

## YACHT COVERAGE

**American Yacht Form R12** with Section 'A' - Hull Insurance. Exclusion 1 amended with the word 'vermin' deleted and replaced with the words 'rats and cockroaches'. Running Down Clause Deleted. Exclusions 2, 3, 4, 5 and 7 deleted but this insurance excludes loss or expenditure incurred in remedying a fault in design or construction or any cost or expense incurred by reason of betterment or alteration in design or construction. Time restraint under Notice of Loss and Filing of Proof amended to read 180 days. Restraint under Time for Suit against the Assurers amended to read two years.

Sections B, D and E Deleted. Section C -Omnibus Clause amended to include a charterer and to include a paid master or a paid member of crew of the insured vessel while acting in their capacity as captain and crew of the insured vessel.

### **Warranties and General Conditions (Applicable to all coverages unless otherwise indicated)**

#### **Privileges**

In port and at sea, under power or sail, in docks and graving docks, in hauling and launching, and on ways, gridirons, pontoons, and on shore. With leave to sail with or without pilots to tow and assist vessels or craft in all situations and to be towed and to go on trial trips.

#### **Private Pleasure Warranty**

Warranted to be used solely for private pleasure purposes and not to be hired or chartered unless approved and permission endorsed hereon.

#### **Continuation Clause**

If the vessel insured hereunder is at sea, at the expiration of this policy, the risk may be continued until the arrival of the vessel at her port of destination on her being moored therein twenty four (24) hours in good safety provided notice be given to the Assurers and additional premium paid as required.

#### **Transfer of Interest**

This insurance shall be void in case this Policy or the interest insured thereby shall be sold, assigned, transferred or pledged without the previous consent in writing of these Assurers.

### **Personal Negligence**

Personal negligence or fault of the Owner or Assured in the navigation of the yacht or privity or knowledge in respect thereto (excepting loss, damage or liability wilfully or intentionally caused by the Owner or Assured) shall not relieve the Assurers of liability under this Policy.

### **Other Insurance**

If a named Assured has other insurance against a loss covered by any section of this Policy, the Assurers shall not be liable under this Policy for a greater proportion of such loss than the applicable amount stated bears to the total amount of all valid and collectible insurance against such loss. If an Assured other than a named Assured has other insurance against a loss covered by any section of this Policy, this insurance shall be excess over other such insurance.

### **Notice of Loss And Filing of Proof**

It is agreed by the Assured to report immediately to the Assurers or to their representative who shall have issued this Policy every occurrence which may become a claim under this Policy, and shall also file with the Assurers or their representative, a detailed sworn proof of loss and proof of interest and/or receipted bills in case of a partial loss, within ~~ninety (90)~~ one hundred and eighty (180) days from date of loss.

### **Payment of Loss**

In case of loss payable under this Policy, such loss to be paid within ninety (90) days after satisfactory proof of loss and proof of interest in the property insured, all indebtedness of the Assured being first deducted.

### **Subrogation**

It is agreed that upon payment of any loss, damage, or expense the Assurers are to be subrogated to all the rights of the Assured to the extent of such payment.

### **Time for Suit Against the Assurers**

No suit or action on this Policy for the recovery of any claim shall be sustainable in any court of law or equity unless the Assured shall have fully complied with all the requirements of this Policy, nor unless commenced within ~~one (1)~~ two (2) years from the date of the happening or the occurrence out of which the claim arose, provided that where such limitation of time is prohibited by the laws of the state wherein this Policy is issued, then and in that event, no suit or action under this Policy shall be

sustainable unless commenced within the shortest limitation permitted under the laws of such State.

### **Action Against the Assurers**

Any person or organization or the legal representative thereof who has secured judgement against the Assured shall be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Bankruptcy or insolvency of the Assured or of the Assured's estate shall not relieve the Assurers of any of their obligations hereunder.

### **Legal Representative And Co-operation Clause**

The Assured shall co-operate with the Assurers and shall not assume any obligation, admit any liability or incur any expense for which the Assurers may be liable, without the written approval of the Assurers, except as may be necessary and permitted to safeguard the Yacht under the "SUE AND LABOR" clause in Section "A" of this Policy. In case the liability of the Assured shall be contested with the written approval of the Assurers first obtained, the Assurers will pay the cost and expense of such defense, in which event the Assurers shall have the option of naming the attorneys who shall represent the Assured in said defense, and, if such option is exercised, shall have the direction and control thereof. The Assured shall, whenever required, attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of suits and limitations proceedings.

### **Examination Under Oath**

The Assured, as often as may be reasonably required, shall exhibit to any person designated by the Assurers all that remains of any property herein described, and shall submit, and in so far as is within his or their power cause his or their employees, members of the household and others to submit to examinations under oath by any person named by the Assurers and subscribe the same; and as often as may be reasonably required, shall produce for examination all writings, books of accounts, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Assurers or their representative, and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any other act of the Assurers or any of their employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the

Assurers might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Assurers liability.

### **Misrepresentation or Fraud**

This entire Policy shall be void if the Assured or their representative has concealed or misrepresented any material fact or circumstances concerning this insurance or the subject thereof, or the interest of the Assured therein, or in case of fraud or false swearing by the Assured touching any matter relating to this insurance of the subject thereof whether before or after a loss.

### **Notice of Cancellation and Return Premiums for Cancellation**

This Policy may be cancelled by the Assured by surrender thereof to the Assurers or their representative by mailing to the Assurers or their representative written notice stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the Assurers or their representative by mailing to the Assured at the address shown in this Policy or last known address, written notice stating when not less than ten (10) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date of the cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the Assured or by the Assurers or their representative shall be equivalent to mailing.

If the Assured cancels, earned premiums shall be computed in accordance with the customary short rate table and procedure. If the Assurer cancels, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Assurers or their representative's check mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due to the Assured.

### **Premium Fully Earned**

There shall be no return of premium under any section of this Policy if the insured yacht is a total or constructive total loss by a peril insured against.

### **Paramount Exclusions**

Any claim for loss, damage or expense caused by or

resulting from capture, seizure, arrest, restraint or detention of the consequences thereof or of any attempt thereat or any taking of the vessel, by requisition or otherwise, whether in time of peace or war and whether lawful or otherwise; also from all consequences of hostilities or warlike operations (whether there be a declaration of war or not) but the foregoing shall not exclude collision or contact with aircraft, rockets or similar missiles, or with any fixed or floating object (other than a mine or torpedo), stranding, heavy weather, fire or explosion unless caused directly (and independently of the nature of the voyage or service which the vessel concerned or, in case of a collision, any other vessel involved therein is performing) by a hostile act by or against a belligerent power, and for the purpose of this warranty "power" includes any authority maintaining naval, military or air forces in association with a power; also warranted free, whether in time of peace or war, from all loss, damage or expense caused by any weapon of war employing atomic or nuclear fission and/or other fusion or other reaction or radioactive force or matter. Further warranted free from the consequences of civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or piracy.

This Policy is made and accepted subject to the foregoing stipulations and conditions, and to the conditions on the following pages which are hereby specially referred to and made a part of this Policy, it being understood and agreed that in the case of any conflict or inconsistency the foregoing provisions shall prevail over those which follow.

## SECTION "A" - HULL INSURANCE

### Property Covered

Upon the Hull, Spars, Sails, Fittings, Gear and Equipment, Apparel, Provisions, Stores, Machinery, Boats, and other Furniture and Furnishings of and in the yacht hereby insured, subject to all of the terms and conditions (Including the Running Down Clause) of this Policy. The foregoing does not include fishing tackle, moorings or personal property.

### Coverage

The insurance provided by this Section covers, subject to the exclusions and limitations of this Policy, against ALL RISKS of physical loss or damage to the property covered from any external

cause, as well as physical loss or damage directly caused by fire, explosions, bursting of boilers, breakage of shafts, or any latent defect in the machinery or hull (excluding the cost and expense of repairing or replacing any defective party), provided such loss or damage has not resulted from want of due diligence or intentional damage by the owners of the Yacht or by the Assured; provided always that the amount recoverable hereunder shall not exceed the amount of insurance.

### Deductible Clause

When a deductible amount is stated on this Policy, each claim for loss or damage covered under Section "A" shall be adjusted separately and from the aggregate amount of the adjusted claim, the sum so stated shall be deducted. Such deduction shall not apply in the event of Total Loss or Constructive Total Loss of the vessel covered nor shall it apply with respect to claims under the Running Down Clause.

### Equipment Separated and on Shore

It is also agreed that should any part of the furniture, boats or other property of the said yacht be separated and laid up on shore during the life of this Policy, then this Policy shall cover the same to an amount not exceeding 50% of the sum stated under the heading "Amount of Insurance". The amount attaching on the said yacht shall be decreased by the amount so covered.

### Valuation Clause

The said yacht, for so much as concerns the Assured by agreement between the Assured and the Assurers is and shall be valued at the amount stated under the heading "Agreed Valuation".

### New for Old

In the event of loss or damage, cost of repairs to be paid without deduction, new for old, except with respect to sails and covers of canvas or other like material, the Assurers shall be liable for no more than the cost of repair or a reasonable value.

### Constructive Total Loss

No recovery for a constructive total loss shall be had hereunder unless the expense of recovering and repairing the vessel shall exceed the amount of insurance on hull and machinery.

## Unrepaired Damage

In no case shall the Assurers be liable for unrepaired damage in addition to a subsequent total loss sustained during the term covered by this Policy.

## Proportion of Loss Covered

Where the amount of insurance as set forth is less than the agreed valuation stated herein, the Assurers shall be liable only for such proportion of any loss recoverable under this Section as the said amount of insurance bears to the said agreed valuation.

## Strikes Clause

This insurance also covers loss of or damage to the property hereby insured caused by strikers, locked out workmen or persons taking part in labour disturbances, riots or civil commotions or caused by vandalism or persons acting maliciously.

## Boats and Launches

The boats and launches of the yacht are insured also while afloat, whether underway or not; subject to all of the terms and conditions, including the Running Down Clause, of this Policy.

## Running Down Clause - DELETED

## Member of the Assured's Family

It is understood and agreed that the word "Assured" whenever used in the Running Down Clause in this Section shall include, in addition to the named Assured hereunder, irrespective of interest in the insured yacht, the members of the immediate family of the Assured, domiciled with the Assured, who may, at the time liability was incurred, be operating the yacht with the prior permission of the Assured.

## Sue and Labor Clause

And in case of any loss or misfortune, it shall be lawful and necessary for the Assured, their factors, servants and assigns, to sue, labor and travel for, in and about the defense, safeguard and recovery of the said yacht or any part thereof, without prejudice to this insurance; the charges whereof we, the Assurers, will pay. And it is especially declared and agreed that no acts of the Assurer or Assured in recovering, saving or preserving the property insured shall be considered as a waiver or acceptance of abandonment.

## EXCLUSIONS

### THIS INSURANCE DOES NOT COVER.

1. Any loss or damage directly or indirectly caused by or resulting from wear and tear, gradual deterioration, inherent vice, marine borers, ~~vermin~~ rats and cockroaches, or electrolysis.
2. Deleted
3. Deleted
4. Any loss, damage or expense directly or indirectly caused by or in consequence of faulty construction and/or improper design.
5. Deleted
6. Wages and/or provisions whether the average be particular or general.
7. Deleted
8. Any loss of use, demurrage or charter hire to the yacht insured hereunder.

### SECTION "B" - PROTECTION AND INDEMNITY INSURANCE - DELETED - NOT COVERED

### SECTION "C" - OMNIBUS CLAUSE

It is understood and agreed that the word "Assured" whenever used in the Running Down Clause in section "A" - Hull Insurance, of this Policy, and whenever used in Section "B" - Protection and Indemnity Insurance of this Policy, includes in addition to the named Assured any person, firm, corporation or other legal entity who may be operating the vessel with the prior permission of the named Assured, but does not include a charterer or a paid Master or a paid member of the crew of the insured vessel or a person, firm, corporation or other legal entity, or any agent or employee thereof, operating a shipyard, boat repair yard, marina, yacht club, sales agency, boat service station, or similar organization. Notwithstanding anything contained herein, the insurance provided by this clause does not cover liability of such additional Assureds to the Assured and/or Assureds named in this Policy. This insurance is conditioned upon compliance by an Assured with all the terms, conditions and warranties applicable to the named Assured. Nothing contained herein shall be construed to increase the limits of the Assurers' liability as stated in this Policy.



## **SECTION “D” – MEDICAL PAYMENTS INSURANCE DELETED – NOT COVERED**

## **SECTION “E” – FEDERAL LONGSHOREMEN’S AND HARBOR WORKERS’ COMPENSATION INSURANCE - DELETED – NOT COVERED**

### **Additional Perils Extension**

Institute Additional Perils Clause - Hulls CL.301 (1/10/83).

1. In consideration of an additional premium this insurance is extended to cover
  - 1.1 the cost of repairing or replacing
    - 1.1.1 any boiler which bursts or shaft which breaks
    - 1.1.2 any defective part which has caused loss or damage to the Vessel covered by the peril ‘any latent defect in the machinery or hull’ as it appears in lines 79/80 of the American Institute Hull Clauses (June 2, 1977)
  - 1.2 loss of or damage to the Vessel caused by any accident or by negligence, incompetence or error of judgement of any person whatsoever.
2. Except as provided in 1.1.1 and 1.1.2, nothing in these Additional Perils Clauses shall allow any  
  
claim for the cost of repairing or replacing any part found to be defective as a result of a fault or error in design or construction and which has not caused loss of or damage to the Vessel.
3. The cover provided in Clause 1 is subject to all other terms, conditions and exclusions contained in this insurance and subject to the proviso that the loss or damage has not resulted from want of due diligence by the Assured, Owners or Managers. Master Officers Crew or Pilots not to be considered Owners within the meaning of this Clause should they hold shares in the Vessel.

### **Additional Tender Hire Expenses**

In addition in the event of a loss of or damage to tenders and/or toys etc. agree to cover the cost of hiring replacement equipment for a period up to 60 days, in addition to repair / replacement costs.

### **Automatic Tender Attachment Extension**

Noted and agreed cover hereunder automatically includes small craft and/or tenders and/or toys. Items over limit specified in the Schedule any one item to be declared within 60 days of attachment / purchase.

### **Independent Tender Extension**

Agreed such boats and/or craft and/or tenders and/or jet skis covered whilst used in conjunction with or independently of parent vessel.

### **Leased Equipment Extension**

Institute Time Clauses - Hulls - Leased Equipment Clause CL.362 (1/11/95).

This insurance is extended to cover loss of or damage to equipment and apparatus not owned by the Assured but installed for use on the vessel and for which the Assured has assumed contractual liability, whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise and where such loss or damage is caused by a peril insured under this insurance, subject in all other respects to its terms, conditions and exclusions. In no event shall the liability of the Underwriters exceed the lesser of the contractual liability of the Assured for loss of or damage to such equipment or apparatus or its replacement value. All such equipment and apparatus shall be included in the insured value of the vessel.

### **Machinery Damage Extension Clause**

Agreed cover failure in the working mechanism of machinery or motor generators or other electrical machinery and their connections, which causes the same to cease functioning or to function improperly.

### **Parts Removed Extension**

Institute Time Clauses - Hulls - Parts Removed Clause CL.364 (1/11/95).

This insurance is extended to cover loss of or damage to parts removed from the vessel whether such parts are ashore and/or under repair and/or in transit and where such loss or damage is caused by a peril insured under this insurance, subject in all other respects to its terms, conditions and exclusions. The Underwriters’ liability for such parts removed which are covered under this clause shall not exceed 5% of the insured value of the vessel. If at the time of loss of or damage to the parts removed from the vessel such parts are covered by or would be covered by any other insurance but for this clause, then this insurance shall only be excess to such other insurance.

Cover in respect of parts shall be limited to 30 days whilst removed. Period in excess of 30 days held covered at terms to be agreed provided notice be given to the Underwriters prior to the expiry of the 30 day extension.

## INCREASED VALUE

American Institute Increased Value and Excess Liabilities Clauses (November 3, 1977) 129-P CL.A175 with coverage (1) extended to include the settlement of a claim for total loss under the American Yacht Form R12. Excess Liabilities Deleted. Exclusion D from CL.A175 is deleted and replaced with provisions of CL.370.

## WAR RISKS

American Institute Hull War Risks and Strikes Clauses (including Automatic Termination and Cancellation Provisions) December 1, 1977 extended to include claims for loss, damage or expense caused by or resulting from any terrorist, sabotage or any person acting maliciously or from a political motive and Clause 3 extended to include "or piracy".

American Hull Insurance Syndicate Addendum to American Institute Hull War Risks and Strikes Clauses - December 1, 1977 (April 1, 1984). Subject to current JWC listed areas (up to date list available on Sanctum Info) and admin/noc clauses subsequently amended by Underwriters or held covered at rates to be agreed.

American Hull Insurance Syndicate War Risk Protection and Indemnity Clauses CL.A500 extended to include claim for loss damage or expense caused by or resulting from any terrorist or person acting maliciously or from a political motive.

### London Blocking and Trapping Addendum LPO444 (amended)

It is hereby agreed that the inability of the vessel to sail from any port, canal, waterway or other place to the high seas for a continuous period of 6 months as a result of the closure of the connecting channel to all vessels of such size or draft is within the term "restraint" appearing in Clause 3 of the Institute War and Strikes Clauses - Hulls 1/10/83 provided that such closure has arisen through the blockage of the waterway by a warlike act, or act of national defence.

## GENERAL EXTENSIONS / CLAUSES

It is hereby noted and agreed that where ever the words 'Assured' or 'Assurers' appear in the Policy Wording they shall be deemed to read 'Insured' and 'Underwriters' respectively.

### 12 Passenger Extension

Noted and agreed that from time to time there may be more than 12 passengers on board whilst alongside. Also including whilst at anchor, subject to all persons being transported to the vessel by other craft if moored offshore. Subject to compliance with Flag State regulations.

### Additional Items kept on Shore

Noted and agreed to extend cover for loss or damage to the yacht's equipment and supplies that are kept ashore and whilst in transit to and from the yacht. Warranted kept in a locked and secure premises whilst ashore. Total sum insured limited to **5% of Vessel value or EUR 250,000** (or currency equivalent) which ever is the lesser any one incident and period limited to policy period.

### Automatic Policy Wording Update

Should policy cover be extended or updated during the policy period, the extended or updated insurance will automatically be applied to your policy.

### Automatic Road Transit Cover For Tenders & Jet Skis

Underwriters hereby note and agree to extend cover to include road transits for tenders and/or jet skis between storage and the parent yacht. Warranted tender not to exceed 28 feet, maximum transit 30 miles (unless a further distance agreed in advance by underwriters). Excluding any damage as a result of denting, marring or scratching.

### Bottom Inspection

Agreed to pay the reasonable cost of inspecting the bottom of the vessel after grounding even if no damage be found without application of any deductible.

### Breach of Warranty Clause

Agree to pay for loss or damage to the yacht when caused by the breach of any warranty contained in this policy by a paid captain and/or paid crew members or a charterer providing the breach of such warranty does not constitute a violation of the laws of the country that has jurisdiction over the yacht at the time the breach occurred or such breach is not committed with the consent, approval or knowledge of the Assured.

## Cash On-Board Clause

It is noted and agreed to extend cover to include cash whilst onboard the vessel up to amount specified in the Schedule. **Warranted** the vessel is equipped with an approved safe and whilst in the care, custody and control of the Captain.

It is further noted and agreed to extend cover to include cash whilst in transit to and from a shore based safe deposit or bank up to amount specified in the Schedule. **Warranted** that two members of crew accompany cash whilst in transit.

## Contents Definition Clause

Any items not used in connection with the operation of the yacht including soft furnishings deemed to be (but not limited to) curtains and all movable furniture items made of cloth or leather including but not limited to chairs, sofas or seating, within the yacht and or kept on deck.

## Crew Expenses After A Claim

Agreed that following a recoverable claim under section 'A' Hull Insurance this insurance will pay the reasonable costs for additional expenses in respect of crew, subject to prior agreement by underwriters, as follows:

- Alternative Accommodation expenses whilst the yacht is under repair
- The cost of a standard air class ticket to the crew members country of domicile
- Costs of temporary or permanent crew replacement if a crew member has been incapacitated due to a claim

Amount Claimable under this clause as specified in the Schedule.

## Crews' Personal Possessions

Extended to include crews' personal effects in accordance with the above mentioned clause subject to a maximum total sum insured per capita and any single article limit as specified in the Schedule.

## Crew Rotation

Underwriters hereby note crew rotation including Captains subject to compliance with flag state regulations, the crew member having the appropriate qualifications and a clean record.

## Emergency Towing Extension

Agreed to provide additional protection in the event there is an emergency situation where the Assured and the Insured vessel are not in imminent danger. Agreed to reimburse reasonable costs incurred, not to exceed a total of as specified in the Schedule

resulting from the following services to the Insured vessel if help is not available and commercial assistance must be obtained.

- a) Towing to the nearest place where necessary repairs can be made.
- b) Delivery of gas, oil, parts or loaned battery (excluding the cost of these items themselves) or emergency labour, while away from safe harbour.

The Policy deductible does not apply to this coverage.

It is noted and agreed that Sue and Labor charges are payable in addition to an actual total or constructive total loss.

## Fine Art Extension

Fine Art cover in accordance with the Personal Possessions clause and means paintings, etchings, pictures, tapestries or other bona fide works of art, articles of historical value or artistic merit and is covered whilst on board, whilst being loaded aboard and whilst being unloaded from the yacht. **Warranted** that any single article valued at limit higher than specified in the Schedule to be specifically declared and valued.

## Fixtures and Fittings Definition Clause

Fixtures and Fittings are deemed to include flooring, carpets, décor, wood furniture and wood decorative panelling, bathroom furniture and fittings, individual television and audio equipment. For the avoidance of doubt, this definition shall not include any items on the yacht connected with the hull, machinery, bridge, navigation, electrical system or structure of the yacht.

## Food and Wine Extension

Noted and agreed include cases of wine, freezer contents and stores on-board the yacht and within personal effects.

## Helicopter Clause

It is noted and agreed to include damage to the yacht arising from helicopters landing, taking off or whilst positioned aboard the yacht. Excluding any and all liability arising out of helicopter operations.

## Innocent Third Party Damage

If solely due to a third party colliding with the yacht named herein whilst she is moored /anchored, provided no rights of subrogation are waived and that the assured hereunder is not at fault, the hull deductible under Section 1 is waived.



## **Institute Cyber Attack Exclusion Clause CL.380 (10/11/03)**

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any other electronic system in the launch and / or guidance system and / or firing mechanism of any weapon or missile.

## **Institute Radioactive Contamination, Chemical, Biological, Bio-chemical and Electromagnetic Weapons Exclusion Clause CL.370 (10/11/03)**

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
  - 1.1 ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
  - 1.2 the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
  - 1.3 any weapon or device employing atomic or nuclear fission and / or fusion or other like reaction or radioactive force or matter
  - 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes

- 1.5 any chemical, biological, bio-chemical, or electromagnetic weapon.

## **Laid up Clause**

The Vessel is covered subject to the provisions of this insurance while laid up out of commission as stated in the Schedule to the policy, or held covered on terms to be agreed provided previous notice be given to the Underwriters, including lifting or hauling out and launching, while being moved in shipyard or marina, dismantling, fitting out, overhauling, normal maintenance or while under survey, (also to include docking) and undocking and periods laid up afloat incidental to laying up or fitting out and with leave to shift in tow or otherwise to or from her lay-up berth but not outside the limits of the port or place in which the Vessel is laid up) but excluding, unless notice be given to the Underwriters and any additional premium required by them agreed, any period for which the Vessel is used as a houseboat or is under major repair or undergoing alteration.

## **Low Claims Bonus**

Provided that this insurance is renewed through **Sanctum Superyacht Insurance** with expiring Underwriters and claims do not exceed percentage amount specified in the Schedule of the gross premium after all adjustments for additional and/or return premium, it is agreed that there shall be payable at expiry a continuity bonus of a percentage as specified in the Schedule. In the event premium adjustments for additional and/or return premiums continuity bonus will be adjusted accordingly. In the event of short period cancellation or non-renewal the continuity bonus is cancelled.

## **Maintenance, Repair and Refit Clause**

This insurance will remain in force whilst undergoing any work including lifting, hauling, refitting, repairs, routine maintenance and also whilst under survey but for any period requiring hot work and/or the agreement of a waiver of subrogation (or any form or document which requires underwriters to waive or reduce their rights of subrogation). Any period requiring the aforesaid must be agreed by Underwriters prior to commencement subject to any revised terms and/or additional premium.

Any **major repairs** must be advised to underwriters prior to commencement confirming the work list, yard period and a copy of the ship yard's repairer's liability certificate for their agreement subject to revised terms and/or additional premium if required.



## **Marine Hull Electronic Date Recognition and Arbitration Clause LSW 2003 3/99 with Clause No. 4 deleted.**

This Clause shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent therewith.

1. The cover provided by this insurance shall not be prejudiced by reason of any Failure of a System causing or contributing to any loss, damage, liability or expense insured under this insurance, provided always that this insurance will not cover any loss, damage, liability or expense which has resulted from want of Due Diligence by the Assured, Owners or Managers in respect of such Failure of a System.  
Master, Officers, Crew and Pilots shall not be considered Owners within the meaning of this clause should they hold shares in the insured Vessel.
2. Notwithstanding clause 1 above, in no circumstance shall this insurance cover:
  - 2.1 any expense incurred in respect of testing for, discovering, averting or minimising any Failure of a System;
  - 2.2 the cost of rectifying, reprogramming, replacing or upgrading any Computer Equipment found to be defective or inadequate in respect of the matters referred to in the definition of Failure of a System;
  - 2.3 the cost of repairing or replacing any Computer Equipment that has broken down or malfunctioned as a consequence of any Failure of a System.
3. For the purpose of this clause:
  - 3.1 Failure of a System means any failure or anticipated failure of or inability of any System correctly, unambiguously or completely to assign, exchange, interpret, manipulate, process, recognise, sequence or transfer any time, year, date or date-like code, data or information.
  - 3.2 Computer Equipment means any hardware, software, microchip, integrated circuits, micro controllers, computer operating system, programs, code or data.
  - 3.3 System includes Computer Equipment and electrical and mechanical equipment linked to Computer Equipment.

4. Deleted

5. The cover provided in this endorsement is subject in all other respects to all other terms, conditions, exclusions and limits contained in this insurance.

## **Moped Extension**

Noted that mopeds are only covered whilst on board the vessel and/or her tenders including whilst loading and unloading or whilst parked alongside the vessel whilst berthed.

## **Non Fault Claims Clause**

In the event the claim is a non-fault claim, the low claims bonus will continue to be payable in accordance with the aforesaid clause.

## **Personal Possessions**

Underwriters hereby agree to insure against personal possessions which are lost, damaged or stolen belonging to owners, their family and/or their charterers & guests whilst those personal possessions are onboard or in transit to and from the yacht.

Personal possessions can be defined as items that are normally worn or carried including (but not limited to) clothing, watches, jewellery, fishing gear and sports equipment.

**Warranted** that any single article valued at limit higher than specified in the Schedule to be specifically declared and valued.

Cover herein excludes claims arising from:

- Damp, Mildew, Mould, Vermin, wear and tear and gradual deterioration
- Breakage of articles of a brittle nature unless such breakage is caused by burglars, thieves, fire, stress of weather, stranding, sinking or collision.

## **Pilots Non-Liability Clause LSW 787 (4/94)**

This insurance shall not be prejudiced by reason of any agreement limiting or exempting the liability of Pilots and/or Tugs and/or Tow boats and/or their owners when the Assured and/or Charterers accept such contracts in accordance with established local practice or compelled to accept such contracts.

## Premium Payment Clause

The Assured undertakes that premium will be paid in full to underwriters within 60 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 60th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the Assured via the Broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 10 days prior notice of cancellation to the Insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

LSW3000 (11/01)

## Risk Management Assessment

Including Risk Management Assessment by Underwriters' appointed surveyor at underwriter's request. It is noted and agreed cover continues without prejudice prior to arrangement and completion of assessment.

## Sanction Limitation and Exclusion Clause

### JH2010/009

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

## Several Liability Notice LSW 1001

The subscribing Underwriters' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing Underwriters are not responsible for the subscription of any co-subscribing Underwriters who for any reason does not satisfy all or part of its obligations.

## The Sanctum Guarantee

Subject to sight and approval of the previous insurance contract prior to attachment, Underwriters hereby agree to pay any claim that would have been covered under your previous insurance if not covered under the Sanctum policy. Relevant Sanctum deductible and limits to apply.

This clause is only activated once confirmation is received from Sanctum underwriters or authorised persons.

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This Policy is insured by certain Underwriters at Lloyds as detailed in the Certificate and administered by Sanctuary Insurance Brokers Limited under a delegated authority agreement as per the Agreement Number stated in the Certificate. This means that for certain activities Sanctuary Insurance Brokers Limited provides services to and acts as agents for certain Underwriters at Lloyds.

Sanctum Superyacht Insurance is a trading name of Sanctuary Insurance Brokers Limited which is authorised and regulated by the Financial Conduct Authority registration number 309432. Registered in England and Wales, registered number 05050608, registered office 36-38 Botolph Lane, London, EC3R 8DE

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## COMPLAINTS PROCEDURE

We strive to provide an excellent service to all Our customers but occasionally things can go wrong. We take all concerns seriously and endeavour to resolve all customers' problems promptly. If You have a question or concern about Your policy You should, in the first instance follow the guidance notes or instructions in the insurance documentation You have been sent. Your broker will also be able to advise You and provide assistance in this regard.

Alternatively, if You wish to contact Us directly You should either write or telephone:

The Complaints Department,  
Brit Syndicates Limited  
The Leadenhall Building  
122 Leadenhall Street  
London  
EC3V 4AB

Telephone: **+44 (0) 20 3857 0000**  
Facsimile: **+44 (0) 20 3857 0001**

Email: **BGS.Complaints@britinsurance.com**

In the unlikely event that You remain dissatisfied and wish to make a complaint You can do so at any time by referring the matter to Us at the above stated address or the Complaints Team at Lloyd's at the following address:

Complaints Team  
Lloyd's  
Fidentia House  
Walter Burke Way  
Chatham Maritime  
Chatham, Kent ME4 4RN

Telephone: **+44 (0) 20 7327 5693**  
Facsimile: **+44 (0) 20 7327 5225**

E-mail: **complaints@lloyds.com**

Details of Lloyd's complaints procedure are set out in a leaflet "Your Complaint - How We Can Help" available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints) and are also available from the above address. Should You remain dissatisfied after Lloyd's has considered Your complaint and You are NOT a policyholder in the UK, You should, in the first

instance, seek advice from Your broker as to whom You should direct your complaint.

If You are a policyholder in the UK, You may be able to refer the matter to The Financial Ombudsman Service. The Financial Ombudsman Service is an independent service in the UK for settling disputes between consumers and businesses providing financial services, they can normally deal with complaints from private individuals and from small organisations; further information is available from:

Financial Ombudsman Service (FOS)  
Exchange Tower  
London  
E14 9SR

Helpline: **0800 0234 567**  
**+44 20 7964 0500** (if outside UK)  
Telephone: **+44 (0) 20 7964 1000**  
Facsimile: **+44 (0) 20 7964 1001**

Email: **complaint.info@financial-ombudsman.org.uk**  
Website: **www.financial-ombudsman.org.uk**

The FOS opening hours are:  
Monday to Friday **8am to 8pm**  
Saturday **9am to 1pm**

Making a complaint to the Financial Ombudsman Service (FOS) does not affect Your rights under this policy but if You are not an eligible complainant then the informal complaint process ceases. A summary of the FOS complaint handling procedure is available on request and will also be provided to You when acknowledging a complaint. About the Financial Ombudsman Service (FOS) Eligible complainants are:

- a) private individuals; and
- b) micro-enterprises.  
'Micro-enterprises' will be able to bring complaints to the ombudsman as long as they have an annual turnover of under EUR2 million and fewer than ten (10) employees.
- c) charities with an annual income of less than GBP 1million; or
- d) a trustee of a trust with net assets of less than GBP1million.

The FOS will only consider a complaint if You are an eligible complainant and if:

a) We have been given an opportunity to resolve it and

b) We have sent You a final response letter and You have referred Your complaint to the FOS within six (6) months of Our final response letter

or

c) We have not responded to Your complaint with a decision within eight (8) weeks.

## FINANCIAL SERVICES COMPENSATION SCHEME

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if We cannot meet Our obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.

Financial Services Compensation Scheme  
10th Floor  
Beaufort House  
15 St Botolph Street  
London  
EC3A 7QU

Helpline: **+44 (0) 800 678 1100**  
Telephone: **+44 (0) 20 7741 4100**  
Facsimile: **+44 (0) 20 7741 4101**

Website: **[www.fscs.org.uk](http://www.fscs.org.uk)**

The FSCS opening hours are:  
Monday to Friday **8:30am to 5:30pm**  
excluding public holidays.