unless insurers have been informed and the speed boat clause is shown on your insurance schedule.
iv. You can provide written evidence that all the manufacturer's maintenance recommendations have been carried out.

The cover under this clause 1.1 does not extend to the outboard motor(s) or the cost of replacing or repairing the failed component.

1.2 **Loss or damage to personal effects** is limited to US$500.00 (or equivalent currency) per item as specified on your **policy schedule** should this cover be selected.

1.3 **Loss or damage** to fishing gear, water ski equipment, diving equipment and tools is limited to US$500.00 (or equivalent currency) per item as specified on your **policy schedule** should this cover be selected.

1.4 **Salvage** charges and wreck removal of the **vessel** only will be covered if selected on the proposal form and shown as an endorsement on your **policy schedule**. Coverage will be to a maximum of 10% of the **hull sum insured** (or US$30,000.00 whichever is the greater) with a **deductible** on any **salvage** claim of 10% of the **salvage** amount. If your **vessel** is damaged or sinks **accidentally**, we agree to recover it or the law requires that it must be removed, then we will pay the reasonable costs

of the **salvage** charges incurred for the removal/recovery of the wreck up to the amount requested and specified on your **policy schedule**. This cost will be paid in addition to the **sum insured** for your **vessel** noted on your **policy schedule**. In no event will we be liable for any costs of defending you or the **vessel** against any claims, actions, or liens by any provider of salvage, towage, or removal of wreck services.

1.5 **Windstorm Coverage,** If coverage is shown on the **policy schedule** for **Hull** and if a **storm** watch or warning is issued for the area where your **Vessel** is moored, and if you have paid for full **All Storm** cover, we will share the costs that you incur to protect the **insured vessel** from **loss or damage** provided you:

1.5.1 have the **insured vessel** professionally hauled out of the water (in accordance with General Condition 7.15) at the time the watch or warning is issued for your mooring area and to have the **insured vessel** launched after the watch or warning has ended and the storm has passed (subject to What we do not cover Clause 25) or.

1.5.2 hire a qualified individual who is not an **insured** under this **policy** (if you are unable to move the vessel yourself), to navigate the **insured vessel** to a safe harbour out of the predicted path or predicted cone of the storm because of the watch or warning.

1.5.3 We will pay 50 (fifty) percent of your actual incurred expenses subject to a maximum of US$5,000 (or equivalent in other currencies) for any one **storm** and US$10,000 (or equivalent in other currencies) in any single **policy** period. If you do not protect your **vessel** with either of the undertakings described in **1.5.1** or **1.5.2** above and your vessel is subsequently damaged by a named or numbered tropical **storm,** hurricane, or cyclone then your storm coverage will be invalidated.

1.6 If '**Laid Up'** is shown on your **policy schedule**, during the **laid up** period shown:

- **i.** If the **policy schedule** indicates that laid up is afloat, then the **insured vessel** must be in a safe berth for storage and may not be **operated** except as required to change berths within the immediate berthing location. However, if you are required to move the **vessel** for the purpose of safety, repairs and alterations or for betterments and improvements, coverage will not be suspended.
- **ii.** If the **laid up** location is ashore, then the **insured vessel** may not be afloat.

1.7 Underwater gear including the rudder, strut, shaft, propeller and keel, excluding the outboard motor(s) where the maximum design speed of the vessel is less than 17 knots.

What We Do Not Cover

We will not cover you:

1. For any reduction in the value of the **vessel** because of **damage** and/or repair.
2. For previously unrepaired **damage** to the **vessel** (except where required to prevent or minimise a loss).
3. For any **loss or damage** arising from any repair, alteration, or maintenance work carried out on the **vessel** or any **loss or damage** caused by shipyards, repairers, or other service providers hired by you or anyone on your behalf to perform work on the **vessel.**
4. For the cost of making good any fault or error in design or construction, or any **design defect**, **latent defect**, or **manufacturer's defect**, or for any **loss or damage** resulting from any of the foregoing.
5. For theft of a **vessel tender** that does not have an identifiable mark/parent vessel name.
6. For **personal effects** in relation to any **vessel** under 15 feet in length overall.
7. For any single item of **personal effects**, fishing gear, diving equipment, water ski equipment and tools more than US$500.00 (or equivalent currency) unless agreed by us.
8. For jewellery, clothing, cash, debit/credit cards, eyewear, mobile personal electronic devices, and other forms of computer equipment unless agreed by us.
9. For breakage of articles of a fragile or brittle nature.
10. For **personal effects** insured under any other **policy** of insurance.
11. For **loss or damage** to **personal effects**, fishing gear, diving equipment, water ski equipment and tools unless they were stored on or being used on your **vessel** at the time of **loss or damage**.

12. For theft from your **vessel** of **personal effects**, fishing gear, diving equipment, water ski equipment and tools unless there is physical evidence of forcible or violent entry into a lockable part of your **vessel**.
13. For **loss or damage** to cameras, portable radios, mobile phones, moorings, provisions, and fuel unless you specify these items individually and we agree to extend the cover to them in writing.
14. For theft by persons to whom your **vessel** is entrusted.
15. For **loss or damage** to an outboard motor when secured to your **vessel** or the **vessel tender** in a manner other than that specified or recommended by the manufacturer of the motor, your **vessel** or your **vessel's tender**.
16. For theft of any outboard motor whose serial number you did not provide us with or theft of the outboard motor unless from a locked cabin or locker, locked storage, locked vehicle or secured to the **vessel** or her **tender** by an anti-theft device specifically designed and marketed for the purpose in addition to the normal method of attachment.
17. For theft of the **trailer** and any items attached to it, including the **vessel**, unless the **trailer** has been locked with a wheel clamp or is stolen from a locked building following forcible or violent entry to or exit from said building.
18. For **damage** to the tyres of your **trailer**.
19. For **loss or damage** caused by wear and tear, gradual deterioration, vermin, corrosion, electrolysis, mould, osmosis, inherent vice and/or lack of maintenance.
20. For gradual accumulation of rainwater or snow in or on the **vessel** unless resulting from sudden, rare, and extreme weather conditions (and you have selected enhanced **storm** cover) or frost and or freezing unless you can provide evidence that you have taken all necessary preventative measures including, but not limited to, compliance with all manufacturers recommendations or where manufacturers recommendations do not exist; acting on the advice of a qualified marine engineer including the correct use of anti-freeze.
21. For incursion of water or flooding affecting or into the **vessel** unless sudden and unforeseen, or **accidental** and you have selected enhanced **storm** cover.
22. For **loss or damage** as a result of water incursion via a through-hull fitting where the seal or Connection has failed, unless proven to have been serviced in the past 12 months.
23. For any water **damage** caused by partial or total immersion unless the **vessel** is fitted with a fully functional and working automatic bilge pump.
24. For **loss or damage** to sails caused by the wind or water whilst in use unless the spars they are attached to are **damaged** at the same time.
25. For the mast, spars, sails and rigging whilst the **vessel** is racing unless this has been agreed by us and is specifically shown on the **schedule** of insurance in which case cover is extended.
26. For **storm** as defined by insurers (see words with special meanings on page 33 of this policy) unless otherwise stated on your **schedule** of insurance, or for named or numbered tropical depressions, tropical **storms**, cyclones, hurricanes, or severe flooding in existence or forecast at the time the **policy** is incepted.
27. For lightning strikes on **vessels** while afloat where a lightning rod and connection to earth is not fitted, along with suitable professionally installed storm surge protection on the electrical system and the policy is endorsed with at least Standard **Storm** coverage. If the **vessel** is a sailing **vessel** with an aluminium mast and all masts and shrouds are suitably grounded then the lightning rod requirement only is waived. All other conditions including the professionally installed storm surge protection to the electrical system still apply. In no event will we cover you for any claim arising from a lightning strike while the **vessel** is ashore or in a lift.
28. The resulting direct physical loss to the **vessel** for a dismasting unless a professional rig inspection was completed within the last two years and any deficiencies that were identified with the standing rigging or chain plates were remedied as recommended and the work was completed by a professional rigger.
29. For consumables, which are goods used by you that must be replaced regularly because they wear out or are used up including, but not limited to, food, drink, paint, varnish, lubricants, seals, anodes and fuel.
30. For malicious damage caused by any person/s named in the **schedule** or their immediate **families**.

31. For mechanical parts, fittings and appliances that are not in accordance with manufacturers original specifications or suitable for marine use.
32. For **loss or damage** to a motor caused by or resulting from seizure and/or overheating unless caused by an external blockage.
33. For **loss or damage** which is a secondary financial loss sustained by you because of **loss or damage** to your **vessel** or other **insured** property or associated **loss or damage**.
34. For the cost of repairing or replacing any part of your **vessel** due to mechanical and/or electrical breakdown or failure.
35. For the cost of repairing or replacing any part of your **vessel** due to fault or error in design or construction.
36. For the cost of improving or altering your **vessel**.
37. For any **damage** resulting from scratching or gouging to any part of the **vessel** whilst the **vessel** is within the marina or is being lifted from or returned to the water and whilst on a **trailer** or any other mode of transportation whilst in transit.
38. For emotional, psychological, or sentimental loss which occurs due to the **loss or damage** sustained to your **vessel**.
39. For any commercial activity unless agreed by us and is shown on your **policy schedule**. In this event the Commercial Endorsement will apply.
40. For the **insured vessel** being transported as waterborne cargo unless agreed by us in writing and an appropriate endorsement issued.
41. Dock boxes, moorings, cradles, lifts, shore stations or personal watercraft unless agreed by us and shown on the **policy schedule**.
42. **Loss or damage** because of a repair yard Lien being enforced, including but not restricted to the arrest or detention of the **vessel**.
43. For any claim that exceeds the **combined single limit**.

Dismantling, Diagnosis and Reassembly Costs

Where you make a claim for **loss or damage** to your **vessel**, we may in some circumstances, require you to:

i. Dismantle your **vessel**; or
ii. Authorise us to dismantle your **vessel**, so we can assess your claim for the relevant **loss or damage** and/or decide if it is valid. If you do not agree we may refuse to assess and/or pay your claim. Where we determine that the claim for **loss or damage** to your **vessel** is:
iii. Not covered by your **policy**, you will be responsible for the costs of the above dismantling as well as any costs associated with the dismantling (including but not limited to any diagnosis, reassembly, repair and /or replacement costs).
iv. Covered by your **policy**, we will settle your claim in accordance with the terms and conditions of your **policy.**

Section 2 – Your Liability to Others.

What We Cover

We will cover you or anyone in charge of your **vessel** with your consent for their legal liability to pay compensation in circumstances specified below, up to the **sums insured** shown on the **policy schedule** but while in compliance with the **navigational limits** in respect of any one incident or series of incidents arising from the same event resulting from:

2.1 damage to any other **vessel** or property

2.2 death or bodily injury of a **third party**. For purposes of this Section, a **third party** is any person who is not (a) an insured, a member of any insured's family, or a person living in the insured's household; (b) an employee of any insured; (c) a member, officer, manager, principal, partner, or owner of any insured; (d) the captain or a member of the crew of any insured vessel; (e) a fare-paying passenger, passenger under charter, passenger for hire, or anyone else present aboard any insured vessel in exchange for any compensation of any kind; (f) any trespasser or person not otherwise entitled to be aboard any insured vessel; or (g) any person otherwise excluded by any of the Exclusions in this Section.

2.3 pollution (up to a maximum limit of US$1,000,000 or equivalent currency as part of the liability to others limit as specified on the **policy schedule** and erode those limits) arising from sudden and accidental discharge, release or escape of fuel, lubricants, or sewage either directly or indirectly from holding tanks on your **vessel** in compliance with the **navigational limits** shown on your **policy schedule**, other than liability connected with:

i. Your own recklessness, deliberate actions, or misconduct

ii. the recklessness, deliberate actions, or misconduct of any person in possession of your **vessel** either with or without your permission.

iii. fuel or lubricants not being used in connection with the operation of your **vessel** at the time of **loss**.

iv. lack of maintenance on your **vessel** resulting in the discharge.

v. fines, punitive, aggravated, or exemplary damages we will pay no more than US$150,000 (or local currency) for any one discharge, release or series of discharges, releases, or escapes in any one **policy** period including legal expenses unless it is underwritten by ION Insurance Company Inc where the maximum coverage is limited to US$1,000,000.

2.4 Water-skiing (only applies when the policy schedule shows that you have selected this option). You and/or any person using your **vessel** with your permission and/or any person engaged in water-skiing, wakeboarding and/or aquaplaning activities (using only recognised and commercially manufactured water ski and/or wakeboarding equipment and/or barefoot water-skiing) while being towed by your **vessel** within the **navigational limits** during the period of your insurance cover for:

i. Death or injury to any person caused by a water-skier who is being towed by your **vessel**. $20,000.

ii. Property Damage caused by a water-skier being towed by your **vessel**. $20,000 Cover is not provided under this option unless the **policy schedule** shows that you have selected this option and a person is on board your **vessel** competently and in accordance with relevant legal requirements observing the water-skier and/or aquaplaning activities in addition to the person in control of your **vessel** at the time of the incident giving rise to a claim. Death or injury to the water skier being towed by your **vessel** is not covered.

2.5 Marina liability is covered for legal liabilities imposed upon you by the terms and conditions of a lease agreement with you for the provision of a berth, mooring or storage facility for your **vessel** up to the **sums insured**.

2.6 Legal costs are included within the limits of liability and erode those limits. Provided we first agree in writing, we will pay for all legal costs and expenses incurred in defending any court proceedings which may arise in respect of any liability covered by this section. We will not pay for third parties' legal costs or for any legal costs and expenses relating to any criminal, maritime or traffic proceedings.

2.7 The limit of liability under this Section shown in the **policy schedule** is eroded by the costs of investigating and defending claims against you. Our obligation to settle or defend liability claims under this Section ends when the amount we pay for damages, investigation costs, legal expenses, and/or any other covered expenses is equal to the **sum insured** shown on the **policy schedule**. The **deductibles** shown on the **policy schedule** apply to every individual claim under this Section. We have the right to defend any suit to which this insurance applies. We may investigate and settle any claim or suit at our discretion. Our duty to defend any claim or suit ends when the amount we pay, or tender to the Court of Jurisdiction for any pending litigation on your behalf, for **damages** resulting from the occurrence equals the limit for liability shown on the **policy schedule** or shown in these **policy** clauses. If a suit is brought against you for claims falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary **damages**, we will afford a defence to such action, however, we will not have any obligation to pay for any costs, interest, or **damages** attributable to punitive or exemplary damages.

What We Do Not Cover

No cover is provided in respect of:

1. Legal liabilities of anyone operating, managing, or working upon the **vessel** who is employed by a shipyard, repair yard, marina, yacht club, sales agency, delivery contractor, similar organization or self-employed who should have been covered by any compulsory compensation insurance.
2. Any liability for **accidents** or illness to any person engaged by you in connection with the **vessel** under a contract of employment.
3. Any liability to third parties admitted, accepted, or agreed without our consent.
4. Any liability to third parties whilst the **vessel** is being used for water-skiing, towing of water toys, aquaplaning or similar activity unless we have agreed to such activity and it is shown on your **schedule** of insurance, in which case refer to clause 2.4 above.
5. Any liability arising whilst the **vessel** is used for or in connection with parascending or other similar activity unless we have agreed to such activity, and it is shown on your **schedule** of insurance. If such activity is agreed cover will not extend to persons outside of the **vessel** taking part in said activity.
6. Any liability to third parties while the **vessel** is attached to, carried on or towed by a motor vehicle or has become unintentionally detached from a motor vehicle.
7. Any liability to any person if they or anyone else has paid for them to be on-board the **vessel**.
8. Any liability arising other than from the hull, motors, masts, spars, rigging, sails, equipment, and accessories being used on your **vessel**, **vessels' tender**, or **trailer**.
9. Any liability for **loss or damage** occurring to property owned by you or in your physical or legal control or owned by any person using your **vessel** or in their physical or legal control.
10. Any liability for disease that is transmitted by you or anyone using your **vessel**.
11. Any liability for fines or penalties and/or aggravated or exemplary damages.
12. Any liability for any relief or recovery other than monetary amounts.
13. Any liability from a contract that imposes on you a liability which you or a covered person would not otherwise have.
14. Any liability that is covered under any other **policy**. We will be liable under this section 2 only for the amount your liability exceeds the limits of cover under any other **policy**.
15. Any liability that is in part covered in any way by any:
    - **i.** Statutory or compulsory insurance **policy** or statutory or compulsory insurance, or
    - **ii.** Compensation scheme or fund even if the amount recoverable is nil.
16. Any liability arising directly or indirectly out of or in any way connected with the existence, at any time, of asbestos.

17. Any liability arising directly or indirectly from or in any way connected with, the existence, use, operation, or maintenance, at any time, of computer technology, electronic mail, a computer virus, an internet site or other internet-based service, intranet, or any web site.
18. Any claim directly or indirectly caused using diving equipment.
19. When the **vessel** is under tow or towing another **vessel** except for the **vessels** tender or unless agreed by us.
20. Any liability where the third party is uninsured, and subrogation cannot apply, unless agreed by us and shown on your **policy schedule**.
21. **Bodily injury** or **property damage** while the **insured** vessel is being transported on land on a trailer except where the **vessel** is being hauled out or launched by a person covered under this **policy**.
22. Any fine or penalty assessed or imposed by a government body.
23. **Bodily injury** or property damage sustained by any insured, their spouse, other family members or persons living in their household.
24. **Bodily injury**, illness, or any other payment or obligation to any person eligible to receive any benefits required to be provided by you. This includes, but is not limited to, any employment, unemployment, disability, worker's compensation, non-occupational disability, occupational disease law, Federal Longshoremen's and Harbour Worker's Compensation Act, or any state or federal workers' or workmen's compensation law or migrant or seasonal worker's law.
25. Any liability resulting from intentional acts.
26. Any liability for damage to a marine environment, artificial or natural reef, living or dead coral or any other marine organisms, caused by the **vessel**, its **operator**, or passengers.
27. Any liabilities or medical expenses arising out of any illness or injury caused by exposure to all aspects of the weather, including the sun's rays either cumulatively or suddenly.
28. Any liability for damages as a result of an uninsured peril.
29. Any costs of defending you or the **vessel** against any claims, actions, or liens by any provider of salvage, towage, or removal of wreck services.

Section 3 – Captain and Crew Liability

What We Cover

3.1 We will cover, subject to our prior written agreement and your completion of a crew liability form plus the experience and qualification of all captains and crew members to be considered, damages (including if applicable, maintenance and cure, repatriation and other related expenses) for which you and/or any **insured** person are legally liable to pay an employed captain or crew member in respect of your legal liability to any employed crew which occurs whilst the crew member is in the service of your **vessel**. The maximum amount recoverable in respect of crew liability claims shall be the amount shown on the **policy schedule** and shall form part of the maximum recoverable under Section 2 Your Liability to Others. The **deductible** shown on the **policy schedule** under this section will apply to each crew liability claim. All other terms, warranties, conditions, and exclusions remain unaltered and in effect except for "What we do not cover" clause 2 above.

3.2 The limit of liability under this Section shown in the policy schedule is eroded by the costs of investigating and defending claims against you. Our obligation to settle or defend liability claims under this Section ends when the amount we pay for damages, investigation costs, legal expenses, and/or any other covered expenses is equal to the **sum insured** shown on the **policy schedule**. The **deductibles** shown on the **policy schedule** apply to every individual claim under this Section. We have the right to defend any suit to which this insurance applies. We may investigate and settle any claim or suit at our discretion. Our duty to defend any claim or suit ends when the amount we pay, or tender to the Court of Jurisdiction for any pending litigation on your behalf, for damages resulting from the occurrence equals the limit for liability shown on the **policy schedule** or shown in these policy clauses. If a suit is brought against you for claims falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, we will afford a defence to such action, however, we will not have any obligation to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

What We Do Not Cover

1. legal liabilities of anyone operating, managing, or working upon the **vessel** who is employed by a shipyard, repair yard, marina, yacht club, sales agency, delivery contractor, similar organisation or self-employed who should have been covered by any compulsory compensation insurance.
2. bodily injury while the **insured vessel** is being transported on land.
3. any liability covered or excluded under the pollution liability Section 2.3 of this **policy**.
4. punitive or exemplary damages or associated interest.
5. any liability admitted, accepted, or agreed without our consent.
6. any liability while the **vessel** is attached to, carried on or towed by a motor vehicle or has become unintentionally detached from a motor vehicle.
7. any liability for disease that is transmitted by you or anyone using your **vessel**.
8. any liability that is covered under any other **policy**. We will be liable under this section only for the amount your liability exceeds the limits of cover under any other **policy**.
9. any liability that is in part covered in any way by any:
    i. Statutory or compulsory insurance **policy** or statutory or compulsory insurance, or
    ii. Compensation scheme or fund even if the amount recoverable is nil.
10. any liability arising directly or indirectly out of or in any way connected with the existence, at any time, of asbestos.
11. any claim directly or indirectly caused using diving equipment.
12. any claim when the **vessel** is under tow or towing another **vessel** except for the **vessels tender** or unless agreed by us.
13. any claim resulting from or because of pre-existing medical conditions.
14. any claim where an employee is wholly or partially responsible for the incident leading to said claim.

Section 4 – Injury to The Named Insured

What We Cover

We shall pay US$5000 (or equivalent currency) to a named **insured** during the period of insurance in an **accident** when using your **vessel** within the **navigational limits** shown on your **policy schedule** and that results in:

4.1 Death

4.2 Physical severance or permanent loss of use of the entire arm, hand, leg and/or foot.

4.3 Permanent loss of sight in one or both eyes.

4.4 Permanent total disability which has lasted at least 52 weeks post incident, and which prevents or precludes any gainful employment and where medical advisors that we may appoint confirm that the disability will not improve. Payment of a claim under this section is subject to the named **insured** obtaining medical attention from a qualified medical practitioner and undergoing any medical examination requested by us.

What We Do Not Cover

1. Death, permanent injury or total loss of a limb occurring after 12 months from the date of the accident.
2. Self-inflicted death or injury, including suicide or attempted suicide whilst sane or insane.

Section 5 – Emergency Medical Expenses

What We Cover

5.1 Cover is provided for the cost of emergency medical expenses, up to a maximum of US$5000 (or equivalent currency) incurred or as shown on the **policy schedule** under 'Medical Payments', by you, your family, and guests in respect of injuries suffered because of an **accident** sustained as a direct result of the **vessel sinking** or being in collision with another **vessel** or other external object other than water, whilst on board. a physician selected by us when and as often as we reasonably require. This is the most we will pay, regardless of the number of claims, or the number of vessels involved.

5.2 Each person seeking payment under this coverage must:

- **i.** provide us with written authorisation for release to us copies of pertinent medical reports and records.
- **ii.** submit a valid proof of loss within one year of the incurred expenses.

What We Do Not Cover

1. Any person employed or paid to be on the **vessel**.
2. Any person if they or anyone else has paid for them to be on-board the **vessel**.
3. Self-inflicted injury whilst sane or insane.
4. Injured while trespassing.
5. Whilst boarding and disembarking the **vessel**.

Please note that all other conditions, exclusions and deductions apply in every case.

Section 6 – Racing

What We Cover

Whilst the **vessel** is racing, and this has been agreed by us and is shown in the schedule of insurance cover is provided for:

6.1 **Loss or damage** to the **hull** and **machinery** covered under Section 1 of the **policy**

6.2 Loss of race entry fee up to $500 if your **vessel** is unable to take part in a regatta, series, or event which you have entered because of any **loss** to the **vessel** covered under Section 1 of the **policy**

6.3 For all races where we have received prior notification of entry and are listed on your **policy schedule**.

What We Do Not Cover

1. The **vessel** if it is not a sailing **vessel** unless agreed by us and shown on your **policy schedule**.
2. The additional **deductible** as stated on your **policy schedule**.
3. Mast, Spars, Sails and Rigging whilst participating in the race, regatta or speed trials unless agreed by us and specifically shown on your **policy schedule**.
4. Races entered where we have not had prior notification of participation and they are not listed on your **policy schedule**.

Please note that all other conditions, exclusions and deductions apply in every case.

Section 7 – General Conditions That Apply to The Whole Policy

You **must comply** with all the following conditions that apply to all sections of this policy:

7.1 If you give permission for someone else to oversee the **vessel**, you must take steps to ensure that they have the experience and/or required qualification to do so.

7.2 The **vessel** must not be navigated single handed by anyone for a period more than 12 consecutive hours or in any event unless single handed sailing has been requested and agreed by us. This will be shown on your **policy schedule**.

7.3 The **vessel** must always be maintained in a condition conducive to its use.

7.4 **Vessel** should be lifted for maintenance on a regular basis and a minimum of once every 5 years.

7.5 You must not make any commitment on our behalf without our prior agreement.

7.6 The **vessel** and the way it is used or operated must comply with all statutory and local regulations or licensing conditions, as are applicable.

7.7 You must not use or allow the **vessel** to be used for any unlawful purpose.

7.8 All named **insureds** and persons given permission to operate your **vessel** will be at least 25 years old unless agreed by us in advance.

7.9 The amount of cover you require should fully cover the value of the **vessel** and accessories. If the value requested does not represent the full value of the **vessel** and accessories, then claim settlements will be based on the percentage of cover requested and shown on your **schedule** of insurance.

7.10 Where you insure your **vessel** for an amount greater than the **market value** to cover partial losses and avoid total loss claims (where the cost of repairs exceeds the **market value**) any claim settlement will be based on the percentage of the **vessel** damaged being the percentage of the maximum **Sum Insured** applicable.

7.11 Where you pay your premiums by instalments you must ensure that you pay each instalment on time. If an instalment is unpaid your cover will be cancelled with immediate effect, and you will be required to pay the balance in full along with an administration fee to reinstate the cover under the **policy**. If an incident occurs following cancellation for non-payment of an instalment any claim during the period of cancellation will be declined even if you subsequently reinstate the **policy** cover.

7.12 You must notify us as soon as possible if you modify or intend to modify your **vessel** from the manufacturer's original specifications. When we receive this information, we may:

- **i.** Alter the terms and conditions of your **policy**
- **ii.** Charge you an additional premium
- **iii.** Cancel your **policy**
- **iv.** Decide not to offer to renew your **policy** If you do not provide the information, we may not pay a claim under the **policy**.

7.13 If you have been at sea in your **vessel** for more than 24 hours and your **policy** would otherwise expire (other than by cancellation), we will provide a temporary extension to the period of insurance until 24 hours after your **vessel** arrives at its next port. The temporary extension to the period of insurance will apply automatically unless, when your **vessel** arrives at its next port, you do not notify us within 24 hours of its arrival to decide to renew your **policy**.

7.14 If you sell, transfer, or give away your **vessel** the cover will cease to apply upon completion of the sale, transfer, or disposal unless you decide to transfer the remaining period of insurance cover to the new owners. We will transfer this at no additional cost to you subject to a proposal form being completed and received from the new owner.

7.15 Other Insurance: - in accordance with legislation covering dual insurance, we will only provide cover to the extent that the amount of the claim is more than any payment that may be made from any other insurance.

7.16 If stored ashore as part of your windstorm provisions, it is required that **vessels** are tethered/secured to the ground, have the mast and rigging removed and safely stored with sufficient space between the **vessels** to prevent contact should they topple over. A catamaran is not required to remove the mast and rigging, however in the event **damage** is caused to the mast and rigging by flying debris that would not have struck the mast had it been removed and stored away safely then it would not be covered. Sufficient space should still be maintained between the catamaran and adjacent **vessels**.

7.17 Where coverage is subject to a survey and/or mast/rigging report this must be no older than five years with a fresh up to date survey and/or mast/rigging report due by the next renewal.

7.18 Where agreed value applies, continuation of this cover is subject to a fresh valuation every two years.

7.19 No person or organisation which has custody of the **insured vessel** and is to be paid for services will benefit from this insurance, unless agreed by us and shown on your **policy schedule**.

7.20 If you have used a broker/agent to effect cover, it is agreed that your broker/agent shall be deemed to be exclusively the agents of you and not of us in all matters relating to this insurance. Any notice, documentation or communication given or mailed by or on behalf of us to the said brokers in connection with this insurance, or its cancellation, shall be deemed to have been delivered to you.

7.21 Where a buoyancy aid or life jacket is requested, required or stipulated, then this must be a lifejacket with a buoyancy rating of at least 100 Newtons.

7.22 Capacity of the **vessel** is subject to the manufacturer's limits in terms of persons or weight as stipulated on the build paperwork or manufacturers plate**.**

7.23 If you undertake a voyage that would take you beyond the waters shown in the **navigational limits**, or a voyage to a port or area specifically designated as being outside the **navigational limits**, doing so will be considered a violation of your **navigational limits** warranty and will void coverage under this policy for any **loss or damage** occurring on the voyage.

Section 8 – General Exclusions That Apply to The Whole Policy

You are not covered for any claim arising:

8.1 While the **vessel** is not in compliance with the **navigational limits** shown in the **schedule** of insurance, unless required to safeguard the **vessel**, you, or your guests.

8.2 From any **storm** or flooding, above Force 6 on the Beaufort Scale unless agreed by us and shown on your **policy schedule**.

8.3 **Fire or explosion** on the **vessel** if fitted with inboard machinery unless:

- **i.** The **vessel** is equipped in the engine compartment with a **fire** extinguishing system which is either automatically operated or has controls at the steering position or has controls next to the engine compartment, or
- **ii.** Has portable firefighting equipment on board and that allows access to the engine compartment through a designated access panel. All **fire** extinguishing equipment must be professionally installed, maintained and up to date.

8.4 When the **vessel** is being used for charter, hire, or any commercial purposes unless agreed in advance by us.

8.5 From any claim arising from an incident involving your **vessel** or any **vessel** covered by this **policy** when the **vessel** is under the control of:

- **i.** An unlicenced person when a licence is necessary
- **ii.** A person without adequate experience to reasonably control the **vessel**.
- **iii.** A person under the influence of alcohol or drugs.
- **iv.** A person who has been refused marine or motor vehicle insurance within the last five years unless we have been notified of the refusal and we have subsequently agreed to cover such a person under this **policy**.

8.6 from racing, regattas or speed tests/trials/events unless agreed by us and shown on your **policy**

schedule.

8.7 from any damage caused by wear and tear, mould, deterioration, vermin, corrosion, electrolysis, electrolytic/galvanic action, inherent vice, marring, scratching or denting of the hull and/or its equipment and lack of maintenance.

8.8 from your **vessel** or any **vessel** covered by this **policy** being fitted with a motor more powerful than that recommended by the manufacturer of its hull.

8.9 For any **vessel** that exceeds 17 knots unless this is agreed by us and shown on your insurance **policy schedule**. If this is agreed, then the following exclusions apply:

- **i.** **fire or explosion** on the **vessel** unless the **vessel** is equipped in the engine room with a **fire** extinguishing system automatically operated, or
- **ii.** has controls at the steering position, or
- **iii.** controls next to the engine room and
- **iv.** all are professionally installed and maintained.
- **v.** **sinking** or swamping whilst the **vessel** is unattended afloat off an exposed beach or shore.
- **vi.** Rudder, strut, shaft, propeller, or any part of an outboard / inboard engines underwater gear unless this has been agreed by us and is shown on your **policy schedule**. In this event coverage is limited to a maximum of 5% of the hull/machinery value with a **deductible** of 10% of the underwater gear **sum insured**.

8.10 From any claim caused by or arising because of the **unseaworthiness**, lack of repair or maintenance of your **vessel** or any **vessel** covered by this **policy**.

8.11 from any claim caused by or arising because of the use of your **vessel** or any **vessel** covered by this policy for water-skiing or similar activity, unless you have advised us, and we agree to extend cover in writing on your **policy schedule**.

8.12 From any claim caused by or arising because of pollution or radioactive contamination except as otherwise specifically covered in the **policy**.

8.13 From ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel including:

- **i.** the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
- **ii.** any weapon or device employing atomic or nuclear fission or fusion or other like reaction or radioactive force or matter
- **iii.** the radioactive, toxic, explosive, or other hazardous or contaminating properties of any radioactive matter.

8.14 From any chemical, biological, chemo-biological, or electromagnetic weapon.

8.15 From any claim for **loss, damage**, liability, injury, illness, death arising directly or indirectly out of or in any way connected with:

- **i.** any act of terrorism arising directly or indirectly out of or in any way connected with biological, chemical, radioactive, or nuclear pollution or contamination or **explosion** or,
- **ii.** any action controlling, preventing, suppressing, retaliating against, or responding to any act referred to in this Section 8.15.
- **iii.** an act of terrorism includes but is not limited to, any act, preparation in respect of action or threat of action designed to:
  - **A.** influence a government or any political division within it for any purpose, and/or
  - **B.** influence or intimidate the public or any section of the public with the intention of advancing a political, religious, ideological, or similar purpose.

8.16 From war, civil war, conflict, commotion, and riot.

8.17 From any claim involving false or fraudulent representation by you or any person acting with your express or implied consent. Under these circumstances we may refuse payment of any claim and/or cancel the **policy**.

8.18 From any claim caused by or arising because of a malicious or criminal act (including theft, conversion, or misappropriation) caused by or involving you or any person who is acting with your

express or implied consent.

8.19 From any claim arising from an incident involving your **vessel** or any other **vessel** covered by this **policy** or other **insured** property when it is being used for an unlawful or illegal purpose.

8.20 From any claim for **loss or damage** caused by or arising because of the lack of reasonable care, protection and/or security of your **vessel** or any **vessel** covered by this **policy** or other **insured** property.

8.21 From any claim for **loss or damage** caused by or arising because of the mooring used by your **vessel** or any **vessel** covered by this **policy** not being:

- **i.** an officially regulated mooring with a signed contract in place, unless agreed by us and shown on your **policy schedule**. In the event we agree to an unregulated mooring refer to clause 9.1.
- **ii.** of a suitable design and weighting for your **vessel** or any **vessel** being covered by this **policy**.
- **iii.** Appropriately sited.
- **iv.** Regularly maintained and inspected on at least an annual basis and being kept in good order.

8.22 From any claim caused by or arising because of your **vessel** or any **vessel** covered by this **policy** exceeding the speed declared on your proposal form.

8.23 From any claim for **loss or damage** to any appliance, **machinery**, equipment, or other property which is a computer, or which contains or comprises any computer technology and which:

- **i.** Fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology or,
- **ii.** arises directly or indirectly from the importation of any software virus whether the importation was malicious, negligent, or **accidental**.

8.24 From any loss of use of the **vessel**, loss of profits or loss of value.

8.25 From the cost of travel expenses and temporary accommodation.

8.26 From indirect losses unless specifically covered elsewhere in the **policy**.

8.27 From any punitive or exemplary charges or any costs resulting from any criminal proceedings.

8.28 From any **loss or damage** to your moorings.

8.29 From any **loss or damage** caused by racing if the **vessel** is not a sailing **vessel** unless agreed by us.

8.30 From any incident that may give rise to a claim whilst your **vessel** is left anchored in open mooring or off a beach or offshore without shelter, and without the presence on board of a person who can take care of navigation, unless underwriters have been informed and such provision is given on the **policy schedule**.

8.31 From any incident that may give rise to a claim whilst navigating between the hours of sun set and sun rise unless we have been informed and such provision is shown on the **policy schedule**.

8.32 From any incident arising from the negligence of you or any representative in charge of the **vessel** by order and with the knowledge of you.

8.33 From any **salvage** charges unless agreed with us and stated on the **policy schedule**. Coverage is to a maximum of 10% of **hull/machinery sum insured** with a deductible of 10% of the **salvage sum insured**.

8.34 From any action brought in a court of law outside of the registered domicile of your insurer as defined on page 3 under Law and Jurisdiction.

8.35 Contact with a charted reef and/or grounding during the hours of darkness or when the sun is below 5 degrees from the horizon whether under way or at anchor.

8.36 Contact with a charted reef and/or grounding where a forward lookout and appropriate navigation equipment has not been utilised.

8.37 Contact with any underwater object whilst navigating the coastal waters of Panama unless we have agreed to such cover and it is shown on your **policy schedule**.

8.38 Piracy will be excluded in any areas highlighted by the IMB (International Marine Bureau) as risk areas.

8.39 From any claim if lithium ion batteries are installed unless they are professionally installed with a temperature/charge sensor, stored correctly, with the correct ventilation, are of a marine grade and/or are suitable for marine use (as per manufacturer's instructions) and are within the manufacturer's

warranty period.

8.40 Towing any vessel other than a suitably sized tender unless agreed by us and such provision is given on the **policy schedule**.

8.41 Any weather related incident or claim where the wind exceeds Force 6 on the Beaufort Scale (25-31mph) unless otherwise shown on the **policy schedule**.

8.42 From any claim for the costs of search and rescue services.

8.43 From any loss or damage caused by entanglement of or damage to the propeller(s) unless a rope cutter is fitted to each propeller shaft .

8.44 From items or actions that would be performed as part of the normal service and operation of the **vessel**. This includes but is not limited to pressure wash, antifoul and environmental charges etc.

8.45 For damage to the **vessel**'s engines, mechanical or electrical parts, equipment and internal systems, unless caused by an **accidental** external event, including but not limited to a collision, impact with a fixed or floating object, ingestion of a foreign object, etc.

Section 9 – Deductions

The **excesses** stated in your **policy schedule** will be deducted from all claims including total loss claims after any deductions made for wear and tear and the terms and conditions of these Yacht Clauses. The deductions are applied cumulatively in all cases where more than one deductible is applicable. We will not pay for loss, damage or expense for any one occurrence until the amount of the loss, damage or expense exceeds the total applicable **deductible**.

9.1 The **deductible** applicable under this **policy** is doubled when the **vessel** is moored, or at anchor, unless said mooring is on a secure pontoon or wall mooring in a recognised marina, or on a permanent riverside mooring. If we agree to an unregulated mooring with no contract in place this will be shown on your **policy schedule** and the **deductible** will be trebled.

9.2 Prior to the deduction of the **policy deductible** we will reduce the amount we will pay for wear and tear if repairing or replacing the following items would restore them to a better condition than prior to the **loss or damage**.

- **i.** Protective covers and canopies
- **ii.** **Machinery** (excluding outboard motors), batteries and tenders
- **iii.** Paintwork and surface finish
- **iv.** Upholstery and soft furnishings

9.3 Claims for outboard motors will be paid based on the current **market value** at the time of the loss or the sum shown in the **policy schedule** whichever is the lower, unless the engine hours are known then the **insured** value will be reduced to zero on a sliding scale over 2000 hours of operation or ten years whichever is the sooner.

9.4 Claims for outboard motors and tenders will be subject to a US$250 **deductible** (or equivalent currency) or the **deductible** amount shown in the **policy schedule** whichever is the higher.

9.5 Claims for **personal effects** will be subject to a US$250 **deductible** (or equivalent currency) or the **deductible** amount shown in the **policy schedule** whichever is the higher.

9.6 Whilst the **vessel** is racing and cover for this has been agreed by us and is shown on the **policy schedule** the **deductible** shown on the **policy schedule** will be doubled.

9.7 In the event of a claim to mast and spars the value will be calculated on a reduction to zero over a twenty year period from the date of manufacture or age of **vessel**.

9.8 In the event of a claim to sails and rigging the value will be calculated on a reduction to zero over a ten year period from the date of manufacture or age of **vessel**.

9.9 In the event of a claim involving marine electronics and/or engines the value will be calculated on a reduction to zero over a ten year period from the date of manufacture or age of the **vessel**.

9.10 The **policy deductibles** in respect of all claims will be increased by US$300 (or equivalent currency) during the winter period. The minimum applicable **deductible** during this period will be no less than US$500 (or equivalent currency).

9.11 In the event of any claim, **accident, or loss** against this **policy** in the first 90 days from inception the **policy deductible** will be trebled.

9.12 The total **policy deductible** will be doubled for any claim relating to **fire** and / or **explosion**.

9.13 Whilst the **vessel** is **racing** and cover for this has been agreed by us and is shown on the **policy schedule** the **deductible** shown on the **policy schedule** will be doubled.

9.14 **Storm deductible** will apply on all claims of Beaufort Scale Force 10 and above.

9.15 The **policy deductible** does not apply to the costs incurred under '**Storm** Extra Expense'. However, if a **storm deductible** is shown on the **policy schedule** then this will apply to all partial, total or constructive total losses caused by or resulting from any **Storm**.

9.16 In the event of a claim involving storage charges and/or standing fees only reasonable costs will be considered. To a maximum of 10% of the hull sum insured.

Section 10 – Cancellation and Return of Premium

10.1 You may cancel the **policy** at any time by contacting us or our main agent in writing.

10.2 We may cancel your **policy** at any time where there is a valid reason, subject to giving you 30 days' notice in writing. Valid reasons for cancelling your **policy** include but are not limited to:

- **i.** non-payment of premium
- **ii.** non-cooperation/failure to provide information and,
- **iii.** reasonable suspicion of fraud.
- **iv.** substantial breach of your duties under this **policy**
- **v.** if the risk changed substantially since the **policy** was issued. We will refund the premium less the time on risk charge as shown in 10.3 below.

10.3 Time on risk charges are as follows:

- **i.** 1 – 3 Months 25% of the premium
- **ii.** 4 – 6 Months 60% of the premium
- **iii.** 7 – 9 Months 80% of the premium
- **iv.** 9 - + Months Full Premium.

10.4 Refunds will be made net of any commissions paid, taxes and fees.

10.5 The **policy** may be cancelled at any time by mutual agreement.

10.6 You may cancel the **policy** within 7 days of purchase whereby you can obtain a full refund less any commissions, taxes, and administration charges unless you have made or are entitled to make a claim under the **policy**, or another party is entitled to make a claim against you for which you intend to rely on your **policy**.

10.7 In the event of a claim the annual premium must be paid up in full.

10.8 There will be no refund of premium if a claim has been paid, notified, or pending during the current period of insurance or where another party is entitled to make a claim against you for which you intend to rely on your **policy**.

10.9 No refund of premium will be made if minimum premium applies and is shown on your **schedule** of insurance.

10.10 No refund of premium in the first year of coverage.

Section 11 – Claims

In the event of any loss, you must comply with your obligations under this **policy**, including but not limited to the obligations and conditions set forth in this Section. If you are involved in a boating accident, remember to write down as many details as possible, including the names, addresses and contact details of anyone who may have seen the incident. Forward these details to us as soon as you can. If you are unsure what to do after an incident then contact us. You must always act as a prudent uninsured to protect your **vessel** and minimise any losses.

In the event of any incident that may give rise to a claim you must:

11.1 Notify us immediately of the details of any **loss or damage** anticipated or actual liability, death or injury which is likely to result in a claim under this **policy**, complete a claim form as your sworn statement and proof of loss and forward it to us.

11.2 Ensure that your premium is paid in full prior to us initiating the claims process.

11.3 Report any incident that may result in a claim within 21 days. Any claims reported outside of this time scale will not be considered by us.

11.4 If your **vessel** is damaged and you are covered under this **policy** for the cost of repairing such damage, you must obtain two written itemised quotations for repairs. We may require statements and/or photographs and other documentation to support your claim.

11.5 Be able to prove your loss. Please ensure you keep:

- **i.** All documentation relevant to the ownership or purchase of your **vessel** and all other property insured under this **policy** in a safe place other than on board.
- **ii.** Any service records relevant to your **vessel** and any other property insured under this **policy** in a safe place other than on board.
- **iii.** Evidence to support the amount of any **accidental loss or damage**.

11.6 Assist us and anyone else we appoint, such as assessors, surveyors or lawyers with the investigation and handling of your claim, including submitting to examinations under oath as often as we may reasonably require. This further includes but is not limited to providing us, as many times as we may reasonably request, full details of the **loss** and any written statements and documents that we may consider relevant to the claim. Failure to assist with the processing of your claim will result in the claim being delayed or declined.

11.7 Not admit fault, guilt, or liability, negotiate, or make any offer of settlement or payment, authorise repairs or replacements or defend any claim without our approval. Failure to comply with these requirements will result in your claim being refused.

11.8 In the event of the theft of the **vessel**, tell us the **hull** identification number if the **vessel** has one.

11.9 In the event of theft or malicious damage obtain a crime reference number from the police.

11.10 Take all possible steps to prevent further **loss or damage** to your **vessel**. Steps include but are not limited to:

- **i.** Dry the engine
- **ii.** Drain oil and fuel
- **iii.** Flush out the engine with hose or dewatering fluid
- **iv.** Drain again
- **v.** Fill with oil and dewatering fluid
- **vi.** Take to repairer or mechanic as soon as possible
- **vii.** Clean and dry the **vessel**
- **viii.** Spray all electrics and wiring with a suitable substance to prevent corrosion.
- **ix.** Act as a prudent uninsured.

11.11 Where you make a claim for **loss or damage** to your **vessel**, we may in some circumstances, require you to:

- **i.** Dismantle your **vessel**; or
- **ii.** Authorise us to dismantle your **vessel**, so we can assess your claim for the relevant loss or damage and/or decide if it is valid. If you do not agree we may refuse to assess and/or pay your claim.

Where we determine that the claim for **loss or damage** to your **vessel** is:

- **i.** Not covered by your **policy**, you will be responsible for the costs of the above dismantling as well as any costs associated with the dismantling (including but not limited to any diagnosis, reassembly, repair and/or replacement costs).
- **ii.** Covered by your **policy**, we will settle your claim in accordance with the terms and conditions or your **policy**.

11.12 We have the right to settle any claim made against you by a third party.

11.13 We have the right to bring a claim or legal proceedings in your name to recover any sums that we have paid.

11.14 If a claim or legal proceedings are brought against you for liability that is covered under this policy, you must immediately notify and send us every demand notice, summons or other legal papers received. We reserve the right to have sole control of the defence and naming attorneys to represent you.

11.15 We may replace the **vessel** or any **insured** item with one of similar age, type, or condition even if the appearance is not the same.

11.16 We will not pay the cost of replacing any undamaged item or parts to match parts that have been repaired or replaced because of a claim under the **policy**.

11.17 We will not pay more than the **sum insured** for any item listed in the **schedule** of insurance less any applicable **deductible** or other deduction as stated in Section 9, subject to the terms and conditions of the policy.

11.18 You must send two repair estimates and we may request that you take your **vessel** to another repairer. You must get a written agreement from us to start repairs before we will consider them. You must Make the **vessel** available to us for our inspection as often as we may reasonably require. Failure to do so will invalidate your claim. It is your responsibility to ensure that you are satisfied with the repairs to your **vessel**.

11.19 If we make a **total loss** or **constructive total loss** payment for your **vessel**, the **vessel** becomes our property, and we will keep the proceeds of any salvage sale. If you sell the **vessel** after making a claim under Section 1, we will receive a credit such that the amount of the sale will be deducted from the amount **we** may owe on **your** claim.

11.20 You are required to pay any applicable **deductible** shown on the **policy schedule**, for each claim made under your policy, including **total loss** claims. Third party claims will not be dealt with until the relevant **policy deductible** is received by us.

11.21 Acceptance of this **policy** and payment of the premium constitutes an acceptance by you of all legal costs incurred by you or any other party in the event of a dispute with us. No suit or action may be brought against us unless there has been full compliance with all terms of this policy and the action is brought within 6 months of the date you first have knowledge of the loss.

11.22 Make any payments necessary once approved by us and forward final settled invoices for reimbursement within the terms and conditions of your **indemnity policy**. We will not pay for unrepaired damages.

11.23 In the event of abandonment whereby you abandon the **vessel** and/or your responsibilities as a prudent uninsured and make no attempt to mitigate the loss, your claim will be invalidated and the **policy** will be voided from inception.

11.24 Unless uninsured and the **policy** is endorsed for **uninsured boaters**, we will only deal with the insurer of any third party under subrogation and not the third party themselves or any other representative appointed by them.

Section 12 – Duty of Disclosure

12.1 You have a duty to tell us before the **policy** is entered, every matter known to you which you know or
- **i.** A reasonable person in the circumstances could be expected to know.
- **ii.** Is relevant to our decision whether to insure you and whether any special conditions need to apply to your **policy**.

12.2 This duty applies when you renew, extend, vary, or reinstate the **policy**.

12.3 You do not need to tell us about any matter that:
- **i.** Diminishes our risk
- **ii.** Is of common knowledge
- **iii.** We should know as an insurer, or
- **iv.** We tell you we do not need to know.

12.4 Everyone who is insured under this **policy** must comply with this duty.

12.5 If you or they do not comply with this duty, we will cancel the **policy** and reduce the amount that we would pay if you made a claim, perhaps to zero. If fraud is involved, we will treat the **policy** as If it never existed and pay nothing.

12.6 All insurance provided by this **policy** will be null and void if you, at any time, either intentionally conceal or misrepresent any fact, regardless of materiality, or if you misrepresent or conceal any material fact regardless of intent. No action or inaction by us will be deemed a waiver of this provision.

Section 13 – Complaints Procedure

When we cannot help

Please do not ask for help from a lawyer or legal representative. If you do, we will not pay the costs involved even if we do accept the claim.

We take pride in the service provided to you, however if you are unhappy with any aspect of the handling of your insurance, please contact the Complaints representative dealing with complaints for your broker (if you have one) or the ION insurance team using the contact information on Page 2. If for any reason, they are unable to resolve your complaint immediately it will be referred to the ION Insurance complaints department and subsequently if you are still not satisfied you can refer your claim to a local ombudsman. Full details will be provided at each stage of the process.

Marine types of insurance are not covered by any Financial Services Compensation Scheme (FSCS)

Section 14 - Endorsements.

We can adjust the standard policy using the endorsements below to ensure that your individual requirements are met:

Agreed Value – If shown on your insurance **schedule** we guarantee to pay the **hull and machinery sum insured** agreed in the event of a **total loss** or constructive **total loss** claim. **Agreed value** will only be applied once we are in receipt of proof of purchase (if within the last 12 months) or a valuation and recent photographs of the **vessel** and said documents have been approved by us. Until these documents are approved the policy will be one of indemnity**/market value** (See **Market Value** definition in Words With Special Meaning). To maintain this coverage a fresh valuation is required every two years. **Hull and Machinery** coverage is limited to the valuation amount on a total loss claim.

Breach of Warranty – Cover is endorsed to include the satisfaction of any loan balance outstanding from an authorised source, subject to their prior listing on the **policy schedule**, for any unwarranted **constructive total loss** up to the maximum **sum insured** payable after applicable deductibles – whichever is the lesser.

Builders Risks – **Builders risks** to apply including sea trials within one-mile radius of either the boat yard or home port for **vessels** undergoing construction or complete restoration.

Commercial Fishing – Cover is extended to include static fishing and the use of nets, pots, lines etc. but does not include **loss or damage** to any fishing gear by any cause whatsoever or any liability arising from the positioning of such gear. It is also warranted that the **insured** and/or the **insured's** qualified skipper be always on board and in control of the **vessel** when so used.

Diving Parties – Cover is extended so that the **vessel** may be used for charter diving parties, but cover does not include liability to or any of the **divers** whilst in the water. It is also warranted that the **insured** and/or the **insureds** qualified skipper be always on board and in control of the **vessel** when so used.

Houseboat/Live-aboard – Cover is extended to allow residential occupation by the **insured** and/or the **insureds family** or as otherwise advised and accepted by us.

New For Old – If shown on your **policy schedule** then in the event of a claim we will replace with the new equivalent any equipment damaged beyond economical repair that is up to five years of age where proof of age or purchase can be provided.

Night Navigation – Cover is extended to include navigation between the hours of sunset and sunrise. Any **policy excess** applicable to all sections of the policy will be increased by fifty percent (50%) whilst the **vessel** is being navigated during these hours (whether under way or at anchor). All other policy terms and conditions still apply.

Non-Emergency Towing – Cover is extended to include the cost of towing your **vessel** to the nearest safe port or haven following a mechanical or electrical failure up to the limit as specified on your **policy schedule** in any one policy period and subject to the deductible listed for every claim.

Racing Risk – Permission is given for this **vessel** to be used for racing as per the terms and conditions of these Yacht Clauses under Section 6.

Single Handed Sailing – Permission is given for this **vessel** to be sailed single handed by the owner or any person whose details of experience etc. have been submitted to and accepted by us subject to the

navigational limits authorised on the **schedule**. Subject to the terms and conditions of these Yacht Clauses.

Storm Cover Force 7 to 12 (Standard Storm) – Cover extended from the Beaufort Scale maximum of Force 6 to a maximum of Force 12 but excludes all named and numbered windstorms and flooding. All other conditions apply.

Storm Cover Force 12+ (Full Storm) - Cover is further extended subject to already having the endorsed **Standard Storm** to include wind speeds in excess of Force 12 and all named and numbered windstorms as well as flooding. All other terms and conditions still apply.

Storm Preparation – Cover is amended to waive the sufficient space to avoid toppling and mast removal requirements when lifted ashore as part of your **storm** preparation coverage conditions however in the event damage is caused to the mast and rigging by flying debris that would not have struck the mast had it been removed and stored away safely then it would not be covered . In the event of a **storm** claim the storm policy excess/deductible listed on your **policy schedule** is doubled. All other conditions apply.

Taken Ashore – It is warranted that the insured **vessel** will be taken and kept ashore on all occasions after use and in any event overnight and kept in a locked building.

Unattended – If shown on your **policy schedule** then we will provide cover when the vessel is left unattended at anchor for a maximum of 8 hours. Subject to satisfactory and suitable anchor arrangements and weather conditions.

Uninsured Boater – If shown on your **policy schedule** then we will provide cover in respect of any sums which you are legally entitled to recover from a third party **vessel**, owner or **operator**, but which cannot be recovered due to the third party having no marine liability insurance, no realisable assets or they cannot be identified. The **sum insured** shown under this section on the **policy schedule** is the maximum payable in any one **policy** term irrespective of the number of claims made.

Definitions - Words With Special Meaning

Throughout this policy most words and phrases that have special meanings appear in bold. Only the pronouns “we”, “our”, “us”, “you”, “your”, and “yours” are defined but do not appear in bold. This section defines some of the more general terms used in this policy. Bold terms that are not listed in this section, are defined within the sections they appear.

We, us, our, and the **Company** refer to Keane Specialty Insurance LLC and ION Insurance Company, Inc., the underwriters on this **policy**.

You, your, yours refers to the **insured** named on the policy schedule.

Accidental Loss or Damage means a fortuity, a physical loss and/or damage which occurs by **accident**. An **accident** is a happening that is unforeseen, unavoidable, and unintended by you. An **accident** does not include damages or losses that arise, either completely or partially, due to intentional misconduct of the insured, inherent or **latent defect** in the **vessel** or other object damaged, fraud, normal wear and tear, the defective, deteriorated or decayed condition of the **vessel** or any of its components or appurtenances, **design defect**, or **manufacturer’s defect**.

Actual Cash Value means the replacement cost of the lost or damaged property less depreciation.

Agreed Value means the **vessel sum insured** shown on the **policy schedule** or any endorsement to the same. This will be backed up by a recent survey and valuation to support the value requested.

Bodily Injury means physical injury, sickness or disease sustained by a person including death resulting from any of these and as a result of ownership or operation of the insured vessel.

Combined single limit means the maximum amount we will pay towards any sum or sums that you or any other insured person becomes legally liable to pay because of any one occurrence arising from your operation of the **insured vessel**. If the **policy schedule** shows multiple liability limits, the maximum amount we will pay in respect of any one occurrence or series of occurrences arising from a single event, is limited to the amount shown as the combined single limit irrespective of the number of claims or claimants arising from the said occurrence or single event, and in no circumstances shall there be any aggregation of liability limits shown on the **policy schedule** more than the combined single limit that applies.

Constructive Total Loss may be declared where the damages exceed more than three quarters (75 percent) of the vessel and the cost of **replacement** or repair of your **vessel** exceeds the **sum insured** or where we consider that the cost of repair would exceed the **market value** of the **vessel**.

Containment means any petroleum product, chemical, lubricant or solvent normally associated with the use and operation of a watercraft.

Deductible means the amount shown on the **schedule** which you must pay first when you make a claim under your **policy**. This amount may be deducted from your final settlement or requested prior to settlement; see also **excess**.

Design Defect means a flaw in the structural plan of the insured **vessels hull** or **machinery**, or any of its components. **Design defect** does not include wear and tear, gradual deterioration, corrosion, rust, electrolysis, osmosis, weathering, **latent defect** or **Manufacturers defect**.

Divers means any person using underwater artificial breathing apparatus or aids whether mechanical or not and/or submersible mechanical or electrical devices including, but not limited to, submarines, diving bells and/or diving suits.

Family means any person related to you by blood or marriage, or adoption (Including a ward or foster child).

Fire and/or Explosion means accidental loss or damage caused to the **vessel** from the combustion of materials.

Gradual Deterioration is the gradual degradation of the **vessel** caused by wear and tear, rust, rot, oxidation, corrosion, electrolytic or galvanic action, wasting or weathering.

Hull means the **hull**, deck, cabin, deck fixtures, equipment, appliances, and fittings on or below the deck or cabin top of the **vessel**.

Indemnity means that no claim for unrepaired damages shall be allowed. We will make no payments under this **policy** until repairs actually have been made or expenses actually incurred, *i.e.*, expenses for which the **insured** has paid or has become legally obligated to pay because a service/repair has been performed or equipment/material for such repairs purchased.

Insured means you and any person, firm, corporation, or legal entity that may be **operating** the insured **vessel** with your prior permission. However, this does not include a paid captain or any paid crew member

of the insured **vessel**. Nor does it include any person, firm, corporation, or other legal entity or any of their agents or employees operating a shipyard, boat repair facility, marina, yacht club, sales agency, chartering agency, yacht broker, boat service station, salvor, towing service or similar organisation.

Laid up is where the **vessel** systems are drained down and everything is removed or securely stowed so that the **vessel** can be left for an extended period of time without use (whether afloat or ashore).

Latent Defect is a hidden flaw, weakness or imperfection in the design, manufacture or build of the **vessel** that is not apparent by routine inspection and is not the result of **gradual deterioration** or a lack of maintenance.

Marine Electronics means electronic devices designed specifically for marine navigation, including fish finders, chart plotters and communication.

Machinery includes but is not limited to main or auxiliary engines including gear boxes, starter motors, alternators, electrical and mechanical equipment, cables and fittings, hydraulic equipment, piping and fittings, boilers, shafts, exhaust systems, generators, air conditioning equipment, tanks, pumps, and water makers.

Manufacturer's Defect means the improper, incorrect or inadequate manufacturing process including osmosis of the insured **vessel's hull** or **machinery** or any of its components. It does not include wear and tear, gradual deterioration, corrosion, rust, electrolysis, weathering, inherent vice, **latent defect** or **design defect.**

Market Value means the sale value of the **vessel**, the **vessels** parts, personal belongings and/or navigation equipment immediately prior to the claimed **loss or damage**, considering the condition and age of the items and the location of the **vessel**. We will cover no more than the **market value** for the **replacement cost** of the **vessel** and/or its parts as it stands at the time of a claim.

Maximum Design Speed is the maximum speed that the **vessel** is designed to achieve under power or sail as stated by the **vessel** manufacturer.

Navigational Limits means the area or areas shown on the **policy schedule** of insurance under the section as the **Navigational Limits** of coverage under the **policy**. Undertaking a voyage that would take you beyond the waters shown in the **Navigational Limits**, or to a destination specifically designated as being outside the **Navigational Limits**, will be considered a violation of your **Navigational Limits** warranty. Any deviation beyond the **navigational limits** provided herein, including undertaking a voyage to a prohibited destination or to prohibited waters, shall void this policy.

Occurrence means a single event, or an accident or series of accidents caused by a single event.

Operate, Operation, Operating means to use, navigate, or be in control of the **vessel**, including while the **vessel** is at anchor, holding station, or otherwise not making way.

Partial Damage means where not all the vessel has sustained damages and only the portion of the sum insured will be applied to the repair and reinstatement of this damage that is equal to the portion (percentage) of the vessel damaged.

Personal Effects means items of a personal nature that you own and use specifically for the **vessel** that would not normally be sold with the **vessel**. This includes but is not restricted to portable navigation equipment, fishing gear, diving equipment, clothing, shoes, waterproof gear, wetsuits, portable electrical goods. Cover for **personal belongings** is based on **Market Value** at the time of the **loss** or claim provided that such property is situated on the **vessel** at the time of the **loss**.

Property Damage means damage to tangible property.

Personal Watercraft means a **vessel** which uses an inboard engine powering a water jet pump as its primary source of motive power and which is designed to be **operated** by a person sitting, standing, lying down or kneeling on the **vessel**.

Policy the **policy** of insurance is represented by this document together with the marine insurance **policy schedule**, warranty and conditions form, the completed application/proposal form and any applicable endorsements.

Race or Speed Trials means any event involving speed and/or of a competitive nature, including, but not limited to, Regattas and/or Rallies, or timed events. 'Preparing for a **race or speed trial'** means any navigation of the **vessel** necessary to ensure eligibility of either you or your **vessel** to participate in a **race or speed trial**. Replacement Cost is the least of the following amounts:

- **A.** the applicable limit shown on the declarations page.
- **B.** the cost to repair or replace the lost or damaged property using other new property of comparable material and quality, used for the same purpose, or starting the fifth year from the date of manufacture, the cost to replace the lost or damaged property with substantially identical property.

Reasonable Care means acting in a way that would be expected of a prudent uninsured to safeguard their **vessel** and prevent incidents, avoidable failures, and/or loss of or **damage** to persons or property.

Resident means any person who lives in your home.

Salvage means those reasonable charges and expenses incurred for the removal/recovery of the **vessel** if damaged and/or sinks accidentally.

Schedule is the document issued to you by us which details coverage, values, and additional limitations. Otherwise known as the certificate of insurance or certificate of currency.

Seaworthy means fit for the vessel's intended purpose. **Seaworthiness** applies not only to the physical condition of the **hull**, but to all its parts, equipment and gear and includes the responsibility of assigning an adequate crew. For the **vessel** to be **seaworthy**, its crew must be competent, experienced within the **navigational limits** allowed under this **policy** and appropriately licenced. The **vessel** must be suitable for its intended use and maintained in a condition conducive to it use.

Sinking means when the **vessel** has sunk as far as is physically possible for the **vessel** to sink.

Stern Gear see 'underwater gear'.

Storm means tropical depressions, tropical **storms**, hurricanes or flooding as designated by a National Weather Service and/or National Hurricane Centre, whether named or not. Basic cover allows for winds of Force 6 on the Beaufort scale (25-31mph). Standard cover allows for winds up to Force 12 on the Beaufort scale (74- 95mph) but excludes named or numbered tropical depressions, tropical **storms**, hurricanes or severe flooding. Enhanced cover for all **storms**, includes those named and/or numbered and for winds over Force 12 on the Beaufort Scale (over 96mph) and severe flooding.

Subrogation is the right of an insurer to pursue the party that caused the loss to the insured and recover the funds paid in the claim (usually from the at fault party's insurer).

Sum Insured is the value of the **vessel** or other **insured** property as specified in the **policy schedule**.

Tender means an auxiliary boat or dinghy which is carried on deck or towed behind your **vessel** that is used as a lifeboat or way of transportation to your **vessel**, excludes personal watercraft unless agreed and extended in writing. The **vessel tender** must be marked with the name and/or registration number of the parent **vessel**.

Total loss means the actual loss of the **vessel**, the complete destruction of the **vessel**, or the sustaining of such damage by the **vessel** that it cannot be recovered or repaired.

Trailer refers to the **insured vessel's trailer**, used exclusively for that purpose.

Underwater Gear means the underwater items external from the hull of the vessel such as the rudder, strut, shaft, propeller, anodes, keels and outdrives etc.

Vessel means the **vessel** described on the **schedule**, including machinery, electrical equipment, sails, masts, spars, rigging, and all other equipment normally required for the safe operation and maintenance of the **vessel** and situate on the insured **vessel**, which would normally be sold with the **vessel**. This does not include spare parts of the **insured vessel**, the **insured vessel's** life raft, **tender** or dinghy, unless the same has been declared on the **schedule**, nor does it include any items being stored on premises other than on-board the **insured vessel**.