

# Yacht Insurance Terms and Conditions



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## Meaning of words within this document / 0915

Certain words or phrases within **this insurance** have specific meanings as defined within this section. Wherever these words appear in bold within **this insurance** these meanings apply.

<b>You / Your</b>	The person or company (people or companies) specified as the Insured in the Schedule and having a financial interest in the property insured under <b>this insurance</b> .
<b>We / Us / Our</b>	The insurers underwriting <b>this insurance</b> , and specified in the Schedule.  Pantaenius is the agent of the Insurers and acts on the Insurers' behalf in the receipt of information, assessment of risk, administration, issuance of documentation, and claims handling.
<b>Deductible</b>	The amount which <b>you</b> must contribute towards any claim.
<b>Europe</b>	The continent of Europe not east of 30° East.
<b>Gear and Equipment</b>	Masts, spars, standing and running rigging, sails, navigational aids (both hand-held and built in, including computers if previously agreed by <b>us</b> and separately noted in the Schedule). Televisions, entertainment systems etc., if permanently attached to the <b>yacht</b> .
<b>Latent Defect/ Latently Defective</b>	A defect of design, manufacture or material which is not apparent by normal inspection, and which is not the result of wear and tear or lack of maintenance.
<b>Machinery</b>	Main engines and drives including gears, shafts and propellers, auxiliary engines and power units, cooling systems, generators and transformers, pumps, davits and cranes, electric and/or hydraulic winches and servo motors.  For the purpose of clarification, <b>machinery</b> does not include reservoirs, tanks and their associated piping and/or equipment.
<b>Personal Watercraft</b>	A jetski or other personal watercraft which is used for pleasure purposes in connection with the <b>yacht</b> .
<b>Third Party</b>	Any person other than <b>you</b> or <b>us</b> .
<b>Tender</b>	A boat owned by <b>you</b> and used in connection with the <b>yacht</b> , and which is capable of being carried onboard the <b>yacht</b> .
<b>This Insurance</b>	The Schedule, these Clauses and any Endorsement issued by <b>us</b> .
<b>Yacht</b>	The <b>yacht</b> named in the Schedule, which is owned by <b>you</b> and/or in which <b>you</b> have a financial interest and which means the hull, its built-in fittings and component parts, including <b>machinery, gear and equipment</b> as would normally be sold with the <b>yacht</b> , also including the <b>yacht's tender(s), outboard(s) and personal watercraft</b> .  It does not include personal effects, trailers or cradles, which may be insured under Section A §6 & §7, or fine art, consumables, ship's cash or mopeds, which may be insured with <b>our</b> prior agreement and by Endorsement.

## The contract(s) of insurance

1. Each of Sections A, B and C of these Clauses for which **we** have issued a Schedule and for which **you** have paid the required premium is a separate contract and is insured subject to the General Terms and Conditions in Section D.
2. The terms and conditions of the contract(s) are set out in these Clauses, the Schedule and any Endorsements (together called "**this insurance**"). **You** should read the documents carefully in order to understand **your** rights and obligations under **this insurance**, the cover provided, the restrictions and exclusions that apply and the amounts which **we** will pay if **you** make a claim under **this insurance**.
3. In deciding whether to accept **your** proposal for insurance and on what terms, **we** have relied on the information **you** have given **us**. **You** must take care when answering any questions **we** ask by ensuring that all information provided is accurate and complete. If **you** become aware that information **you** have given **us** is inaccurate, **you** must inform **us**.

**Your** attention is drawn to Section D §2.1 (Disclosure and Representation) and §2.2 (Modifications and Change in Information).

## SECTION A: HULL AND PROPERTY INSURANCE / 0915

### §1. Insured Property

1. The **yacht**;
2. Equipment which has been leased by **you** under a contract specifically for use onboard the **yacht**, and which is of a nature as would normally be found on the **yacht**. Such equipment is included within the **yacht's** Agreed Fixed Value specified in the Schedule.

### §2. Cover

1. The **yacht** is insured against all risks of physical loss or damage that occur during the Policy Period, subject to the exclusions and conditions in this Section and in Section D.
2. Parts of the **yacht** are also insured while they are temporarily stored in a securely locked building ashore, and/or while they are in transit worldwide, provided that the means of transportation is suitable for the parts being transported and provided that they are properly loaded and secured for the transit.

### §3. Exclusions

This insurance does not cover:

1. loss or damage directly or indirectly caused by osmosis, blistering, fibreglass or surface coat blistering, fungus, mould, change of temperature or humidity or inherent vice;
2. loss or expenditure incurred in remedying a fault in design, specification or construction or any cost or expense incurred by reason of betterment or alteration in design or construction;
3. the cost of rectifying, repairing or replacing defective workmanship or materials relating to any repair, alteration or maintenance work carried out on the **yacht**;
4. the cost of repairing or replacing a part that is subject to normal wear and tear or that is damaged by corrosion of any kind (including electrolytic, galvanic, oxidation and rusting) or rot and that has caused the physical loss of or damage to the **yacht** (but the physical loss or damage that occurs to the property insured under this insurance as a direct result thereof is not excluded);
5. the cost of repairing or replacing the **latently defective** part of the **yacht** that has caused the physical loss of or damage to the **yacht** (but the physical loss or damage that occurs to the property insured under **this insurance** as a direct result thereof is not excluded);
6. loss of use, loss of charter income (unless "Loss of Charter Income" is endorsed in the Schedule), loss of market value, diminution of racing performance, diminution in aesthetic appearance due to patch painting, loss of any manufacturer's or supplier's warranty or any other form of non-physical loss or damage;
7. loss of or damage to the **yacht** that is attributable to **your** recklessness or that of the legal or beneficial owner of the **yacht**;
8. loss of or damage to computer software, programs or data;
9. loss of or damage to the **yacht** arising while being loaded/unloaded or transported as cargo, unless contingent physical damage cover has been specified in an Endorsement prior to loading commencing, in accordance with Section D §3.5 (Transportation of the **yacht** as cargo by sea);
10. loss or damage caused by an accumulation of rainwater, ice or snow unless resulting from rare and extreme weather conditions;
11. theft of the **yacht** or its **tender** or **personal watercraft** while on a trailer if the trailer is not adequately immobilized, wheel clamped or securely locked to a locked motor vehicle;
12. theft of the **yacht's** gear, equipment and other moveable items unless there are visible signs of forcible and violent removal and/or entry or exit to the **yacht** or to a locked and secure temporary storage where such items are located;
13. theft or appropriation of the **yacht** by a person to whom it has been entrusted;

14. Theft of an outboard motor unless it is secured with an appropriate anti-theft device;
15. loss or damage to an outboard motor unless secured as specified by the manufacturer of the motor or the **yacht**, and also secured with an adequate safety stop;
16. loss or damage to **machinery** unless caused by: collision; grounding/stranding; sinking of the **yacht's** hull; fire; theft; lightning; malicious damage; frost/freezing (provided **you** can verify that the maintenance recommendations of the manufacturer have been carried out and reasonable preventive steps taken, and the items are protected by anti-freeze where appropriate); or accidental incursion of water into the **yacht**, but there is no cover for loss or damage as a result of water ingress through the exhaust system of the main engine(s) or generator(s);
17. loss of or damage to sails and/or covers if split by the wind or blown or washed away;
18. loss of or damage to mopeds, fine art, consumable stores or cash, unless insured by an applicable Endorsement in the Schedule.

### §4. Basis of claim settlement

#### 1. Agreed Fixed Value

**We** agree that the amount specified in the Schedule as the Agreed Fixed Value shall be the insured value.

#### 2. Total Loss

- 2.1. If the **yacht** is a total loss (actual or constructive) and the claim is recoverable under **this insurance** **we** will pay the Agreed Fixed Value, but are entitled to deduct the realisable value of any property insured under **this insurance** which is undamaged, or which remains in a saleable condition.
- 2.2. If the **yacht** has been stolen or lost and is not recovered after the lapse of a reasonable time without news of its whereabouts, **we** will treat it as a total loss under **this insurance**.
- 2.3. If the cost of recovering, transporting and/or repairing the **yacht** exceeds the Agreed Fixed Value, the **yacht** will be considered to be a constructive total loss.

#### 3. Partial Loss

- 3.1. If the **yacht** is not a total loss (actual or constructive), **we** will pay the reasonable costs of repair or replacement of items which are damaged or lost when a claim is recoverable under **this insurance**. **We** will also pay the reasonable cost of transporting the **yacht** and any parts and/or materials to and from the nearest place where suitable repairs can be carried out. However,
- 3.2. **We** will not pay more than the Agreed Fixed Value in respect of all loss or damage to the property insured under **this insurance**.

#### 4. New for Old

**We** will make a deduction of 30% from **your** claim settlement in respect of parts or materials necessary to repair **the yacht** following loss or damage covered by this insurance, for any parts of the **Yacht** that are more than 10 years old. However, we will not make any deduction "New for Old" in respect of parts or materials to repair the basic hull and deck structures, or in respect of labour costs.

#### 5. Other payments we will make

**We** will also pay for:

- 5.1. the reasonable cost of an inspection of the underwater parts of the **yacht** following a grounding incident, even if no insured damage is found;
- 5.2. reasonable salvage charges incurred in preventing a loss which may be covered by **this insurance**;
- 5.3. reasonable costs of removing the wreck of **your yacht** following an actual or constructive total loss covered by **this insurance**;
- 5.4. reasonable costs incurred in taking appropriate measures to avert or minimise any loss or damage which may result in a claim under **this insurance**;

- 5.5. reasonable commercial towing fees to the nearest place of refuge which are incurred in order to have necessary repairs carried out to the **yacht** in an emergency situation not otherwise covered by **this insurance**;
- 5.6. reasonable costs of emergency labour and the cost of having fuel, parts or supplies delivered to the **yacht** in case of emergency or breakdown away from safe harbour/at sea (excluding the cost of the fuel, parts or supplies);
- 5.7. reasonable costs of accommodation, up to £100 per person per night, for **you** and **your** crew, family and guests who had been staying onboard the **yacht**, if the **yacht** becomes uninhabitable or unsafe, in the opinion of **our** surveyor; due to loss or damage covered by **this insurance** while in use abroad. If **we** agree in writing that **you** may leave the **yacht** unattended, **we** will pay reasonable (Economy Class) costs to return **you** to **your** country of normal residence instead of accommodation costs.

The above amounts are payable in addition to any payment **we** may make for loss or damage to the **yacht**. The maximum **we** will pay for emergency towing and assistance and for accommodation or to return **you** to **your** country of normal residence under 5.5 to 5.7 is specified in the Schedule.

## 6. Deductibles

The **deductibles** specified in the Schedule will apply to each claim except that in no circumstances shall a **deductible** apply in respect of:

- total loss;
- loss or damage caused by lightning;
- loss or damage caused by theft following violent and forcible entry to the **yacht** or to a locked place of storage ashore;
- loss or damage caused by fire;
- loss or damage to the **yacht** caused by a **third party** vessel, which is underway, colliding with the **yacht** when it is correctly moored or berthed;
- inspection after grounding (5.1);
- salvage or wreck removal costs (5.2; 5.3);
- sue and labour costs (5.4);
- emergency towing and assistance costs (5.5; 5.6);
- emergency accommodation costs (5.7).

In the event that more than one **deductible** applies in respect of one incident, **we** will apply only the highest **deductible**.

## §5. Main Engines

### 1. Insured Property

The **yacht's** main engines and attached gear-boxes (not including shafts or z-drives, propellers, generators, auxiliary engines or outboard motors).

### 2. Cover

Notwithstanding the provisions of Section A §3.16, and subject to all other policy terms and conditions, **this insurance** covers loss or damage to the **yacht's** main engines which are less than 5 years old arising from failure of any component, otherwise than as a result of misuse, and including **latent defect** and faulty construction.

### 3. Exclusions

There is no cover for:

- 3.1. any loss or damage if the main engines and the attached gear-boxes have not have been appropriately serviced in accordance with the manufacturer's recommendations every 12 months, or according to the manufacturer's recommendations for more frequent servicing, and such servicing has been documented;
- 3.2. the cost of repairing or replacing the faulty part which caused the loss or damage to the main engine.

### 4. Basis of claim settlement

**Our** maximum liability under this clause is £20,000 any one engine, any one incident, less the policy **deductible** or the **deductible** stated for this purpose in the Schedule, and subject always to a maximum of the Agreed Fixed Value.

## §6. Personal Effects

### 1. Insured Property

Personal Effects are items of a personal and portable nature which would not normally be sold with the **yacht**, but which are carried onboard as

personal items, including, but not limited to, cameras, binoculars, bicycles, sports equipment including fishing gear, wet-weather gear, portable electronic equipment including personal computers.

### 2. Cover

Personal Effects are insured while onboard the **yacht**: against all risks of physical loss or damage caused by an accident to the **yacht**; for deliberate loss or damage caused by anyone other than **you**, **your** crew, family or guests onboard the **yacht**; for theft by violent and forcible removal from the **yacht**; and for loss or damage onboard the **yacht** caused by piracy. Personal Effects are insured for theft whilst they are secured in locked storage ashore or locked in a personal vehicle in transit between the **yacht** and place of storage.

### 3. Value of Personal Effects insured

Unless a separate amount for Personal Effects is specified in the Schedule, Personal Effects are automatically insured for a total of up to 2% of the Agreed Fixed Value or £2,500, whichever is the lower. If a higher amount is agreed and specified for this purpose in the Schedule, that is the most **we** will pay.

### 4. Exclusions

In addition to the Exclusions at Section A §3 there is no cover for:

- 4.1. loss or damage to jewellery, valuables (items which have a market value significantly in excess of the cost of manufacture), cash, credit cards, travellers' cheques, consumable stores;
- 4.2. loss or damage due to theft, unless there are visible signs of forcible and violent removal and/or entry or exit to the **yacht** or the locked storage or personal vehicle;
- 4.3. more than £600 any single item, unless a higher single item limit is specified in the Schedule

### 5. Basis of claim settlement

**We** will pay the reasonable cost of repair or replacement without the application of any **deductible**, up to the total and single item limits for Personal Effects specified in this Section A §6 or in the Schedule for a claim recoverable under this Section A §6.

## §7. Trailers & Cradles

### 1. Insured Property

A trailer and/or cradle which **you** own and which is suitable for use with the **yacht**.

### 2. Cover

The trailer and/or the cradle is insured against accidental physical loss or damage, and against theft or deliberate damage caused by anyone other than **you**.

### 3. Value of trailers and cradles insured

Unless a separate value for the trailer and/or cradle is specified for this purpose in the Schedule, one trailer and one cradle are automatically insured for up to £1,500 each item.

If a higher amount is agreed and specified in the Schedule, that is the most **we** will pay.

### 4. Exclusions

In addition to the Exclusions at Section A §3 there is no cover for:

- 4.1. loss or damage to the cradle when it is not in use with the **yacht**;
- 4.2. theft of the trailer if it is not adequately immobilized, wheel clamped, in a locked and secure place of storage, or securely locked to a locked motor vehicle;
- 4.3. theft of wheels or tyres or damage to tyres.

### 5. Basis of claim settlement

**We** will pay the reasonable cost of repair or replacement, up to the sum(s) insured for trailers and cradles for a claim recoverable under this Section A §7, less a **deductible** of £150 each and every claim.

## SECTION B: LIABILITIES TO THIRD PARTIES / 0915

### §1. Cover

1. We will cover **you**, up to the limit(s) specified in the Schedule, for damages which **you** are legally liable to pay to a **third party** as a result of **your** ownership, operation and use of the **yacht**, arising out of an accident during the Policy Period which causes injury, illness, death or damage to property, subject to the exclusions and conditions in this Section and in Section D.
2. This cover extends to any person using or onboard the **yacht** with **your** consent, if they incur legal liabilities to **third parties** due to their use of the **yacht**.
3. In no case will the cover under this Section B extend to any person operating or employed by a shipyard, repair facility, fuelling facility, boat yard, yacht club, sales agency, charter agency, or any similar organization. However, this exclusion shall not apply if such a person has been expressly invited by **you**, in advance of leaving port or anchor, to be crew onboard the **yacht** in a non-professional capacity.

### §2. Extensions of Cover

We will also cover **you**, or anyone named in §1.2 above:

1. For legal liability to a **third party** arising out of or from:
  - 1.1 Use of Watersports Equipment:

water-skiing and para-sailing using the **yacht**, the **yacht's tender(s)** or **personal watercraft**, watersports equipment and diving equipment that is used in connection with the **yacht**;
  - 1.2 Pollution:

the sudden and accidental release or escape of oil, oily mixture, fuel, chemicals, waste materials or other pollutants and the deliberate discharge by **your** crew of the abovementioned pollutants (provided that such discharge was not committed with **your** knowledge, consent and/or approval) arising from the operation and use of the **yacht**, including liability for legal costs and expenses in connection therewith.
2. Unintentional Activation of Emergency Rescue Devices:

For reasonable search and rescue costs levied on **you** and/or the **yacht** arising from an unintentional activation of one of the **yacht's** emergency rescue devices (such as EPIRB or other GMDSS devices) when no emergency situation existed, provided that these costs cannot be recovered from any other source.
3. Legal costs:

For payment of legal costs and disbursements reasonably incurred in contesting liability or issuing legal proceedings to limit liability and/or the legal costs and disbursements reasonably incurred in proceedings before an official inquiry by the state or authorities where the accident occurred that gave rise to the death of the **third party**, provided that the instruction of lawyers has **our** prior written approval.
4. Wreck Removal and Other Costs:

We will pay:

  - 4.1. the reasonable costs for which **you** are legally liable as a result of any attempted or actual raising, removal or destruction of the wreck of the **yacht** or any neglect or failure to raise, remove or destroy the wreck of the **yacht**;
  - 4.2. reasonable costs incurred in taking appropriate measures to avert or minimize any liability which may result in a claim under **this insurance**.
5. Uninsured Boater:

For bodily injury sustained on board the **yacht** caused by a **third party** vessel that has left evidence of direct physical contact with the **yacht** but where the operator or owner of the **third party** vessel is not insured and/or is not identified, up to an amount of £200,000 per incident.

This uninsured boater's insurance does not cover claims: for any award of less than £1,000; if the injured person is eligible for benefits or compensation under any employer's liability law, workmen's compensation, disability benefit or similar law; or in respect of an injury where the uninsured vessel is owned by **you** or by the same beneficial owner as the insured **yacht**.

### 6. Use of Other Yachts:

- 6.1. We will also cover **you** (provided that **you** are a natural person and **you** are not a company, a partnership, a club, a consortium or any other similar legal entity) and **your** crew for the legal liabilities covered under **this insurance** arising out of the use of a yacht and/or her tender which **you** have borrowed or chartered anywhere in the world and which is under **your** control as captain.
- 6.2. Cover under this extension is contingent legal liability cover and **we** will only provide a cover to the extent that such liability is not recoverable under any other insurance (in particular any insurance of the yacht that **you** have chartered or borrowed).
- 6.3. We will not pay for damage to the borrowed or chartered yacht.

### §3. Exclusions

**This insurance** does not cover any liability, claim or expense arising directly or indirectly from:

1. any fines, penalties and/or assessments by any authority and/or any punitive, multiple or exemplary damages of any nature whatsoever;
2. the use of any diving equipment which is not in a serviceable condition, or which is used by a person not in possession of the appropriate qualification and required licence, except in circumstances where a lesson or training is being given to an unqualified person by a member of the **yacht's** crew that is a qualified and licensed diving instructor;
3. the release, discharge or escape of oil, oily mixture, fuel, chemicals, waste materials or other pollutants which arises directly or indirectly from **your** deliberate or reckless act or omission, or where committed with **your** consent, approval or knowledge;
4. any claim for liability arising from the use of a mechanically powered vehicle or its trailer while ashore;
5. any liability assumed by **you** or **your** representatives under any contract or agreement (including, but not limited to a contractual exclusion, limitation of liability or any waiver or limitation of **our** subrogated rights of recovery) unless **our** prior approval is set out in the Schedule or in an Endorsement;
6. any claim against **you** by any person employed by **you** or by a crew agency, to be paid crew onboard the **yacht** or paid crew in connection with the **yacht**;
7. the ownership, possession, use, storage, handling and/or control of any firearm or weapon, unless covered by an Endorsement in the Schedule;
8. any damages claimed by **you** or by the legal or beneficial owner of the **yacht**;
9. any claim for loss or damage to **your** own property or that of any person named in §1.2;
10. any claim arising directly or indirectly out of or in any way connected with asbestos.

### §4. Conduct of the investigation, claim or action:

We are entitled to investigate and settle at **our** sole discretion any claim or action brought by a **third party**. We reserve the right to appoint lawyers to represent **you** or any person claiming an coverage under §1.2 above.

### §5. Amount of Cover:

1. The maximum amount **we** will pay in respect of any one accident or occurrence, regardless of the number of insured persons that may be specified in the Schedule or persons covered under §1.2 above, the number of vessels insured under **this insurance**, claims made or persons injured, is the Combined Single Limit specified in the Schedule.

2. The most **we** will pay in respect of personal injury or death to any one person is the amount specified for this purpose in the Schedule.
3. **Our** obligation to cover **you** or any person(s) claiming coverage under §1.2 above for legal costs and disbursements under §2.3 above and/or costs incurred in complying with the duty to mitigate under Section D §2.6.2 shall be in addition to the cover under the Combined Single Limit specified in the Schedule.
4. Where a claim is asserted under US or Canadian law and/or practice, irrespective of the jurisdiction, the maximum **we** shall pay including cover under §2.3 above and/or Section D §2.6.2 shall be the Combined Single Limit or the limit specified for this purpose in the Schedule, irrespective of whether legal costs were incurred solely as a result of **our** instruction.
5. The maximum **we** shall pay in case of pollution shall be the Combined Single Limit specified in the Schedule, inclusive of all awards and legal costs and expenses.

## §6. Deductible

There is no **deductible** applicable to a claim under this Section B.

## SECTION C: WAR, STRIKES AND POLITICAL ACTS INSURANCE / 0915

This Section relates to all property insured under Section A of **this insurance**, including property added by an Endorsement, and to Loss of Charter Income if insured under Section A, and is subject to all other Terms, Conditions and Exclusions of **this insurance**, however; the exclusion at Section D §1.1 War, Strikes and Political Acts is deleted.

### §1. Cover

1. The cover is effective within the Cruising Area specified in the Schedule, excluding the areas listed on the War, Strikes and Political Acts Exclusion List applicable to this Section C.
2. The property insured under Section A is covered for loss or damage arising out of:
  - 2.1. strikes, locked out workmen or persons taking part in labour disturbances, riots or civil commotions;
  - 2.2. war, civil war, revolution;
  - 2.3. capture, seizure, arrest or detention;
  - 2.4. terrorism or any person acting from a political motive; or
  - 2.5. confiscation or appropriation.

### §2. Loss of use

The **yacht** will be deemed to be a total loss if **you** have been deprived of the unencumbered use of the yacht:

1. for a continuous period of at least twelve months, due to seizure, forfeiture, arrest, confiscation, expropriation, or intervention of authorities;
2. for a continuous period of at least six months due to the closure of any connecting channel between any harbour, canal, waterway or other place and the open seas to all vessels of the size and draft of the **yacht**, as a result of any act of war or national defence.

### §3. Exclusions

There is no cover for loss or damage caused directly or indirectly by:

1. capture, seizure, arrest, forfeiture, intervention of government authorities, confiscation or appropriation by means of, or due to:
  - 1.1. a directive of a public authority of the state in which the **yacht** is registered or in which **you** have **your** residence or place of business; or
  - 1.2. quarantine regulations or breach of customs, trade or tax regulations.

2. any detonation of any weapon of war which releases atomic or nuclear radiation, causes a nuclear reaction or is nuclear powered; or
3. non-payment of security deposits, penalties, taxes or fines.

## §4. Termination

1. This Section C may be terminated by **you** or by **us** giving seven (7) days' notice. The insurance will terminate at 12.00 GMT on the seventh day following notice being given.
2. This Section C will automatically terminate upon the outbreak of war (whether or not a declaration of war has been made) between two or more of the following countries: United States of America, United Kingdom, Germany, France, Russian Federation or the People's Republic of China.

## §5. Deductible

There is no **deductible** applicable to a claim under this Section C.

## SECTION D: GENERAL TERMS AND CONDITIONS / 0915

### §1. General Exclusions applicable to all sections of this insurance

**This insurance** does not cover loss, damage, liability, claim or expense arising directly or indirectly, in whole or in part from:

1. War, Strikes and Political Acts:

Loss of or damage to the **yacht** or any liability arising from or caused by strikes, locked out workmen or persons taking part in labour disturbances, riots or civil commotions, war, civil war, revolution, capture, seizure, arrest or detention, terrorism or any person acting from a political motive, confiscation, appropriation;

2. Nuclear Hazard:

Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; ionising radiations from, or contamination by, radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

3. Chemical, Biological and Other Weapons:

The use of chemical, biological or bio-chemical substances, electromagnetic waves, any computer system, virus or process or any electronic system as a weapon or as a means of inflicting harm;

4. Illegal Acts:

The operation or use of the **yacht** for any illegal activity or purpose, so far as **you** can control the matter;

5. Deliberate Acts or Omissions:

**Your** deliberate acts or omissions (or those occurring with **your** consent, approval or knowledge) committed with the intent to cause loss, damage or liability;

6. Charter:

Any hire or charter of the **yacht** for reward, unless agreed by **us** in advance and endorsed on the Schedule and any required additional premium paid by **you**;

7. Racing:

Participation in, or trial for, any motor boat racing;

8. Operator's licence(s):

The **yacht** being operated by any person who did not hold the relevant licence(s) as required by the flag state of the **yacht** and/or the relevant authorities, unless **you** had reasonable grounds to believe, and did so believe, that the operator was in possession of

such licence(s). However, in no circumstances will **we** provide any cover for an unlicensed operator;

#### 9. Regulations and Requirements:

The **yacht's** failure to comply with the regulations and requirements of her flag state, certifying authority and/or classification society before commencing a voyage or leaving harbour or its berth or mooring;

In addition to the above exclusions, **this insurance** does not cover loss, damage, liability, claim or expense:

#### 10. Prejudice of the Rights of the Insurer:

Where **you** have entered into a contract that excludes, limits or waives **your** rights and/or **our** legal rights of recovery having paid a claim under **this insurance** (unless approved by **us** in advance and in writing);

#### 11. Incident covered under another Section:

Where such loss, damage, liability or expense is already recoverable under another Section of **this insurance**.

## **§2. Conditions Precedent applicable to all sections of this insurance**

The following are conditions precedent to **our** liability to cover **you**. If **you** breach any of these conditions precedent **we** may refuse to pay **your** claim, reduce the amount payable or **we** may treat this insurance as though it never existed.

#### 1. Disclosure and Representation:

In deciding to accept **this insurance** and in setting the terms and premium, **we** have relied on the information **you** have given **us**. **You** must take care when answering any questions **we** ask by ensuring that all information provided is accurate and complete.

If **we** establish that **you** deliberately or recklessly provided **us** with false or misleading information **we** will treat **this insurance** as if it never existed and decline all claims.

If **we** establish that you carelessly provided **us** with false or misleading information it could adversely affect **this insurance** and any claim. For example, **we** may:

- a) treat **this insurance** as if it never existed and refuse to pay all claims and return the premium paid. **We** will only do this if **we** provided **you** with insurance cover which **we** would not have otherwise offered;
- b) amend the terms of **this insurance**. **We** may apply these amended terms as if they were already in place if the claim has been adversely impacted by **your** carelessness (in providing the information);
- c) charge **you** more for **your** policy or reduce the amount **we** pay on a claim in the proportion the premium **you** have paid bears to the premium **we** would have charged **you**; or
- d) cancel **your** policy in accordance with the cancellation conditions contained herein.

**We**, or **Pantaenius**, will write to **you** if **we**:

- i) intend to treat **this insurance** as if it never existed; or
- ii) need to amend the terms of **this insurance**; or
- iii) require **you** to pay more for **this insurance**.

If **you** become aware that information **you** have given **us** is inaccurate, **you** must inform **us** or **Pantaenius** immediately.

#### 2. Modifications and Change in Information:

**You** are required to notify **us** as soon as reasonably possible of any modification to the **yacht** which increases the risk or any significant change in the information provided prior to the commencement of **this insurance**, whether in the **Pantaenius Proposal Form** or in any other communication.

#### 3. Approved Captain:

If the **yacht** is greater than 24m in length the **yacht** is required to have a captain who is to be approved in writing by **us** and named in the **Schedule**.

#### 4. Compliance with Conditions:

It is a condition of **this insurance** that any person using the **yacht** with **your** prior permission complies with **your** obligations under **this insurance**.

#### 5. Avoidance of loss:

**You** are required to take reasonable measures to avoid a claim which would be recoverable under **this insurance**. **You** must act as if uninsured.

#### 6. Your duties in the event of an incident which might be covered under this insurance:

In the event of an occurrence which may give rise to a claim under **this insurance**, it is a condition precedent to **our** liability that **you** comply fully with the following obligations and with any obligations specifically stated under each individual section of **this insurance**.

##### 6.1. Notification:

6.1.1. Notify **Pantaenius** in the first instance and without delay of every event which may give rise to a claim under **this insurance** by sending a completed Claim Form signed by **you** by mail, e-mail or telefax.

6.1.2. Immediately notify the relevant government authority (i.e. police or coastguard) of any incidence of fire, or if **you** believe a crime has been committed, or if **you** are required to do so by local practice or law, and provide **us** with the incident reference number.

##### 6.2. Duty to mitigate:

Take all reasonable measures to minimise any loss or damage that may be recoverable under Sections A or C, and to minimise liabilities to **third parties** that may be recoverable under Section B. **You** are required to act as if **you** are uninsured.

##### 6.3. Inspections & Retained Parts/Evidence:

6.3.1. Allow inspections, as many times as necessary, of the damaged **yacht** or equipment by **our** representative(s).

6.3.2. Await **our** agreement before carrying out any repairs or replacements.

6.3.3. Retain for inspection all parts which may be regarded as evidence of loss or of cause of damage or liability.

##### 6.4. Information and Documents:

**You** must provide **us** with detailed and accurate reports, invoices, receipts, and other bills regarding the circumstances of the insured event and of the sustained loss, damage or liability within a reasonable time of the insured event and permit extracts and copies of such documents to be made.

**You** may be required to provide the original purchase invoices for items for which **you** are claiming, or other proof of existence, ownership and age of insured items.

##### 6.5. Other Insurance(s):

**You** must inform **us** if **you** have any other insurance(s) covering any loss, damage, liability or expense for which **you** are claiming under **this insurance**.

##### 6.6. Admission of Liability:

**You** must not make any admission of liability or agree any settlement with a **third party** without **our** express written consent.

##### 6.7. Notices and Summonses:

**You** must immediately forward to **us** any written demand, notice or court document in connection with any liability potentially giving rise to a claim under **this insurance**.

##### 6.8. Witnesses:

Provide **us** with the names and addresses of any known injured persons or witnesses and if necessary, assist in securing their attendance at the trial of any liability and/or recovery claim.

6.9. Co-operation:

Provide full co-operation to **us** and/or to **our** representative(s) in the defence of any liability claim, including providing any letters of demand, claim forms, writs, and other legal documents as soon as they are received and take no action without **our** approval or that of **our** representatives.

6.10. Fraudulent claims, false statements and concealment:

If **we** establish that **you** make a claim under **this insurance** through concealment, misstatement or by deliberately providing false information, then **we** will:

- 6.10.1. Not pay **your** claim and, if applicable, recover any claim already paid that was subject to the concealment, misstatement or deliberate provision of false information; and
- 6.10.2. Not pay any claim arising under **this insurance** after the date the fraud was committed; and
- 6.10.3. Cancel **this insurance**, in writing to **you** at **your** address shown in the Schedule, with immediate effect from the date the fraud was committed.

### §3. Other Terms and Conditions applicable to all sections of this insurance

The following terms and conditions regulate **this insurance**.

1. Policy Period:

**This insurance** is operative during the policy period specified in the Schedule(s) ("Policy Period").

2. Cruising Area:

**This insurance** is valid within the Cruising Area specified in the Schedule(s).

Unplanned departures from the Cruising Area specified in the Schedule(s), when undertaken for emergencies or for weather routing, will not invalidate **this insurance**, but must be reported to **us** as soon as possible.

3. Use of the Yacht:

**This insurance** covers the **yacht** and the associated liabilities while the **yacht** is afloat, in commission, while being used for private and pleasure purposes, for business entertainment, while laid up, while ashore, at a shipyard or repair facility, while being lifted and launched, or while being moved ashore.

4. Transportation:

**This insurance** covers loss of or damage to the **yacht** arising while it is in transit by road, river or ferry within **Europe**, or to a maximum of 20 statute miles in any other cruising area stated in the Schedule, and provided that the method of conveyance, including any towing vehicle and trailer, is suitable for the purpose.

Transportation of the property insured under Section A, excluding the hull and Personal Effects, by air or sea is covered worldwide.

5. Transportation of the yacht as cargo by sea:

- 5.1. Cover for physical loss or damage to the **yacht** under Section A of **this insurance** is suspended while the **yacht** is being transported as cargo by sea.
- 5.2. However, solely in order to afford **you** cover as contingent insurance, **this insurance** will, at **our** sole discretion, cover physical loss of or damage to the **yacht** while it is being transported as cargo by sea, provided that all the following conditions have been met:
  - 5.2.1. **We** have approved the transportation, in writing, prior to the loading of the **yacht** commencing;
  - 5.2.2. A contract of cargo insurance, underwritten on the Institute Cargo Clauses or the DTV Gueter Clauses, is in place and cover has commenced prior to the loading of the **yacht** commencing, and also at the time the loss or damage is sustained;
  - 5.2.3. the loss or damage would be recoverable under **this insurance** had cover not been suspended while the **yacht** is being transported by sea;

5.2.4. the contingent cover afforded by this clause shall not be recoverable in the event that the loss or damage, or any part thereof, is recoverable under any other insurance; and

5.2.5. **this insurance** does not cover any deductible under the cargo insurance.

6. Breach of Conditions or Warranty:

The breach of any condition or warranty of **this insurance**, when committed by **you** or with **your** consent, knowledge or approval, may affect **your** entitlement to benefit under **this insurance** for any incident caused or contributed to by such breach.

The breach of any condition or warranty of **this insurance**, when committed by **your** paid captain or crew, or any charterer, which is committed without **your** consent, knowledge or approval, shall not invalidate **this insurance**, provided that it does not constitute a violation of the laws of the country that has jurisdiction over the **yacht** at the time such breach occurred.

7. Pilots Non-Liability:

**This insurance** shall not be prejudiced by reason of any agreement limiting or exempting the liability of pilots, tugs and/or tow boats and/or their owners when **you** and/or charterers accept such contract in accordance with the established local practice or are reasonably compelled to accept such contract.

8. Premium:

- 8.1. It is a condition precedent to **our** obligation to make any payment under **this insurance** that **you** pay the premium(s) or instalments due in respect of **this insurance** by the due date specified in any of **our** invoice(s) or payment schedule(s).
- 8.2. If any premium or instalment of premium is not paid by the due date and the premium remains unpaid for a duration of no less than 15 days from the due date, **we** may cancel **this insurance**. Any cancellation for non-payment of premium under this clause will be effective at 11.59 hrs GMT on the 16th day after the due date.
- 8.3. If the premium remains unpaid after the payment due date, **we** may refuse to pay a claim.
- 8.4. **You** will remain liable for the time on risk premium and any costs incurred in recovering the premium due to **us**.
- 8.5. The annual premium will be deemed to be fully earned and shall be paid to **us** prior to any claim being paid by **us** under **this insurance**.

9. Currency:

Payments by **you** and by **us** under **this insurance** will be made in the currency of the sums insured and premium stated in the Schedule(s).

Where amounts are expressed in pounds sterling (£) in these Clauses, the equivalent in the currency of the sums insured stated in the Schedule(s) shall apply.

10. Subrogation:

Upon payment of any loss, damage or expense, **you** agree that **we** shall be subrogated to all **your** rights to the extent of such payment.

11. Abandonment:

No action taken by **you** or **us** in dealing with a loss shall be interpreted as a waiver or acceptance of abandonment. Where **you** propose to abandon the insured property, **you** must give **us** express written notice to which **we** will respond in writing with **our** decision.

12. Police investigations:

If, as a result of any event giving rise to a claim under **this insurance**, a prosecution is brought against **you**, or the police or any other authority make any investigation with a view to instigating a prosecution, **we** are entitled to await the outcome of such prosecution or investigation before agreeing to settle any claim under **this insurance**.

13. Un-repaired damage:

**We** shall not be liable for any un-repaired damage in the event of a subsequent loss (whether or not covered under **this insurance**).

#### 14. Cancellation:

- 14.1. **You** may cancel **this insurance**, without giving any reason, up to 14 days after receipt of **this insurance** or after the commencement of the Policy Period. To exercise this right, **you** must notify Pantaenius or **your** broker, in writing, within that time, indicating that the cover is not required. If this right is not exercised, **you** will be under a contractual obligation to **us**.
- 14.2. **You** may give written notice to **us** to cancel **this insurance** giving the future date (not less than one calendar month) of the cancellation.
- 14.3. **We** may cancel **this insurance** in accordance with the provisions of §3.8.2 above, or by giving **you** 30 days' notice in writing, but **we** will only do this for a valid reason. Examples of valid reasons include, but are not limited to: a change occurring in the risk; **your** failure to co-operate with **us** or **our** representatives or failure to supply any information or documentation **we** request; threatening or abusive behaviour or the use of threatening or abusive language towards **us** or **our** representatives.
- 14.4. In the event of any serious breach of any term or condition of **this insurance**, **we** may cancel **this insurance** on seven (7) days notice.
- 14.5. **We** will refund the rateable proportion of the remaining Policy Period provided that:
- 14.5.1. no claim has been made in the Policy Period in which the cancellation takes place;
- 14.5.2. there has been no serious breach of terms and conditions; and
- 14.5.3. there is no provision to the contrary in these Clauses.

#### 15. Assignment:

**We** shall not recognise any assignment of or interest in **this insurance** or any amount payable under **this insurance** which has been made without **our** prior written consent.

#### 16. Loss Payee:

Unless agreed to the contrary, all claim payments for physical loss of or damage to the **yacht** under **this insurance** shall be paid to the Loss Payee specified in the Schedule or in any Endorsement.

#### 17. Other Insurance:

If **you** have other insurance in respect of any amount(s) recoverable under **this insurance**:

- 17.1. unless otherwise specified in **this insurance**, **we** will pay only the rateable proportion of the loss that **this insurance** bears to the total amount of all insurance covering the recoverable amounts; and
- 17.2. **we** reserve **our** right to recover contribution from any other insurer liable in respect of the same amounts.

#### 18. Distribution of recoveries:

In the event of recoveries from third parties in respect of any claim under **this insurance**, which **we** have paid in whole or in part, all such recoveries shall be distributed between **you** and **us** in the following order of priority:

- 18.1. to the party paying the reasonable costs and expenses incurred in making the recovery, to the extent of the costs and expenses incurred;
- 18.2. if the amount recovered, after deduction of the costs and expenses incurred in making the recovery, is more than 50% of all sums **we** have paid under **this insurance**, to **you** to the full extent of **your** policy deductible; thereafter;
- 18.3. to **you** and to **us** in proportion to the extent of all sums paid by **us** under **this insurance** and all **your** scheduled uninsured losses (including the policy deductible if it has not been repaid under 18.2 above) which are recoverable in law and which have been included in the recovery action; and
- 18.4. to **you** and to **us** equally in respect of any interest recovered, notwithstanding that by the addition of interest **we** may receive a larger sum than **we** have paid under **this insurance**.

#### 19. Notices:

Notices are to be given in writing. Notices to **you** will be sent to **your** address specified in the Schedule, or to any other address **you** have provided for this purpose. Notices to **us** are to be sent to Pantaenius at the address specified in the Schedule.

#### 20. Law:

The parties are free to choose the law applicable to **this insurance**. Unless the Schedule(s) states to the contrary, **this insurance** shall be governed by and construed in accordance with English law.

#### 21. Jurisdiction:

Unless the Schedule(s) provides to the contrary, **this insurance** shall be subject to the exclusive jurisdiction of the Courts of England and Wales.

#### 22. Disputes:

Without prejudice §3.21 above, the parties agree that any dispute between **you** and **us**, if not settled amicably by negotiation or in accordance with §3.28, should (where appropriate) be referred to mediation at an early stage.

#### 23. Legal Actions against us:

No action shall be brought against **us** under **this insurance** unless:

- 23.1. **you** have complied fully with all the requirements of **this insurance**; and
- 23.2. such action is commenced within two years from the date of the event from which the claim arose.

#### 24. Rights of Third Parties:

No term of **this insurance** is intended to confer any benefit or right on any **third party** under any applicable legislation, including but not limited to the Contract (Third Parties) Act 1999.

#### 25. Insurer's Share:

In the event that any Section of **this insurance** is underwritten by more than one insurer, each insurer subscribing to that Section shall only be liable for its share, i.e. there is no joint liability. Any agreement between the leading insurer of any Section and **you** is binding on all other insurers subscribing to that Section.

#### 26. Sanction Limitation and Exclusion Clause:

No insurer shall be deemed to provide cover or any benefit to the extent that the provision of such cover or benefit would expose that insurer to any sanction, prohibition or restriction under relevant trade or economic sanction laws or regulations.

#### 27. Data Protection Act 1998:

The collection and storage of personal and sensitive data by **us** is governed by this Act, and **you** are advised as follows:

- 27.1. Sensitive information may include but is not limited to health and criminal record information.
- 27.2. This information is required in order to decide whether cover should be offered and in order to determine terms and conditions applying to any cover offered.
- 27.3. **You** hereby provide **us** with **your** consent to collect and store, electronically or in hard copy, personal and sensitive information in order to issue and administer **this insurance**.
- 27.4. In certain circumstances, **we** may be required to disclose **your** personal and sensitive information to third parties such as other insurers, loss adjusters, investigators, agents etc., or as required by law.
- 27.5. **You** have the right to seek access to **your** personal and sensitive information and to correct it at any time.
- 27.6. **We** and Pantaenius aim to ensure that **your** personal and sensitive information is secure, accurate, up to date and complete.

## 28. Complaints:

The aim is to provide excellent service, but if there is a complaint about the service provided in respect of **this insurance** or a dispute about **this insurance**, the complaint should be addressed in the first instance to Pantaenius, who will refer the matter to **our** nominated executive.

If the complaint is not resolved satisfactorily, **you** may have the right to ask the Financial Ombudsman Service (or an alternative authority) to review the case. **Your** right to commence legal proceedings against **us** is not affected by this process.

## 29. Severability:

The invalidity or unenforceability of any provision(s) of **this insurance** shall not affect the validity or enforceability of any other provision of **this insurance** which shall remain in full force and effect.

## **Making a Claim**

To notify us of a loss or liability which may give rise to a claim under **this insurance**, please contact Pantaenius UK Limited:

On-line: [www.pantaenius.co.uk](http://www.pantaenius.co.uk)  
Email: [claims@pantaenius.co.uk](mailto:claims@pantaenius.co.uk)  
In writing: Marine Building, 1 Queen Anne Place,  
Plymouth PL4 0FB  
By phone: +44 (0) 1752 22 66 12  
In emergency: +44 (0) 1752 60 11 66 (*out of hours only*)

## **Alterations to Your policy**

If **you** wish to discuss any aspect of your insurance or to notify any changes in risk, e.g. an increase or decrease in the value of the insured property, additions of equipment, alteration to cruising area, or **your** postal address, please contact Pantaenius UK Limited

Email: [info@pantaenius.co.uk](mailto:info@pantaenius.co.uk)  
In writing: Marine Building, Queen Anne Place,  
Plymouth PL4 0FB  
By phone: +44 (0) 1752 22 36 56

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## NOTES

