

PRIVATE YACHT & SMALL CRAFT INSURANCE

# PLAIN LANGUAGE INSURANCE POLICY



Groves, John & Westrup



# PRIVATE YACHT & SMALL CRAFT INSURANCE POLICY

## INDEX

<b>SECTION 1</b> .....	1
GENERAL .....	1
A INTRODUCTION .....	1
B COMMUNICATION .....	1
C PREMIUM/CLAIMS .....	1
D COMPLAINTS .....	1
E LAW APPLICABLE TO THE CONTRACT .....	1
F DATA PROTECTION ACT 1998 .....	2
G RECORDING OF TELEPHONE CALLS .....	2
H CLAIMS AND UNDERWRITING EXCHANGE .....	2
I DEFINITIONS .....	2
<b>SECTION 2</b> .....	4
THE VESSEL .....	4
A COVER FOR THE VESSEL .....	4
B EXCLUSIONS TO COVER FOR THE VESSEL .....	4
C AMOUNT PAYABLE IN THE EVENT OF LOSS OF OR DAMAGE TO THE VESSEL .....	5
D EXCLUSIONS TO AMOUNT PAYABLE .....	6
E ADDITIONAL SUMS PAYABLE .....	6
<b>SECTION 3</b> .....	7
THE TRAILER(S) .....	7
A COVER FOR THE TRAILER(S) .....	7
B EXCLUSIONS TO COVER FOR THE TRAILER(S) .....	7
C AMOUNT PAYABLE IN THE EVENT OF LOSS OF OR DAMAGE TO THE TRAILER(S) .....	7
<b>SECTION 4</b> .....	7
PERSONAL PROPERTY .....	7
A COVER FOR PERSONAL PROPERTY .....	7
B PROPERTY COVERED BY SPECIAL AGREEMENT .....	7
C EXCLUSIONS TO COVER FOR PERSONAL PROPERTY .....	8
D AMOUNT PAYABLE IN THE EVENT OF LOSS OF OR DAMAGE TO PERSONAL PROPERTY .....	8
E EXCLUSIONS TO AMOUNT PAYABLE .....	9
<b>SECTION 5</b> .....	9
THIRD PARTY LIABILITY .....	9
A COVER FOR LIABILITY TO THIRD PARTIES .....	9
B EXCLUSIONS TO COVER FOR LIABILITY OF THIRD PARTIES .....	9
C EXCLUSIONS TO COVER FOR LIABILITY TO THIRD PARTIES .....	9
D AMOUNT PAYABLE IN RESPECT OF LIABILITY TO THIRD PARTIES .....	10
E EXCLUSIONS TO AMOUNT PAYABLE .....	10
<b>SECTION 6</b> .....	10
GENERAL EXCLUSIONS .....	10

<b>SECTION 7</b> .....	11
WARRANTIES .....	11
A      GENERAL NATURE OF A WARRANTY .....	11
B      LOW SPEED WARRANTY .....	11
C      PRIVATE PLEASURE PURPOSES WARRANTY .....	11
D      CRUISING AREA WARRANTY .....	11
E      STRUCTURAL ALTERATION WARRANTY .....	11
F      TRAILER WARRANTY .....	11
G      LAID UP WARRANTY .....	11
H      WARRANTY THAT THE VESSEL WILL NOT BE USED AS A HOUSEBOAT DURING THE PERIOD OF LAY-UP .....	11
I      SEAWORTHINESS WARRANTY .....	11
J      WARRANTY THAT THE VESSEL WILL NOT TOW OR BE TOWED .....	11
K      CREW WARRANTY .....	11
<b>SECTION 8</b> .....	12
GENERAL TERMS .....	12
A      EXTENSION OF COVER .....	12
B      SALE OR CHANGE OF INTEREST IN THE VESSEL .....	12
C      CANCELLATION .....	12
D      RENEWAL .....	12
E      NO-CLAIMS BONUS .....	12
F      ROAD TRANSIT .....	12
G      GAS .....	13
H      ASSIGNMENT OF THE POLICY .....	13
I      JURISDICTION .....	13
J      OTHER INSURANCES .....	13
<b>SECTION 9</b> .....	14
CLAIMS .....	14
<b>SECTION 10</b> .....	15
ENDORSEMENTS .....	15,16 & 17
ADDITIONAL GUIDANCE NOTES .....	18

## SECTION 1 - GENERAL

### A INTRODUCTION

1 Here is your Plain Language Insurance Policy and Schedule and a copy of your Proposal Form. The Policy is a legally binding Contract between you the Insured and the Watkins Syndicate at Lloyd's (whose address is St. Helens, 1 Undershaft, London EC3A 8LE), which is arranged through Groves John and Westrup Limited.

The Contract is based upon the Proposal Form and if the Proposal Form contains any material untruth or fails to disclose any material circumstance you should inform us immediately since if you do not do so the validity of the Policy may be affected. A material circumstance is one which would affect our assessment of the risk and the terms, conditions and premium we impose and whether we accept the risk. You should communicate with us through your broker.

Please read the documents carefully. We are obliged to give you certain information before you make your decision to buy this Policy or alternatively to give you a "cooling off" period of 14 days from the time you received this Policy. If the Policy and Schedule do not provide you with the protection you want and you do not want to continue with the insurance you may cancel the Policy within this period and we will return part of the premium retaining a proportionate part of the premium for that period for which we have been on risk providing no claims have been made.

2 This Policy has been designed by us with the help of independent consultants representing a wide range of interests so as to provide what we consider to be the widest possible cover available.

3 Groves John and Westrup Limited together with the Watkins Syndicate at Lloyd's are members of the Munich Re Group. Any correspondence with us should be directed to the address shown on the attached correspondence. Groves, John & Westrup Limited's head office address is Silkhouse Court, Tithebarn Street, Liverpool L2 2QW, Telephone number 0151 473 8000, Facsimile 0870 051 7968, e.mail insure@gjwltd.co.uk.

4 Groves John and Westrup Limited are authorised and regulated by the Financial Services Authority - Firm reference number 310496.

### B COMMUNICATION

You should in the first case communicate with us through your brokers. If you have any complaint about our service and wish to invoke our complaints procedure you should communicate directly with us in consultation with your broker.

### C PREMIUM/CLAIMS

You are responsible to your Broker/Agent for the premium and we are responsible to you for claims or any return of premium. Groves John and Westrup Limited are a Lloyd's Service Company and in matters of claims act upon the behalf of the Watkins Syndicate.

### D COMPLAINTS

If for any reason you are dissatisfied with our service you should first make any complaint to us through your broker. If they are unable to resolve your complaint, you may then state your complaint in writing to us, marking the letter "For the attention of the Managing Director". We aim to resolve your complaint within 5 working days but if we are unable to do so we will acknowledge receipt of your complaint within that period. If the complaint cannot be resolved amicably you have the right to refer your complaint to the Complaints and Advisory Department at Lloyd's, One Lime Street, London EC3M 7HA. Under the terms of the Financial Services Ombudsman Scheme we must:

- (i) reply to you within four weeks; and
- (ii) resolve your complaint within eight weeks.

Failing satisfaction, if you are a private policy holder or a business with a turnover of less than £1 million or a charity with an annual income of less than £1 million or a trustee of a trust with a net asset value of less than £1 million and are resident in England, Scotland, Wales or Northern Ireland, you may then approach the Financial Services Ombudsman, South Quay Plaza, 183 Marsh Wall, London, E14 9SR. Telephone Number 0845 080 1800 Facsimile 0207 964 1001 e.mail complaint.info@financial-ombudsman.org.uk who will advise whether he is able to deal with your complaint. This is in addition to any other action you may subsequently wish to take including legal action. An application to the Financial Services Ombudsman must be made within six months of being notified of our final decision about your complaint.

### E LAW APPLICABLE TO THE CONTRACT

1 The law applicable to this insurance contract is subject to agreement between the parties.

2 Unless a special Endorsement to the contrary has been requested by you and agreed by us, the law applying to this insurance contract will be as follows:

- (i) if you are applying for insurance protection as a private individual, the law applicable to that part of the United Kingdom, Channel Islands or Isle of Man in which you or the first named Policy Holder normally resides; or
- (ii) if you are applying for insurance protection in your capacity as a sole trader or as a company the law applicable to that part of the United Kingdom, Channel Islands or Isle of Man in which you have your principal place of business; or
- (iii) if the above does not apply, the law of England and Wales.

**F DATA PROTECTION ACT 1998**

To enable us to provide a fast and efficient service to our clients we operate a centralised database of all information relating to your Policy, including information provided to us on your Proposal Form, information contained within the schedule of insurance, policy periods and renewal dates, together with any correspondence that we might exchange. Under the Data Protection Act 1998 we need to obtain your consent to holding this information on our system. If we should need to store any additional information we will of course approach you first to obtain your permission. The information will be used for underwriting purposes and in the unfortunate event of a claim.

We may also share this information with Watkins Syndicate at Lloyd's. You have signified whether or not you are agreeable to this in the Proposal Form and we will of course follow your requests in that respect. We may also share this information with other insurers and/or the authorities. If you have any objections to us holding your information either in full or in part or wish to obtain details of any information we are currently holding on you, please let us know immediately or telephone our Data Protection manager, M.J. Pope on 0151 473 8000.

Under this legislation we are only able to discuss your insurance with you unless we and you have specifically agreed to the contrary.

**G RECORDING OF TELEPHONE CALLS**

For your protection your telephone calls may be recorded and monitored.

**H CLAIMS AND UNDERWRITING EXCHANGE**

Insurers pass information to a claim and underwriting register. The aim is to help us check information provided and also to prevent fraudulent claims. When you tell us about an incident which may or may not give rise to a claim, we may pass information relating to it to the register. You can ask us for more information about this.

You should show this notice to anyone who has an insured interest under this Policy.

**I DEFINITIONS**

**ANTI-THEFT DEVICE** A device sold and marketed as a secure method of preventing theft or another security method approved by us.

**BARRATRY** Any wrongful act committed without your knowledge or participation and to your prejudice by anyone using or on board the Vessel with your permission.

**BOAT** Any type of small craft which forms part of the Vessel's equipment and is used for the operation of the Vessel and is specified on the Proposal Form or otherwise notified to us in writing. Any reference to "Vessel" in this Policy includes the Vessel's boat(s) unless the context requires otherwise. A liferaft is not a Boat.

**CRUISING AREA** This is the area noted on the Schedule.

**ENDORSEMENT** An alteration in writing to the terms of the Policy.

**EXCESS** The amount noted on the Schedule to be deducted from each and every claim except in the case of total or constructive total loss.

**HOUSEBOAT** The Vessel will be deemed to be used as a houseboat if during the period of lay-up any person other than a trespasser sleeps upon it for more than 2 nights in succession or for more than 4 nights in any period of 4 weeks.

**IMMEDIATE FAMILY** Those members of your family who reside permanently with you.

SECTION 1 continued

<b>IN-COMMISSION PERIOD</b>	This is the period when the Vessel is not required to be laid up and may be used in navigation including lifting, hauling out and launching.
<b>INSURED VALUE</b>	This is the sum(s) noted on the Schedule.
<b>LAY-UP PERIOD</b>	This is the period (if any) noted on the Schedule when the Vessel must not be used for any purpose except for the carrying out of minor maintenance and repairs and must be laid up at the place named in your Proposal Form or any other place agreed by us in writing. The Vessel must not be used as a houseboat nor undergo major repair/refit unless we give permission in writing and issue an endorsement to this effect.
<b>LATENT DEFECT</b>	A defect which is not discoverable by the exercise of reasonable care.
<b>MACHINERY</b>	Includes main or auxiliary engines, electrical equipment, cables and fittings and hydraulic equipment, piping and fittings, boilers and shafts.
<b>PERIOD OF INSURANCE</b>	The period noted on the Schedule or in any endorsement.
<b>SUE AND LABOUR</b>	Any expense reasonably incurred with a view to minimising or averting loss of or damage covered under the Policy to the insured property.
<b>VESSEL</b>	<p>The Vessel noted on the Schedule including sails, machinery, gear, equipment (including its Boat(s), lifejackets and handheld navigational aids and televisions, stereos and radios permanently fixed to the Vessel's structure) furniture and fittings. "Vessel" does not include:-</p> <ul style="list-style-type: none"><li>(i) consumables such as food, lubricants, fuel, paint etc.;</li><li>(ii) the trailer for the Vessel or its boat(s);</li><li>(iii) the personal property of any person;</li><li>(iv) fishing or sporting equipment;</li><li>(v) moorings not carried on board.</li></ul>
<b>WAR, CIVIL DISTURBANCE AND TERRORISM</b>	<p>War, civil disturbance and terrorism means:-</p> <ul style="list-style-type: none"><li>(i) international war;</li><li>(ii) any act of hostility by a nation or state against another;</li><li>(iii) civil war, revolution, rebellion or insurrection;</li><li>(iv) the detonation of any derelict mine, torpedo, bomb or other derelict weapon of war;</li><li>(v) labour disturbances;</li><li>(vi) acts of terrorists;</li><li>(vii) acts of persons in furtherance of a political motive.</li></ul>
<b>WHEELCLAMP</b>	A device sold and marketed as a secure method of preventing theft by avoiding road wheels turning or such other device approved by us.
<b>WILFUL MISCONDUCT</b>	<p>Includes but is not limited to conduct when under the influence of:</p> <ul style="list-style-type: none"><li>(i) alcohol so as to impair safe navigation or management of the Vessel; or</li><li>(ii) prohibited drugs.</li></ul>

## SECTION 2 - THE VESSEL

### A COVER FOR THE VESSEL

Subject to the warranties and the other terms of the Policy we shall cover you in respect of physical loss of or damage to the Vessel caused by:-

- (i) accidents (including fire, explosion, collision, stranding, grounding and heavy weather);
- (ii) latent defect in the Vessel;
- (iii) negligence;
- (iv) theft of the entire Vessel;
- (v) theft of any part of the Vessel provided that at the time of the theft the part is either;
  - (a) securely fastened to the Vessel and in the case of an outboard motor locked on by an anti-theft device in addition to its normal method of attachment; or
  - (b) inside a locked compartment on board the Vessel or in a locked place of storage ashore;
- (vi) malicious acts of third parties (including vandalism, piracy or barratry);
- (vii) freezing;
- (viii) rodents.

### B EXCLUSIONS TO COVER FOR THE VESSEL

This Policy does not cover physical loss of or damage:

- 1. to the Vessel caused by:-
  - (i) theft;
    - (a) while left unattended at anytime on a trailer unless an anti-theft device protects the trailer;
    - (b) by trick or deception against you;
  - (ii) wear, tear or depreciation;
  - (iii) insects, marine borers, barnacles, marine growth, vermin, fungi or molluscs;
  - (iv) corrosion, rot, rust, mildew, dampness or weathering;
  - (v) electrolysis;
  - (vi) osmosis;
  - (vii) civil, criminal or administrative proceedings, action by customs officers or executive action of a government or government department unless arising out of an event which is covered by this Policy;
  - (viii) war, civil disturbance and terrorism.

### SAILS

- 2. to the Vessel's sails caused by splitting or being blown away while hoisted or unfurled in use unless caused by:-
  - (i) damage to the spars to which the sails are attached;
  - (ii) the stranding or sinking of the Vessel or the Vessel being on fire;
  - (iii) impact between the Vessel and any external substance including ice (but not water).

SECTION 2 continued

- RACING** 3. to the Vessel's sails, masts, spars and rigging, while the Vessel is racing, unless caused by:-
- (i) the stranding or sinking of the Vessel or the Vessel being on fire;
  - (ii) impact between the Vessel and any external substance including ice (but not water).
- MACHINERY** 4. in the case of vessels which:
- (i) are over three years of age from the date of completion of build; or
  - (ii) have an actual or maximum designed speed under engine power in excess of 17 knots;
- to the Vessel's machinery unless caused by:
- (a) accidental incursion of water into the Vessel but not the engine alone; or
  - (b) the stranding or sinking of the Vessel or the Vessel being on fire; or
  - (c) impact between the Vessel and any substance including ice (but not water); or
  - (d) theft or malicious persons; or
  - (e) freezing providing the machinery has been maintained in accordance with manufacturers' recommendations by a competent mechanic and the machinery has been protected by appropriate anti-freeze mixed and inserted in accordance with the manufacturers' specification; or
- unless Endorsement 2 has been agreed and noted on the schedule.
- TRANSIT** 5. to Vessels:-
- (i) with an overall length of more than 30 feet, from any cause while being transported by land, sea or air unless Endorsement 3 has been agreed and noted on the Schedule;
  - (ii) of any length, caused by scratching, bruising or denting during:
    - (a) the preparation for transportation by land, sea or air; or
    - (b) while being so transported.
- BOATS** 6. to Boats caused by theft unless permanently marked with the name of the Vessel or other unique marking.
- OUTBOARD ENGINES** 7. to outboard motors by theft unless:
- (i) secured to the Vessel or Boat by an anti-theft device in addition to its normal method of attachment; and
  - (ii) you have provided to us in writing the serial number of the motor prior to the theft occurring.
- C AMOUNT PAYABLE IN THE EVENT OF LOSS OF OR DAMAGE TO THE VESSEL** 1. We shall pay the value of the Vessel or its boat(s) or outboard(s) as noted on the Schedule if:-
- TOTAL LOSS** (i) the Vessel or its boat(s) or outboard(s) is totally lost or destroyed;
- CONSTRUCTIVE TOTAL LOSS** (ii) the cost of recovering and/or repairing the Vessel or its boat(s) or outboard(s) will exceed the value noted on the Schedule;

SECTION 2 continued

<b>CONSTRUCTIVE TOTAL LOSS CAUSED BY LOSS OF USE</b>		(iii)	you have been deprived of the free use and disposal of the Vessel or its boat(s) or outboard(s) for a period of 12 consecutive months commencing during the period of insurance except in cases of theft when the period shall be a reasonable period depending upon the facts of each individual case.
<b>PARTIAL LOSS</b>	2.		In all other cases we will pay the reasonable cost of recovering the Vessel or its boat(s) or outboard(s) and the reasonable cost of effecting repairs, less the Excess.
<b>D EXCLUSIONS TO AMOUNT PAYABLE</b>	1.		We shall not pay the cost and expense of rectifying or repairing:-
<b>FAULTY DESIGN ETC.</b>		(i)	a fault in design or construction;
		(ii)	any part (including the whole or any part of the hull) which is subject to a fault in design or construction or to a latent defect [i.e., the defective part itself including the whole or any part of the hull];
<b>DEFECTIVE WORKMANSHIP</b>		(iii)	defective workmanship carried out or materials provided by an independent contractor employed to carry out maintenance, repairs or alterations to the Vessel.
<b>BETTERMENT</b>	2.		We reserve the right to deduct:-
		(i)	up to one third of the replacement cost of used sails, running rigging, protective covers and canopies and outboard motors;
		(ii)	a reasonable amount from the cost of repairs or replacement to take account of any betterment to the Vessel arising out of repairs or replacement.
<b>E ADDITIONAL SUMS PAYABLE</b>	1		We shall also pay the following:-
<b>EXPENSE OF INSPECTION</b>		(i)	the expense of inspecting the Vessel after grounding (even if no damage is found);
<b>MINIMISING LOSSES INCLUDING SALVAGE AND SUE AND LABOUR</b>		(ii)	expense incurred for the purpose of averting or minimising physical loss of or damage to the Vessel provided that in each case the expense:  (a) is both reasonably incurred and reasonable in amount; and  (b) results from an event (or the possibility of an event) for which there is or would be cover under the Policy;
		(iii)	the costs of averting or avoiding oil pollution or clearing and cleaning away oil pollution providing that we pay you for physical loss of or damage to the Vessel.
	2.		Any sums payable under Section 2E1 above are subject to the Excess.
<b>AMOUNT RECOVERABLE</b>	3		The total amount recoverable under Section 2E1 and arising out of any one event is limited to the Insured Value of the Vessel.

## SECTION 3 - THE TRAILER(S)

- A COVER FOR THE TRAILER(S)** Provided that Endorsement 4 is agreed and noted on the Schedule and subject to the warranties and the other terms of the Policy we shall cover you in respect of physical loss of or damage to the Trailer(s) caused by:-
- (i) theft; or
  - (ii) fire, explosion or lightning; or
  - (iii) collision or accident whilst in use.
- B EXCLUSIONS TO COVER FOR THE TRAILER(S)**
- THEFT OF UNLOCKED TRAILER(S)**
- 1. This Policy does not cover physical loss of or damage to the Trailer(s) caused by theft:-
    - (i) during preparation for or in the course of towage unless the Trailer(s) is securely locked to the road vehicle and the road vehicle is occupied or securely locked; or
    - (ii) otherwise than during the preparation for or in the course of towage unless the Trailer(s) is secured by a wheelclamp or is in a locked place of storage.
- EXCLUSIONS TO COVER FOR TYRES**
- 2. This Policy does not cover physical loss of or damage to the Trailer(s) tyres caused by the application of brakes or by punctures, cuts, bruises or by wear and tear.
- C AMOUNT PAYABLE IN THE EVENT OF DAMAGE TO THE TRAILER(S)**
- 1. We shall pay the Insured Value of the Trailer(s) if:-
    - TOTAL LOSS** (i) the Trailer(s) is totally lost or destroyed; or
    - CONSTRUCTIVE TOTAL LOSS** (ii) the cost of recovering and/or repairing the Trailer(s) will exceed the Insured Value; or
    - CONSTRUCTIVE TOTAL LOSS CAUSED BY LOSS OF USE** (iii) you have been deprived of the free use and disposal of the Trailer(s) for a period of 12 consecutive months commencing during the period of insurance except in cases of theft when the period shall be a reasonable period depending upon the facts of each individual case.
  - 2. **PARTIAL LOSS** In all other cases we shall pay the reasonable cost of recovering the Trailer(s) and the reasonable cost of effecting repairs, less the Excess.

## SECTION 4 - PERSONAL PROPERTY

- A COVER FOR PERSONAL PROPERTY** Provided that Endorsement 5 is agreed and noted on the Schedule and subject to the warranties and the other terms of the Policy, we shall cover your Personal Property and the Personal Property of your Immediate Family against physical loss or damage however caused, provided that the Property is:-
- (i) on board the Vessel; or
  - (ii) being used in connection with the Vessel; or
  - (iii) in transit between your residence and the Vessel.
- B PROPERTY COVERED BY SPECIAL AGREEMENT** Unless we specifically agree in writing we do not cover you in respect of physical loss of or damage to:-
- (i) fishing gear or equipment; or
  - (ii) sporting equipment or diving gear.

SECTION 4 continued

- C EXCLUSIONS TO COVER FOR PERSONAL PROPERTY**
1. This Policy does not cover:-
    - (i) money; or
    - (ii) travellers cheques; or
    - (iii) debit/credit cards; or
    - (iv) jewellery, spectacles and contact lenses;
    - (v) mobile phones;
    - (vi) laptops and/or other PDA's (Personal Digital Assistants).
  2. loss of or damage:-
    - (i) caused by:-
      - (a) wear, tear or depreciation; or
      - (b) damp, rot, mould, mildew, corrosion or rust; or
      - (c) moth; or
      - (d) war, civil disturbance or terrorism.
    - (ii) caused to articles of a brittle nature by breaking unless due to:-
      - (a) the stranding or sinking of the Vessel or the Vessel being on fire; or
      - (b) impact between the Vessel and any external substance including ice (but not water); or
      - (c) heavy weather; or
      - (d) the action of thieves, robbers or burglars.
- D AMOUNT PAYABLE IN THE EVENT OF LOSS OF OR DAMAGE TO PERSONAL PROPERTY**
1. We shall pay the value of the Personal Property up to the amount noted on the Schedule if:-
    - (i) the Personal Property is totally lost or destroyed: or
    - (ii) the cost of recovering and repairing the Personal Property exceeds the lesser of either:
      - (a) its value; or
      - (b) £200; or
      - (c) such other sum agreed by us in writing.
    - (iii) the Insured or Immediate Family has been deprived of the free use and disposal of the Personal Property for a period of 12 consecutive months commencing during the period of insurance except in cases of theft when the period shall be a reasonable period depending upon the facts of each individual case.
- TOTAL LOSS**
- CONSTRUCTIVE TOTAL LOSS CAUSED BY LOSS OF USE**
- MAXIMUM SUM PAYABLE**
2. We shall not pay more than £200 in respect of any one item unless each item valued in excess of £200 is specifically declared and agreed by underwriters.
- REMAINS**
3. If we agree to pay the value of the Personal Property we shall be entitled:-
    - (i) to require you to sell the remains (if any) and account to us for the proceeds of sale; or

SECTION 4 continued

- (ii) in our absolute discretion to take over the remains.
- PARTIAL LOSS** 4. In any other case we shall pay the reasonable cost of effecting repairs.
- EXCESS** 5. No Excess shall be applied to a claim under this Section.
- E EXCLUSIONS TO AMOUNT PAYABLE**
- UNDERVALUED PROPERTY [AVERAGE]** If at the time of loss of or damage to the Personal Property the actual value is greater than the insured value, our liability will be limited to the proportion which the insured value bears to the actual value.

## SECTION 5 - THIRD PARTY LIABILITY

### A COVER FOR LIABILITY TO THIRD PARTIES

- PERSONS COVERED** 1. The Insured Persons referred to in this Section are:-
  - (i) you;
  - (ii) any person using the Vessel with your permission.
- COVER** 2. Subject to the warranties and the other terms of the Policy we shall cover the Insured Persons in respect of legal liability to another person (including another person insured under this Section) arising out of the Insured Person's interest in or use of the Vessel (including wreck removal and damage caused by oil pollution).

### B EXCLUSIONS TO COVER FOR LIABILITY OF THIRD PARTIES

- PERSONS NOT COVERED** This Policy does not cover the liability of the following persons:-
  - (i) any person employed under a contract in connection with the Vessel, other than captain or crew and employed by you;
  - (ii) an employee of or an operator of a marina, slipway, shipyard, yacht club, sales agency, similar organisation or crane or travel hoist;
  - (iii) any person while engaged in any sport which involves being towed by the Vessel unless Endorsement 6 has been agreed and noted on the Schedule;
  - (iv) any person while engaged in snorkelling, aqualung diving or other underwater sport including whilst disembarking or boarding.

### C EXCLUSIONS TO COVER FOR LIABILITY TO THIRD PARTIES

- LIABILITY NOT COVERED** 1. This Policy does not cover liability to the following persons:-
  - (i) any person employed under a contract in connection with the Vessel;
  - (ii) any person while engaged in any sport which involves being towed by the Vessel unless Endorsement 6 has been agreed and noted on the Schedule;
  - (iii) any person while engaged in snorkelling, aqualung diving or other underwater sport including whilst disembarking or boarding other than liability to such person arising as a result of physical contact between such person and the Vessel.

SECTION 5 continued

- WILFUL MISCONDUCT** 2. We shall not cover liability caused or contributed to by recklessness or wilful misconduct on the part of the Insured Person.
- TRAILERS** 3. We shall not cover liability to third parties:-
- (i) caused or contributed to by the Trailer(s) becoming detached from the towing vehicle;
  - (ii) as a result of an accident occurring on a highway or public or private place whilst the Trailer(s) is attached to the towing vehicle.
- CONTRACTUAL LIABILITY** 4. We shall not cover liability arising out of a contract.
- D AMOUNT PAYABLE IN RESPECT OF LIABILITY TO THIRD PARTIES** We shall pay the following:-
- (i) the amount which an Insured Person is held liable to pay a third party, up to the maximum sum noted on the Schedule in respect of any one event; and
  - (ii) the costs of an Insured Person in defending any claim brought against him, provided that such costs are incurred with our prior written consent; and
  - (iii) the costs of an Insured Person at any inquest, inquiry or similar proceeding, provided that such costs are incurred with our prior oral or written consent;
- less in all cases the Excess.
- E EXCLUSIONS TO AMOUNT PAYABLE**
- FINES** We shall not pay fines or punitive damages.

## SECTION 6 - GENERAL EXCLUSIONS

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

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

- (i) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- (ii) the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- (iii) any weapon or device employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter;
- (iv) the radioactive, toxic, explosive or any 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;
- (v) any chemical, biological, biochemical or electromagnetic weapons;
- (vi) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electrical system.

## SECTION 7 - WARRANTIES

### **A GENERAL NATURE OF A WARRANTY**

1. A warranty is a promise by you that:-
  - (i) some particular thing shall or shall not be done; or
  - (ii) some condition shall be fulfilled; or
  - (iii) a particular state of affairs does or does not exist.

### **STRICT COMPLIANCE NECESSARY**

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

### **ALTERATIONS OR DELETION OF WARRANTIES**

3. If you give us prior notice in writing that you wish to alter or delete a warranty we may, in our discretion, and upon payment of any additional premium required, agree in writing to such alteration or deletion.

### **B LOW SPEED WARRANTY**

Unless Endorsement 7 has been agreed and noted on the Schedule you warrant that the actual or maximum designed speed of the Vessel (and any boat(s)) when under engine power does not exceed 17 knots.

### **C PRIVATE PLEASURE PURPOSES WARRANTY**

Unless Endorsement 8 has been agreed and noted on the Schedule you warrant that the Vessel will be used for private pleasure purposes only and that it will not be let out for hire or reward or otherwise used for commercial purposes.

### **D CRUISING AREA WARRANTY**

You warrant that the Vessel will remain within the cruising area noted on the Schedule.

### **E STRUCTURAL ALTERATION WARRANTY**

You warrant that you will not make any significant structural alteration or addition to the Vessel during the Period of Insurance without first obtaining our prior written consent.

### **F TRAILER(S) WARRANTY**

You warrant that at all times the Trailer(s) will be:-

- (i) securely locked to a road vehicle and the road vehicle will be occupied or securely locked; or
- (ii) attended or secured by a wheelclamp or in a locked place of storage.

### **G LAID UP WARRANTY**

If the Schedule states that the Vessel is to be laid up for any period you warrant that the Vessel will be safely laid up for the whole of that period, out of commission and in the place and type of berth stated in your Proposal Form or such other place or type of berth as may be agreed by us in writing. This warranty does not apply to the Vessel's equipment which will remain insured whilst in store elsewhere.

### **H WARRANTY THAT THE VESSEL WILL NOT BE USED AS A HOUSEBOAT DURING THE PERIOD OF LAY-UP**

You warrant that the Vessel will not be used as a houseboat during the period of lay-up on the Schedule (if any), unless Endorsement 12 has been noted and agreed on the Schedule.

### **I SEAWORTHINESS WARRANTY**

You warrant that you will exercise reasonable care to make and keep the Vessel in a seaworthy condition and to keep the Vessel in a safe place, when not underway.

### **J WARRANTY THAT THE VESSEL WILL NOT TOW OR BE TOWED**

You warrant that the Vessel will not tow another Vessel or be towed by another Vessel except in emergency or when it is customary.

### **K CREW WARRANTY**

(Crew includes Captain/Skipper)

- (i) You warrant that at all times when your Vessel is underway the minimum number of competent crew members on board will be as noted in Endorsement 11 on the Schedule;

or

- (ii) if Endorsement 11 is not noted on the Schedule and if your Vessel is 24 feet in length or over, you warrant that at all times when your Vessel is underway the minimum number of competent crew members on board will be 2 except when crossing the Bay of Biscay when there will be 3.

## SECTION 8 - GENERAL TERMS

### **A EXTENSION OF COVER**

1. If at or before expiry of the Policy you give us notice in writing that the Vessel is at sea, the Policy will be extended for 30 days or until the Vessel arrives at a safe mooring, anchorage or place, whichever occurs the sooner. We shall be entitled to charge an additional premium for any Period by which the Policy is so extended.
2. If the Vessel is less than 18 feet in length overall we shall extend the cover for use in European Continental waters provided that:-
  - (i) you give us prior notice; and
  - (ii) the period when the Vessel is outside the cruising area noted on the Schedule does not exceed 30 days in total in any Period of Insurance; and
  - (iii) the Vessel is transported to and from the European Continent by a suitable conveyance; and
  - (iv) use of the Vessel is restricted to coastal waters (which for the purposes of this extension means waters within 3 miles of the coast); and
  - (v) when the Vessel is outside the cruising area noted on the Schedule the Excess will be doubled.

### **B SALE OR CHANGE OF INTEREST IN THE VESSEL**

1. Unless we agree in writing if during the Period of Insurance:
  - (i) the ownership of the Vessel is sold or otherwise transferred; or
  - (ii) in the case of a Vessel owned by a company limited by shares and the ownership of more than 50% of the shares is sold or otherwise transferred in any one transaction or series of transactions;

this Policy will automatically be cancelled with effect from the date of the transfer and we shall return to you the premium paid in respect of the unexpired Period of Insurance less a service charge of £25.
2. You will inform us in writing of any change of ownership or interest in the Vessel within 7 days of any change taking place.

### **C CANCELLATION**

This Policy may be cancelled by us at any time by 45 days written notice sent by pre-paid post to the address shown in the Schedule or by mutual agreement, when we shall return to you a proportion of the premium paid in respect of the unexpired period of insurance.

### **D RENEWAL**

If you wish to renew the Policy you must, before the renewal is agreed, disclose to us any change of circumstance which is material to the risk. If you fail to do so we shall be entitled to avoid the renewed Policy with effect from the date of its commencement.

### **E NO-CLAIMS BONUS**

1. If you renew this Policy you will be entitled to a reduction of the premium on renewal provided that:-
  - (i) the net premium after deduction of any no-claims bonus is not below the minimum premium charged by us; and
  - (ii) the Policy has been in force for 12 consecutive months (including an in-commission period of not less than 4 months); and
  - (iii) you renew it for a further period of 12 consecutive months (including an in-commission period of not less than 4 months); and

- (iv) no claim has been made under this Policy; and
  - (v) the insured value of your Vessel does not exceed £150,000.
2. The amount of the reduction is as follows:-
- (i) 5% for the first claim-free year;
  - (ii) 10% for the second consecutive claim-free year;
  - (iii) 15% for the third consecutive claim-free year;
  - (iv) 20% for the fourth consecutive claim-free year.
3. If the insured value of your Vessel exceeds £150,000 we may in our absolute discretion, allow a no-claims bonus.

## **F ROAD TRANSIT**

1. If the Vessel is carried on a trailer you must ensure that both the Trailer and the towing vehicle are fit for the purpose.
2. If the Vessel is carried on the roof rack of a road vehicle you must ensure that:-
- (i) the Vessel; and
  - (ii) the roof rack; and
  - (iii) the road vehicle are fit for the purpose; and
  - (iv) all lashings and other fastenings are secure.

This Policy does not cover loss of or damage to the insured property or liability to a third party attributable to a breach of section 8F.

## **G GAS**

1. If gas is used on board the Vessel:-
- (i) the installation and tubing must be to the approved British Standard and other recommendations; and
  - (ii) all gas containers must be secured against movement;
- and
- (iii) all gas lockers must be properly vented to the exterior of the Vessel.
2. This Policy does not cover loss of or damage to the insured property or liability to a third party attributable to a breach of Section 8G.

Note: For information ring Southampton Calor Centre on 02380 788155 or contact the Calor Gas Support Centre, Tachbrook Park, Athena Drive, Warwick, CV34 6RL on 0800 626 626 who produce an Information and Advice Booklet on LPG for marine use.

## **H ASSIGNMENT OF THE POLICY**

We are not bound by any assignment of:-

- (i) the Policy;
- (ii) any interest in the Policy; or
- (iii) any money payable under the Policy;

unless Endorsement 9 is agreed and noted on the Schedule.

## **I JURISDICTION**

If we have agreed in writing that you may let out the Vessel for hire or reward for commercial purposes the English Court have exclusive jurisdiction over any dispute arising out of the Policy.

## **J OTHER INSURANCES**

We shall not pay for any loss or damage or provide any indemnity if at the time when the loss or damage occurs the Vessel, Trailer(s), the Personal Property or the liability of the Insured Person is or would but for this insurance, be covered by any other insurance. If, however, the insured value of the property covered by this Policy or the indemnity provided by this Policy is greater than the insured value or indemnity provided by such other insurance we shall, subject to the warranties and other terms of the Policy, pay the difference.

## SECTION 9 - CLAIMS

- NOTICE**
1. In this section "Insured Person" means any person whose property or liability is covered by this Policy.
  2. The relevant Insured Person must:-
    - (i) notify us directly of any occurrence which might give rise to a claim under the Policy as soon as possible;
    - (ii) notify the Maritime & Coastguard Agency of any accident occurring on water as soon as possible. This is required under Regulations;
    - (iii) if the Vessel is outside the geographical area of the British Isles, Northern Ireland and Eire at the time of any occurrence which might give rise to a claim under the Policy, in the unlikely event that they are unable to make contact with us notify the local Lloyd's Agent as soon as possible;
- WRITTEN REPORT**
- THEFT ETC.**
- (iv) provide us with a written report of the occurrence as soon as possible;
  - (v) notify the police as soon as possible of any theft, malicious damage or other crime involving the insured property.
- COURT PROCEDURAL RULES**
- (vi) in the unlikely event of court action involving a third party:-
    - (a) within 7 days sign and return to us or constructively comment upon any statement of truth that we, or our representative may require you to sign;
    - (b) search for and provide to us all documents that we, or our representative may require from you in relation to any claim under this Policy and within 7 days sign and return to us any statement of disclosure that we, or our representative may request or comment constructively thereupon.
- REPAIRS**
3. We shall have the absolute right in our discretion to decide where the insured property is to be repaired.
- CLAIMS CONTROL**
4. We shall have the absolute right in our discretion and at our expense:-
    - (i) to commence or take over and conduct the defence of any claim against or prosecution of an Insured Person arising out of an occurrence which might give rise to a claim under the Policy;
    - (ii) to commence or take over and conduct any claim brought in the name of an Insured Person to recover sums which are or which might be payable under the Policy;
    - (iii) to commence or take over and conduct the representation of an Insured Person at any inquest, inquiry or similar proceeding which might give rise to a claim under the Policy.
  5. The relevant Insured Person shall give us such assistance as we may reasonably request for the purpose of exercising our rights under Section 9.4.
  6. The relevant Insured Person must pass onto us as soon as possible unanswered communications from third parties relating to any matter which might give rise to a claim under the Policy.
  7. The relevant Insured Person must not without our prior written consent:-
    - (i) admit liability;
    - (ii) make any offer to settle, or compromise or pay a claim by a third party which might give rise to a claim under the Policy.

## SECTION 10 - ENDORSEMENTS

**ENDORSEMENTS** THE FOLLOWING ENDORSEMENTS ARE ONLY APPLICABLE IF ENDORSEMENTS ARE NOTED ON THE POLICY SCHEDULE AND YOU PAY TO US ANY ADDITIONAL PREMIUM REQUIRED

**ENDORSEMENT 1** WAR, CIVIL DISTURBANCE AND TERRORISM

Subject to the warranties and other terms of the Policy we shall cover you in respect of physical loss of or damage to the Vessel caused by war, civil disturbance and terrorism.

This extension may be cancelled by us at any time by seven days written notice by prepaid post to the address shown in the Schedule when we shall return to you a proportion of the premium paid in respect of the unexpired period of insurance provided by the Endorsement.

**ENDORSEMENT 2** MACHINERY DAMAGE INSURANCE

Subject to the warranties and other terms of the Policy we shall cover the Vessel's machinery from the causes specified in Section 2A [page 4] Section 2B4 [page 5] is deleted.

We only cover machinery damage caused by freezing if the machinery has been maintained in accordance with the manufacturer's recommendation by a competent mechanic and the machinery has been protected by appropriate anti-freeze mixed and inserted in accordance with the manufacturer's specification.

**ENDORSEMENT 3** TRANSIT RISKS

Subject to the warranties and other terms of the Policy we shall cover the Vessel against the risks excluded by Section 2B 5(i) [page 5].

**ENDORSEMENT 4** LOSS OF TRAILER

Subject to the warranties and other terms of the Policy we shall cover the Trailer(s) in accordance with Section 3 of the Policy [page 7].

**ENDORSEMENT 5** PERSONAL PROPERTY

Subject to the warranties and other terms of the Policy we shall cover Personal Property in accordance with Section 4 of the Policy [pages 7-9].

**ENDORSEMENT 6** LIABILITIES TO AND OF WATERSKIERS

1. Subject to the warranties and other terms of the policy we shall cover liabilities to and of waterskiers provided that no more than 2 persons are being towed or preparing to be towed by the Vessel at any one time.
2. This Policy does not cover liabilities to and of persons engaged in any other sport which involves being towed by the Vessel unless otherwise agreed by us in writing.

**ENDORSEMENT 7** **Your attention is particularly drawn to the requirement as to security in Clause 4 of this Endorsement**

**HIGH SPEED CLAUSE**

1. The actual maximum designed speed of the Vessel (and any boat(s)) under engine power is in excess of 17 knots as noted on the Schedule by this Endorsement.
2. Subject to the warranties and other terms of the Policy we shall cover physical loss of or damage to the Vessel and liability to third parties.
3. In addition to the other exclusions in the Policy, the Policy does not cover:-
  - (i) physical loss of or damage to the Vessel, the additional sums payable under section 2E or liability to third parties arising out of an event occurring while the Vessel is being operated in competitive circumstances or undertaking any speed test or trial unless used for predictive logs and treasure hunts which shall not be considered competitive events;
  - (ii) if the Vessel is less than 26 feet in length physical loss of or damage to the Vessel, the additional sums payable under Section 2E [page 6] or liability to third parties arising from the stranding, sinking, swamping, immersion or breaking adrift of the Vessel at a time when it is moored or anchored afloat unattended off any beach or shore. The Vessel will be deemed to be attended for the purpose of this Endorsement provided that the person(s) in charge of the Vessel remain(s) in visual contact with it whilst not on board;

SECTION 10 continued

- (iii) if the Vessel is less than 26 feet in length physical loss of or damage to rudder, strut, shaft, propeller, electrical equipment, cables and fittings unless the loss or damage is caused by:-
    - (a) heavy weather; or
    - (b) the stranding or sinking of the Vessel; or
    - (c) the Vessel being on fire; or
    - (d) collision between the Vessel and any other Vessel, jetty or pier; or
    - (e) theft of the entire Vessel; or
    - (f) theft of the items referred to in Endorsement 7.3 (iii) [page 16] above but subject to the provisions of Section 2A (v) (a) and (b) [page 4]; or
    - (g) fire at the place of storage; or
    - (h) malicious act;
  - (iv) theft of outboard motor (s) unless locked on to the Vessel by an anti-theft device in addition to the normal method of attachment;
  - (v) in the case of Vessels fitted with inboard machinery, physical loss of or damage to the Vessel, the additional sums payable under Section 2E [page 6] or liability to third parties arising out of fire or explosion on board the Vessel, unless the Vessel is equipped:-
    - (a) in both the engine room/space and if design allows the tank space with a fire extinguishing system which either operates automatically or is operable from the steering position and which is properly installed and maintained in efficient working order; and
    - (b) in the galley with a portable fire extinguisher in efficient working order of not less than 2kg and a fire blanket.
4. Subject to the warranties and other terms of the Policy, if your Vessel is 18 feet in length or less you warrant that at all times when not being used by you on the water the Vessel will be:-
- (i) on the trailer which will be securely locked to a road vehicle and the road vehicle will be occupied or securely locked; or
  - (ii) attended or in a locked place of storage.

**ENDORSEMENT 8** PERMISSION TO CHARTER

1. Subject to the warranties and other terms of the Policy we shall cover the Vessel whilst on charter. The person chartering the Vessel will be insured by us for exactly the same risks and on exactly the same terms as we insure you save that the Excess applying to any claim arising whilst the Vessel is on charter will be the sum appearing on the Schedule.
2. This Policy does not cover loss or damage arising directly or indirectly from a failure by the person chartering the Vessel to comply with any express or implied terms of the charter party.

**ENDORSEMENT 9** ASSIGNMENT

We have noted the assignment of this Policy and/or any interest in the Policy and/or money payable under the Policy to the person or company named on the Schedule or as otherwise agreed by us in writing.

**ENDORSEMENT 10** RACING RISK EXTENSION CLAUSE

1. The exclusion from cover contained in Section 2B 3 [page 5] is hereby deleted.
2. The replacement cost of all sails carried, whether set or not, masts, spars, standing and running rigging is the amount stated in Endorsement 10 on the Schedule.
3. In the case of loss of or damage to the Vessel's sails, masts, spars, standing and running rigging while racing caused by events not falling within Section 2B 3(i) and (ii) [page 5]:-
  - (i) the amount payable will be limited to two-thirds of the cost of repair or replacement; but
  - (ii) no deductions will be made under Section 2D 2(i) or (ii) [page 6] and no Excess will be deducted.

**ENDORSEMENT 11** CREW

You warrant that at all times when your Vessel is underway the minimum number of competent crew members on board will be the number noted in Endorsement 11 on the Schedule.

**ENDORSEMENT 12** HOUSEBOAT USE

We agree that the Vessel may be used as a Houseboat.



Underwriter  
For and on behalf of Watkins Syndicate at Lloyd's  
per Groves, John & Westrup Limited.

## ADDITIONAL GUIDANCE

### NOTES

Upon receipt of your insurance policy may we remind you to always check all the details very carefully especially:-

a) Your in commission and lay up periods:-

We believe the in commission and laid up dates that you have requested on your proposal form have been correctly stated by us on your Policy Schedule. However they may be different from those stated and agreed during the initial quotation stage. If you want to change them please let us know in writing immediately and if your request is acceptable to underwriters we will advise you of any additional premium due or any other change in terms and amend your Policy Schedule.

b) Your list of Personal Effects:-

We would advise you not to underestimate the amount of cover requested for personal effects. If you are in any doubt as to the extent of cover you need please ask us for further guidance. We would also remind you that you will only have cover on any single item valued over £200 if you have advised us in writing of each item and its value.

c) Your Trailer, dinghy, liferaft and outboard motor:-

If cover is required on any of the above items, please ensure you advise us of all the relevant details as per the Proposal Form, particularly the value of each item.



YOUR BROKER/AGENT



Groves, John & Westrup

Silkhouse Court, Tithebarn Street, Liverpool L2 2QW  
TELEPHONE: 0151 473 8000 FAX: 0870 051 7968 e.mail insure@gjw ltd.co.uk

Groves, John & Westrup Limited acting on behalf of Watkins Syndicate at Lloyd's  
Authorised and regulated by the Financial Services Authority Firm reference number 310496