



Yacht Policy Wording



AIG PRIVATE CLIENT GROUP

Service

Yacht Policy Wording



Introduction

Thank you for choosing AIG Europe Limited and our Private Client Group for your personal insurance.

Private Client Group is dedicated to providing insurance exclusively for individuals requiring the highest standard of care for their properties and possessions. Our knowledge and experience are complemented by our commitment to exceptional service.

Your Private Client Group client service manager will ensure that you experience excellent personal service and, if you need to make a claim, one of the finest claims services available.

Yacht Policy Wording

This insurance is provided by AIG Europe Limited.

POLICY CONTENTS

Introduction	5	PART IV – Uninsured Boaters Cover	
Index	6	A. Insuring agreement	24
Yacht policy provisions	7	B. Exclusions	24
Fraud preventions and detection	8	PART V – Longshore and Harbor Workers Compensation Act Cover	25
Making a claim	9		
		PART VI – General Exclusions and Conditions	
PART I – Definitions	10	A. General exclusions	26
		B. General conditions	28
PART II – Property Cover		PART VII – Complaints and Compensation	33
A. Insuring agreement	13		
B. Amount of property cover	13		
C. Payment of a loss	13		
D. Additional property cover	15		
E. Loss payee	17		
F. Exclusions	17		
PART III – Protection and Indemnity Cover			
A. Insuring agreement	19		
B. Medical expenses cover	19		
C. Marine environmental damage cover	19		
D. Operating other watercraft	19		
E. Liability to paid crew	20		
F. Additional Protection and Indemnity cover	20		
G. Exclusions	22		

THIS POLICY IS NOT COMPLETE WITHOUT A SCHEDULE

Yacht policy provisions

This insurance is provided by AIG Europe Limited which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN number 202628) and is a member of the Association of British Insurers and whose registered office is:

AIG Europe Limited
The AIG Building
58 Fenchurch Street
London EC3M 4AB
United Kingdom

Your **policy**, your most recent **schedule** and any written endorsements or addenda that accompany it, set out the contract between you and us. They should be read as one document. You agree to pay the premium shown in the **schedule** and comply with your responsibilities described in this **policy**. Cover for each section will only be in operation where indicated on your **policy schedule** and any written endorsements or addenda issued to you by us.

We have relied on the information provided to us by you or on your behalf in connection with our agreement to provide insurance to you and the agreement is based upon that information. For this contract to be valid, all the information given to us by you or on your behalf must be true and complete. If there are any changes in your circumstances and/or the information you have provided is no longer true, valid or up to date you must tell the intermediary who arranged the **policy** for you, or us, as soon as is reasonably possible as this may affect your **policy** and your ability to claim under it.

Various provisions in this **policy** restrict or exclude cover. Read the entire **policy** carefully to determine your rights and duties, and what is and is not covered. We have no duty to provide cover unless there has been full compliance with **policy** PART VI – GENERAL EXCLUSIONS AND CONDITIONS.

How we use personal information

We are committed to protecting the privacy of customers, claimants and other business contacts.

“**Personal Information**” identifies and relates to you, your representatives or other individuals (e.g. your employees and dependants).

By providing Personal Information, you give permission for its use as described below. If you provide Personal Information about another individual, you confirm that you are authorised to provide it for use as described below.

The types of Personal Information we may collect and why - Depending on our relationship with you, Personal Information collected may include: identification and contact information, payment card and bank account, credit reference and scoring information, sensitive information about health or medical condition, and other Personal Information provided by you. Personal Information may be used for the following purposes:

- Insurance administration, e.g. communications, claims processing and payment
- Decision-making on provision of insurance cover and payment plan eligibility
- Assistance and advice on medical and travel matters
- Management and audit of our business operations
- Prevention, detection and investigation of crime, e.g. fraud and money laundering
- Establishment and defence of legal rights
- Legal and regulatory compliance, including compliance with laws outside your country of residence
- Monitoring and recording of telephone calls for quality, training and security purposes
- Marketing, market research and analysis

To opt-out of any marketing communications we may send please contact us by e-mail at: marketing.uk@aig.com or by writing to: **Head of Marketing, AIG Europe Limited, The AIG Building, 58 Fenchurch Street, London EC3M 4 AB, United Kingdom**. If you opt-out we may still send you other important communications, e.g. communications relating to administration of the insurance **policy** or a claim.

Sharing of Personal Information - For the above purposes Personal Information may be shared with our group companies, brokers and other distribution parties, insurers and reinsurers, credit reference agencies, healthcare professionals and other service providers. Personal Information will be shared with other third parties (including government authorities) if required by law. Personal information (including details of injuries) may be recorded on claims registers shared with other insurers. We are required to register all third party claims for compensation relating to **bodily injury** to workers' compensation boards. We may search these registers to detect and prevent fraud or to validate your claims history or that of any other person or property likely to be involved in the **policy** or claim. Personal Information may be shared with prospective purchasers and purchasers, and transferred upon a sale of our company or transfer of business assets.

International transfer - Due to the global nature of our business Personal Information may be transferred to parties located in other countries, including the United States and other countries with different data protection laws than in your country of residence.

Security and retention of Personal Information - Appropriate legal and security measures are used to protect Personal Information. Our service providers are also selected carefully and required to use appropriate protective measures. Personal information will be retained for the period necessary to fulfil the purposes described above.

Requests or questions - To request access or correct inaccurate Personal Information, or to request the deletion or suppression of Personal Information, or object to its use, please e-mail: DataProtectionOfficer@aig.com or write to Data Protection Officer, Legal Department, AIG Europe Limited, The AIG Building, 58 Fenchurch Street, London EC3M 4AB. More details about our use of Personal Information can be found in our full Privacy **Policy** at http://www.aig.co.uk/_2538_371879.html or you may request a copy using the contact details above.

Fraud prevention and detection

In order to prevent and detect fraud we may at any time:

- a. share information about you with other organisations and public bodies including the police;
- b. check and/or file your details with fraud prevention agencies and databases, and if you give us false or inaccurate information and we suspect fraud, we will record this. We and other organisations may also search these agencies and databases to:
 - i. help make decisions about the provision and administration of insurance, credit and related services for you and members of your household;
 - ii. trace debtors or beneficiaries, recover debt, prevent fraud and to manage your accounts or insurance policies;
 - iii. check your identity to prevent money laundering, unless you furnish us with other satisfactory proof of identity;
- c. undertake credit searches and additional fraud searches.

We can supply on request further details of the databases we access or contribute to.

AIG Europe Limited is a member of the Insurance Fraud Bureau (IFB) www.insurancefraudbureau.org, a not for profit organisation funded by the insurance industry, specifically focussed on detecting and preventing organised and cross industry insurance fraud. The IFB also maintains a Cheatline, where anyone can call 0800 328 2550 in confidence and anonymously if necessary, to report insurance fraud.

Making a claim

Private Client Group is committed to providing the finest claims service in the industry. When a loss occurs, we aim to respond immediately with practical advice and assistance.

If you need to notify us of a potential claim under any section of your **policy** one of our dedicated claim specialists will be able to advise on **policy** cover and agree with you on how best to resolve the situation quickly and to your satisfaction. Our telephones are manned 24 hours a day, 7 days a week.

We must be notified as soon as it is reasonably practical after an event which may give rise to a claim. Late notification of a claim may affect our acceptance of it if it is made so long after the event that we are unable to investigate it fully or may result in the **insured person** not receiving the full amount claimed if the sum claimed is increased as a result of the delay. Please refer to 'Your duties after an **occurrence**' in PART VI – GENERAL EXCLUSIONS AND CONDITIONS.

You will need to provide your name and your **policy** number at the time of reporting a potential claim.

Calls may be monitored or recorded to improve our service and for security or regulatory purposes.

To make a claim under this **policy** please contact your insurance broker or agent.

Alternatively you can contact us directly as follows:

Telephone +44 (0)207 702 3233

Email pcgclaims@aig.com

In writing:

Private Client Group Claims

AIG Europe Limited

The AIG Building

58 Fenchurch Street

London EC3M 4AB

United Kingdom

PART I – DEFINITIONS

Words with special meanings are defined here or in the part of the **policy** where they are used. Throughout the **policy**, defined terms will be noted in bold print when used with the intent to have special meaning, whether those terms are used in the singular, plural or possessive.

Headings (including headings that are underlined and/or in bold) are included for ease of reference and convenience only and shall not affect the interpretation of the **policy**.

In this **policy**, the words '**you**', '**your**', and '**yours**' refer to the person or any legal entity (including any individuals, shareholders, partners, members or beneficiaries of that legal entity) named in the **schedule** as the named insured who are the owners of the **yacht**. The words '**we**', '**us**' and '**our**' mean AIG Europe Limited.

Actual cash value means the value of an item of property determined by taking its replacement value and with allowance for depreciation at the time and place of **physical loss or damage**. Where **your** insured item has no comparable of equivalent functionality and value with which it could be readily compared or replaced at the time of the assessment of **actual cash value**, due to that insured item having become obsolete or only available with enhancements that were not present on the insured item, this shall be taken into account by **us** when calculating the **actual cash value**.

Bodily injury means identifiable bodily harm or injury to persons, including sickness or disease, resulting from physical injury or death

Captain means any person employed by **you** or on **your** behalf as a paid **crew member** to be in charge of the shipboard management and navigation of **your yacht**.

Collectibles means private collections of rare, unique or novel items of personal interest (for example, dolls, toy soldiers, model ships), including memorabilia.

Contents means any items not used in the operation of **your yacht** but kept and used exclusively on board, including **your** fishing gear, sports equipment, clothing, china, glassware, loose furniture, and computer hardware.

Contents does not include property of guests or **crew members**, **fine arts**, jewellery, money, cheques or credit, debit, or other bankcards, or any shares, bonds, notes, mortgages, or any intangible property.

Crew member means any person employed by **you** or on **your** behalf as a paid **captain** or paid **crew member** signed on to work aboard and in service of **your yacht** as evidenced by **your yacht's** logbook or **your yacht's** pay records, up to the maximum number of **crew members** agreed by **us** and shown in the **schedule**.

Crew member does not include an individual employed solely for the purpose of doing maintenance, service, repair or inspection of other work aboard **your yacht** while it is at anchor, moored, tied up at a dock or in a repair facility or during navigational tests or sea trials.

Damages means the sum of money required to satisfy a claim for compensatory **damages** by a third party against an **insured person**, whether settled and agreed to in writing by **us** or resolved by arbitration or other judicial proceedings.

Deductible means the amounts **you** will pay in respect of each **occurrence** and / or instance of **physical loss or damage**, and for which there will be no payment under this **policy**. The **deductible** applicable to each **occurrence** will vary depending on the part of the **policy** which applies to **your** claim made for that **occurrence**. The **deductible** applicable to each part of this **policy** is stated in the **schedule**, in the event more than one part of this **policy** applies to **your** claim, then the applicable **deductible** of each part shall apply to the respective claim under each part.

Dental injury means identifiable physical injury to **your** teeth which is caused directly and solely by an accident, which is not intentionally self-inflicted and does not result from sickness or disease.

Family member means any member of **your** immediate family who resides with **you** on a permanent basis but, for the avoidance of doubt, this excludes any person or persons employed to provide childcare, domestic or maintenance services.

PART I – DEFINITIONS continued

Fine arts means paintings, etchings, statuary, antiques, **collectibles**, and other bona fide works of art with historical value or artistic merit while on board **your yacht**, and loading aboard and unloading from **your yacht** while **your yacht** is at a dock or mooring.

Jewellery, watches and furs are not included within the meaning of **fine arts**.

Hot work means any operation that results in the release of sufficient heat, energy, hot particles or flames to ignite flammable material or vapours in and/or near the area of work including, but not limited to, welding, cutting, brazing, arcing, grinding, or which includes the use of hot rivets or other similar work.

Insured person means **you** or a **family member**; an additional insured named in the **schedule**; and any person, including a **crew member**, operating **your yacht** with **your** permission or that of a **family member**, but only with respect to their legal liability arising out of its use. This does not include any person, company or other legal entity, or any of their agents or employees, operating a shipyard, boat repair yard, marina, **yacht** club, brokerage, sales agency, boat fueling facility or similar organisation.

Marine environmental damage means the physical injury to or alteration or destruction of coastal or marine habitat through physical contact with **your yacht**.

Market value means the amount for which an article could reasonably be expected to be replaced immediately prior to the time of loss with one substantially identical to the article lost or damaged.

Medical expense means the costs incurred for medical, surgical or other remedial attention or treatment given or prescribed by a **medical practitioner** and hospital, nursing home or ambulance charges. Dental charges are covered if they are incurred as a result of a **dental injury**.

Medical practitioner means any suitably qualified **medical practitioner** other than:

- a) a **crew member**;
- b) a person related to **you** or an **insured person**;
- c) an employee of **yours**; or
- d) **you** or an **insured person**.

Navigational limits means the geographical territory described in the **schedule** in which **your yacht** must be located at the time of any **occurrence** in order for this insurance to apply. A single temporary excursion out of the **navigational limits** specified in the **schedule** solely to avoid a bad weather system and/or ensure the safety of **your yacht** will not be considered by **us** to be a breach of the **navigational limits**.

Occurrence means a loss or an accident to which this insurance applies which happens within the **policy period**. Continuous or repeated exposure to the same sudden and unexpected event or accident, unless excluded, is considered to be one **occurrence**.

Personal effects means any items normally worn or carried about the person; including items of **your** guests or **crew members** while aboard **your yacht**. It does not include money, jewellery, watches, **fine art**, cheques or credit, debit or other bankcards or any intangible property.

Personal watercraft means any vessel less than 13 feet in length propelled by an inboard motor powering a water jet pump designed to be operated by a person or persons sitting, standing or kneeling on the vessel rather than within the confines of a hull.

Physical loss or damage means loss of, or actual physical harm to or destruction of, tangible property insured under this **policy**.

Policy means **your** AIG Private Client Group **yacht policy** wording and the most recent **schedule** and any written endorsements or addenda issued to **you** by **us**.

PART I – DEFINITIONS continued

Policy period means the period commencing on the effective date shown in the **schedule**. This period ends on the earlier of the expiry date shown in the **schedule** or the effective date of cancellation of this **policy**. All **physical loss or damage, property damage, bodily injury** and all **occurrences** giving rise to any claim under this **policy** must occur during the **policy period**. If anyone becomes an **insured person** under this **policy** after the effective date, then in respect of that **insured person**, the **policy period** begins as of the date such person becomes an **insured person** and ends on the earlier of the expiry date or the effective date of cancellation of this **policy** or when such **insured person** no longer meets the definition of an **insured person**.

Property damage means actual physical harm to or destruction of tangible property of persons other than an **insured person** and the resulting loss of its use.

Reasonable costs means the costs which would be paid by a prudent **uninsured person** or entity. It does not include any additional costs incurred in order to have repairs or any other work performed on an accelerated basis.

Schedule means the document stating details of the cover **you** have bought which forms part of this **policy**.

Subrogation means **our** rights of recovery following **our** payment under this **policy** as further described in PART VI – GENERAL EXCLUSIONS AND CONDITIONS, B. General conditions, 11. **Subrogation**.

Tender means a vessel that is carried on board and used in conjunction with **your yacht**.

Yacht means the hull, machinery, fixtures and fittings, its **contents**, and all other items used in the operation or navigation of the vessel, or vessels listed in the **schedule**, including **the yacht's** designated **tenders** and **personal watercraft**.

PART II – PROPERTY COVER

A. Insuring agreement

This **policy** covers **you** against all risks of **physical loss or damage** to **your yacht** and to its **contents, fine arts** and **personal effects** while on board **your yacht**.

This cover is subject to the **navigational limits** and all **policy** terms, conditions and exclusions.

B. Amount of property cover

The limit of cover for each **yacht** is the agreed value shown in the **schedule**. The limit of cover for **fine arts** and **personal effects** is shown in the **schedule**.

C. Payment

Subject to the limits, terms, conditions and exclusions of the **policy**, **we** will pay as follows:

1. Total loss or constructive total loss of **your yacht**

We will pay the applicable property cover limit for **your yacht** shown in **the schedule** if:

- a. **your yacht** is stolen, lost or destroyed and not recovered within 60 days of written notification to **us** of this; or
- b. the estimated cost of recovery and repair of **your yacht** is more than the property cover limit, hereafter referred to as a constructive total loss

We will not pay for any **physical loss or damage** which is still unrepaired when and if **your yacht** is subsequently lost, destroyed, stolen and not recovered, or the **physical loss or damage** is such that **your yacht** is declared a constructive total loss, whether or not such unrepaired damage is due to a loss covered under this insurance.

2. Partial damage to **your yacht**

If **your yacht** is partially damaged, **we** will pay the **reasonable costs** of repair with materials of like kind and quality to materials originally used without deduction for depreciation up to the applicable property cover limit for **your yacht** shown in the **schedule**. **We** will not pay for any improvement or betterment to **your yacht**.

We will pay no more than the **actual cash value** at the time and place of loss for sails, outboard motors and protective covers which are 3 years old or more.

3. Government action

We cover direct **physical loss or damage** to **your yacht** caused by the actions of any government authority in an attempt to mitigate or prevent an actual or potential pollution hazard or otherwise acting within their authority for the public good resulting in **physical loss or damage** to **your yacht** which is covered under this **policy**.

There is no **deductible** for this cover.

4. Temporary removal and storage

Your yacht's masts, spars, sails, equipment, **tenders, personal watercraft**, outboard motors and **contents** are insured against **physical loss or damage** while in temporary storage on land, including while in transit to or from **your yacht**.

We provide cover for the loss of the above items by theft. Such cover will only apply, however, if there are visible signs of forced entry to or exit from the locked premises and/or locked vehicles and/or a locked **yacht** from which the items are stolen and/or visible signs of tampering or destruction of an anti-theft device which was fit for its purpose.

5. Overland transportation

We cover **physical loss or damage** to **your yacht** incurred during overland transport on **your** trailer within the European Union, including loading and unloading, provided that the trailer and towing vehicle have sufficient towing capacity for **your yacht** as rated by their manufacturers, the tow complies with all applicable legal requirements and it is legal to tow such a load on a road or carriageway where the public has a right of way.

PART II – PROPERTY COVER continued

We cover **physical loss or damage** to **your yacht** incurred during overland transport by professional hauliers within the European Union, including loading and unloading, provided that it has been approved by **us** in writing in advance.

We also cover incidental movement of **your yacht** in connection with hauling, drydocking, maintenance or repair at a marina or shipyard where movements do not exceed a distance of 10 miles overland provided that there has been compliance with the condition precedents set out below in Routine Maintenance/Annual Refit below.

6. Routine maintenance/annual refit

This insurance will remain in force during routine maintenance and annual refit to **your yacht** subject to the following conditions:

- a. if **your yacht** is under major repair/alteration which includes **hot work** or the yard has requested from **you** or **your captain** and/or **your** legal representative(s) signature of any form or document that waives or limits **our** rights of **subrogation** in any manner whatsoever, then **our** prior written agreement must be obtained on terms and conditions to be agreed by **us**; and
- b. **you** or **your captain** and/or **your** legal representative(s) must, in advance of **your yacht** undergoing the major repair / alteration which includes **hot work**, provide **us** with a copy of the shipyard's Ship Repairers Legal Liability insurance documentation and full details of the work that is to be carried out and **our** prior written agreement must be obtained to proceed.

Important Note: The above conditions must be strictly complied with in order that **we** will be liable to pay a claim under this section of PART II - PROPERTY COVER.

7. Physical loss or damage to contents of your yacht

In respect of the **contents** of **your yacht**, **we** will pay whichever is less:

- a. the **reasonable costs** to replace the lost or damaged **contents** without deduction for depreciation; or
- b. the **reasonable costs** to restore or repair the damaged **contents** to their condition immediately before the **physical loss or damage**.

Unless otherwise stated in the **policy**, the maximum limit for any one unspecified item of china, crystal glassware and/or silver is EUR1,000. The maximum total limit for provisions, stores and consumables is EUR10,000 in respect of any one **occurrence**.

8. Fine arts

The limit for **your fine arts** for each covered **yacht** is listed in the **schedule**. The amount **we** will pay will depend on whether the item is specified in the **schedule**, or unspecified.

a. Specified items

Total loss – for an item listed in the **schedule** of **fine arts**, **we** shall pay the total value specified for that item if it is lost or damaged beyond repair.

Partial loss – if only part of the specified item is lost or damaged, **we** shall pay either the cost to restore the item to its condition immediately before the loss, or the difference between its **market value** before and after the loss. If after restoration the **market value** of the item is less than its **market value** immediately before the loss, **we** shall also pay the difference. In no event, however, shall the total of all payments exceed the amount of cover shown in the **schedule** of **fine arts** for that item.

b. Unspecified items

We will pay the lesser of EUR5,000, or the amount required to restore the unspecified item, or the **market value** of the unspecified item immediately prior to the loss. If the **market value** after restoration is less than the **market value** immediately prior to the loss, **we** shall pay the difference up to EUR5,000, but in no event shall the total amount **we** pay for restoration and loss of **market value** exceed EUR5,000 for any one unspecified item.

- c. In respect of pairs or sets of items, **you** may elect to:
- i. have repaired or replace any part to restore the pair or set to its **market value** before the loss;
 - ii. be paid the difference between **market value** of the pair or set before and after the loss; or
 - iii. be paid the specified amount of cover shown in the **schedule of fine arts** for the pair or set, or the **market value** of the entire pair or set immediately before the covered loss if unspecified when **you** surrender to **us** the pair or set.

In no event shall the total of all payments exceed the amount of cover shown in the **schedule of fine arts** for that pair or set where specified, or EUR5,000 in respect of any one unspecified pair or set.

Cover for theft of **fine arts** however will only be available if there are visible signs of forced entry to or exit from **your yacht** from which the covered items are stolen.

9. Personal effects

Personal effects cover shall apply to **your personal effects** and those of **your** guests and **crew members** while those **personal effects** are aboard **your yacht**.

We will pay, without deduction for depreciation and up to the **personal effects** cover limit, the lesser of the following:

- a. the cost of replacing lost or damaged **personal effects**; or
- b. the cost of restoring or repairing damaged **personal effects** to their condition immediately before the **physical loss or damage**.

Unless otherwise agreed in the **policy**, the maximum limit for any one unspecified item under **personal effects** is EUR5,000.

Cover for theft of **personal effects** however will only be available if there are visible signs of forced entry to or exit from **your yacht** from which the covered items are stolen.

10. Deductibles

The **deductibles** shown in the **schedule** are the amounts **you** will pay in respect of each **occurrence** and/or instance of **physical loss or damage**, and for which there will be no payment under this **policy**.

Unless otherwise agreed in the **policy**, the **deductibles** shown in the **schedule** will not apply in the event of a total loss of **your yacht**, or a constructive total loss of **your yacht**

In the event of partial **physical loss or damage** to **your yacht** caused solely by the fault or neglect of another vessel not insured under this **policy**, there shall be no **deductible** applied to such loss.

When one **occurrence** or instance of **physical loss or damage** gives rise to claims under hull and machinery, **contents**, unspecified **fine arts** and/or **personal effects** cover, the claims under those covers shall be subject to the highest **deductible** applicable.

D. Additional property cover

Unless otherwise agreed in the **policy**, the following additional property cover is provided in addition to the limit for property cover shown in the **schedule**. This additional cover is subject to all **policy** terms, conditions and exclusions.

1. Safeguarding damaged property

Every **insured person** must take all lawful, reasonable measures, including making temporary repairs, to protect covered property from further damage and mitigate any loss payable under this **policy**.

We will pay for the **reasonable costs** of salvage and towage services and other related **reasonable costs** necessarily incurred by an **insured person** to protect or recover **your yacht** from further loss or damage up to the amount of the limit of cover shown in the **schedule**.

We will also pay the **reasonable costs** of salvage and towage services provided under a contract fixing a price for such services and other related **reasonable costs** necessarily incurred by an **insured person** to avoid or minimise a loss that would be covered under this **policy**.

Unless otherwise agreed in the **policy**, there is no **deductible** for this cover.

PART II – PROPERTY COVER continued

2. Precautionary measures

We will pay up to the precautionary measures cover limit set out in the **schedule** for **reasonable costs** incurred by an **insured person** to move **your yacht** to a place of safety from harm's way while **your yacht** is under threat of windstorm, tidal surge or wave, or fire at **your yacht's** berth, mooring or place of storage.

Unless otherwise agreed in the **policy**, there is no **deductible** for this cover.

3. Additional living expenses

We will pay up to the additional living expenses cover limit set out in the **schedule** for any reasonable additional living expenses ashore **you** may incur in the course of minimising and preventing further loss or damage to **your yacht** which would otherwise be covered under this **policy**.

Unless otherwise agreed in the **policy**, there is no **deductible** for this cover.

4. Loss of charter hire

If **we** have approved charter use for **your yacht** in the **policy** and **your yacht** is prevented from undertaking a charter or part thereof under a pre-existing and binding written charter agreement solely and directly as a result of damage sustained to the **yacht** which is covered under this PART II – PROPERTY COVER, then **we** will pay up to the loss of charter hire cover limit specified in the **schedule** for each such covered **occurrence** and in the aggregate in any one **policy period**. **We** cover the loss of charter hire by applying the total charter fee as specified in the applicable written charter agreement(s) to the number of lost charter days up to a maximum of 60 days for each such covered **occurrence**.

Unless otherwise agreed in the **policy**, there is no **deductible** for this cover.

5. Inspections

We will pay the **reasonable costs** of inspecting **your yacht** for **physical loss or damage** after grounding.

Unless otherwise agreed in the **policy**, there is no **deductible** for this cover.

6. Emergency expenses

We will pay for reasonable and necessary emergency expenses, in the absence of **physical loss or damage** to **your yacht** if **your yacht** is disabled for any reason other than a covered **occurrence**, including:

- a. commercial towing fees to the nearest place where necessary repairs can be carried out;
- b. delivery costs of fuel and other essential supplies; and
- c. the cost of emergency parts and labour done aboard **your yacht** at the location of breakdown.

The most **we** will pay for each **occurrence** is the cover limit for emergency expenses cover shown in the **schedule**.

Unless otherwise agreed in the **policy**, there is no **deductible** for this cover.

7. Firearms

We will pay up to the limit of cover set out in the **schedule** for each **occurrence** for the theft of firearms owned by an **insured person** from a locked gun compartment on board **your yacht**.

Cover for theft however will only be available if there are visible signs of forced entry to the locked gun compartment and/or safe onboard **your yacht**.

Unless otherwise agreed in the **policy**, there is no **deductible** for this cover.

8. Mopeds and motorbikes

We will cover **your** mopeds and motorbikes against **physical loss or damage** while on board **your yacht** and locked, including while being loaded or unloaded, or while parked and locked alongside **your yacht**.

The limit of cover for **physical loss or damage** to mopeds and motorbikes is set out in the **schedule**.

Unless otherwise agreed in the **policy**, there is no **deductible** for this cover.

PART II – PROPERTY COVER continued

9. Trailers

We will cover **physical loss or damage** to **your** trailer used with **your yacht**. **We** will pay the **reasonable cost** of repairing or replacing **your** trailer, whichever is the lesser, up to a maximum of the trailer cover limit set out in the **schedule**.

Unless otherwise agreed in the **policy**, this cover is subject to a EUR250 **deductible**.

10. Newly acquired yachts

We will cover any **yacht** used solely for private pleasure purposes with a maximum designed speed of up to 50 knots that **you** acquire by purchase during the **policy period**. Cover for **your** newly acquired **yacht** is for up to the purchase price, but shall not exceed the limit shown in the **schedule**. This cover is for a period of 30 days, from the date of purchase, subject to all limits, terms, conditions and exclusions of this **policy**. However, **you** must notify **us** within 30 days of the date of purchase of the newly acquired **yacht** and **you** must pay the premium **we** determine from the date of purchase.

The **deductible** for property cover for the newly acquired **yacht** is shown in the **schedule**.

11. Temporary substitute yacht

If **your yacht** is out of commission due solely to an **occurrence** giving rise to a loss covered under this **policy** and cannot be repaired and made available for **your** private pleasure use for at least 10 days from the date of the **occurrence**, **we** will pay up to the limit set out in the **schedule** to charter a temporary substitute **yacht** for up to a maximum of 7 days. Unless otherwise agreed in the **policy**, the maximum limit of cover per day is EUR1,500. The temporary substitute **yacht** must be of similar configuration and length as **your yacht** and of equal or lesser value.

We will not provide this cover when **your** temporary substitute **yacht** is for any purpose other than **your** private pleasure use.

Unless otherwise agreed in the **policy**, there is no **deductible** for this cover.

E. Loss payee

If a loss payee is named in this **policy**, part of any claim payable under the **policy** will be paid to the loss payee and the remaining part to **you** as provided for in the **policy**. If more than one loss payee is named, the order of payment will be the same as the order of precedence of the loss payees.

F. Exclusions

There shall be no insurance under PART II – PROPERTY COVER where any claim or loss results directly or indirectly, in whole or in part from, or relates to:

1. Osmosis, corrosion, deterioration

Osmosis, blistering, fibreglass or surface coat blistering, electrolysis, delamination, rust, corrosion or oxidation, marine life, marine borers, moth or vermin, rot, fungus, mould or infestation, warping or shrinkage, change of temperature or humidity, deterioration, lack of maintenance, wear and tear, inherent vice.

In respect of **fine arts**, in addition to the above exclusions, **we** do not cover fading, thinning, colour transfer, creasing, denting, scratching, tearing, gradual deterioration, latent defect, mechanical or electrical breakdown, smog, birds, rodents, insects, or use other than as a collectible.

2. Cash, cheques

Cash, cheques, money orders, bank drafts, travel tickets, traveller's cheques, postage stamps, **schedules**, bonds, negotiable instruments, or any intangible property.

3. Computer software

Computer software, programs or data.

4. Loss of use, loss of profits

Any loss of use, loss of profits or loss of **market value** or any other loss or damage caused by or resulting from a loss stated to be covered in this **policy**, except as, specifically and expressly provided for in PART II – PROPERTY COVER.

PART II – PROPERTY COVER continued

5. Transit

Any item in transit aboard **your yacht** or being delivered to or from **your yacht** which is not suitably packed, stowed and secured taking into account its value and the method of transportation.

6. Cargo vessel transit

The loading, unloading or transportation of **your yacht** aboard a cargo vessel or any other form of commercial marine carrier, unless approved by **us** in writing in advance.

7. Overland transportation

Cover will not extend to any **physical loss or damage** to **your yacht** incurred during overland transport, including loading and unloading, due to scratching, marring and/or denting.

PART III – PROTECTION AND INDEMNITY COVER

A. Insuring agreement

We will pay **damages** that an **insured person** is legally obligated to pay for **bodily injury** or **property damage** arising from the ownership, operation, maintenance or use of **your yacht**, and caused by an **occurrence** covered under this **policy** within the **navigational limits**. This cover is subject to other applicable **policy** terms, conditions and exclusions.

The most **we** will pay for all claims for **bodily injury** and **property damage** as a result of any one **occurrence** is the Protection and Indemnity cover limit shown in the **schedule to this policy**. This insurance applies separately to each **insured person** against whom a claim is made or a suit is brought, but **we** will not pay more than the limit shown in the **schedule** for any single **occurrence** regardless of the number of **insured persons, yachts** insured, claims made or persons injured under this **policy**.

Unless otherwise agreed in this **policy**, there is no **deductible** for any cover provided under PART III – PROTECTION AND INDEMNITY COVER.

B. Medical expenses cover

We will pay necessary **medical expenses** for treatment of **bodily injury** caused by an **occurrence** while any person is boarding, on board, or leaving **your yacht** up to the **medical expenses** cover limit shown in the **schedule**, provided the **medical expenses** are incurred within 36 months after the date of the **occurrence**.

In order to obtain payment of a **medical expense** under this **policy**, any person making a claim must support that claim by:

- a. submitting to medical examinations as **we** may require at the time and place **we** designate and by physicians of **our** selection. These medical examinations will be conducted at **our** expense;
- b. producing records to verify the claim and its amount;
- c. permitting copies of records (including x-rays, results of diagnostic tests, operative procedures and the like) to be made and provided to **us**, including the execution of any written authorisation as may be required by law to obtain such records, and
- d. submitting such examinations under oath as **we** may require at the time and place **we** designate. These examinations under oath will be conducted at **our** expense.

If at the time of an **occurrence**, there is any other applicable insurance, other than PART III – B. **Medical expenses** cover, any **medical expense** cover provided by this **policy** will be in excess of any other valid and collectible insurance.

C. Marine environmental damage cover

We cover **damages** that an **insured person** is legally obligated to pay for **marine environmental damage** caused by an **occurrence** arising from the ownership, operation, maintenance or use of **your yacht**. This cover shall not act to increase the limit shown in the **schedule** for Protection and Indemnity cover for any one **occurrence**.

We also provide, up to the government fines/penalties cover limit set out in the **schedule**, for payment of any government fine or penalty incurred by **you** for any one **occurrence** resulting in **marine environmental damage** to the extent permissible by law.

D. Operating other watercraft

We cover **damages** for **bodily injury** and/or **property damage**, caused by an **occurrence**, that **you** are legally obligated to pay resulting from **your** operation or use of another **yacht** with a maximum designed speed of up to 50 knots which is neither owned nor chartered by **you** or a **family member**. This cover is subject to the limit for Protection and Indemnity cover shown in the **schedule**.

E. Liability to paid crew

We will pay **damages** (including, if applicable, maintenance and cure, repatriation and other related expenses) for which **you** and/or any **insured person** are legally liable to pay a **crew member** under the Federal Jones Act, 46, U.S.C. Section 30104, as amended, or the General Maritime Law of the United States or other similar law of any nation (but excluding any liability under the UK's Employer's Liability (Compulsory Insurance) Act 1969 and any relevant regulations made relating thereto) in respect of **your** legal liability to any **crew member** which occurs while the **crew member** is in the service of **your yacht**.

There shall be no more than the number of **crew members** shown in the **schedule** in the service of **your yacht** at any one time during the **policy period**. If additional **crew members** are employed in the service of **your yacht** at any time during the **policy period**, **you** are required to give notice to **us** prior to any employment of such additional **crew members** and pay any additional premium **we** may require. If **you** fail to give such prior notice to **us** and there is a greater number of **crew members** in the service of **your yacht** than is shown in the **schedule**, then **we** will only provide cover in the proportion that the number of **crew members** shown in the **schedule** bears to the actual number of **crew members** in the service of **your yacht** at the time of any **occurrence** giving rise to a claim.

If there is no declaration of 'maximum number of crew in service of **your yacht**' on **your schedule**, then there will be no cover whatsoever for **damages** for which **you** and/or any **insured person** are legally liable to pay under the Federal Jones Act, 46, U.S.C. Section 30104, as amended, or the General Maritime Law of the United States or other similar law of any nation.

This cover is included within the limit for Protection and Indemnity cover.

Any claim made under this PART III – PROTECTION AND INDEMNITY COVER, E. Liability to paid crew will automatically exclude any further or additional claim under PART III – PROTECTION AND INDEMNITY COVER, F. Additional Protection and Indemnity cover, 1. Employer's liability. Furthermore, for the avoidance of doubt, any claim under PART III – PROTECTION AND INDEMNITY COVER, F. Additional Protection and Indemnity cover, 1. Employer's liability is expressly excluded under this PART III – PROTECTION AND INDEMNITY COVER, E. Liability to paid crew.

F. Additional Protection and Indemnity cover

This cover is provided in addition to the Protection and Indemnity cover limit shown in the **schedule**. The **deductibles** listed in the **schedule** apply to these covers.

1. Employer's liability

We will provide cover in accordance with the UK Employers' Liability (Compulsory Insurance) Act 1969 and any relevant regulations made thereunder, up to the employers' liability cover limit set out in the **schedule**, in respect of **your** legal liability for injury or disease to any **crew member** while that **crew member** is in the employment of **your yacht**.

If any of the exclusions or conditions of this **policy** in PART III – PROTECTION AND INDEMNITY COVER (F. Additional Protection and Indemnity cover under 1. Employer's liability) is not allowed due to the UK Employers' Liability (Compulsory) Insurance Act 1969 or other related regulations under UK Employment Legislation, the requirements of the UK Employment Legislation as to **policy** conditions and exclusions shall prevail in **your** favour.

There shall be no more than the number of **crew members** shown in the **schedule** in the service of **your yacht** at any one time during the **policy period**. If additional **crew members** are employed in the service of **your yacht** at any time during the **policy period**, **you** are required to give prior notice to **us** and pay any additional premium **we** may require. If **you** fail to give such prior notice to **us** and there is a greater number of **crew members** in the service of **your yacht** than is shown in the **schedule**, then **we** will only provide cover to any **insured person** in the proportion that the number of **crew members** shown in the **schedule** bears to the actual number of **crew members** in the service of **your yacht** at the time of any **occurrence** giving rise to a claim.

PART III – PROTECTION AND INDEMNITY COVER continued

If there is no declaration of ‘maximum number of crew in service of **your yacht**’ on **your schedule**, then there will be no cover whatsoever in respect of **your** legal liability for injury or disease to any **crew member** in accordance with UK Employers’ Liability (Compulsory Insurance) Act 1969 and any relevant regulations made thereunder.

Any claim made under this PART III – PROTECTION AND INDEMNITY COVER, F. Additional Protection and Indemnity cover, 1. Employer’s liability will automatically exclude any further or additional claim under PART III – PROTECTION AND INDEMNITY COVER, E. Liability to paid crew. Furthermore, for the avoidance of doubt, any claim under PART III – PROTECTION AND INDEMNITY COVER, E. Liability to paid crew is expressly excluded under this PART III – PROTECTION AND INDEMNITY COVER, F. Additional Protection and Indemnity cover, 1. Employer’s liability.

2. Newly acquired **yachts**

We will pay **damages** an **insured person** is legally obligated to pay for **bodily injury** and/or **property damage** caused by an **occurrence** arising from the ownership, operation, maintenance or use of any **yacht** with a maximum designed speed of up to 50 knots per hour which **you** acquire by purchase and use solely for private pleasure purposes during the **policy period**. This additional cover is in effect for a period of 30 days from the date of purchase and subject to the limit of cover shown in the **schedule** for Protection and Indemnity cover for newly acquired **yachts**. **You** must notify **us** within 30 days of the date of purchase of the newly acquired **yacht** and **you** must pay the premium that **we** determine from the date of purchase.

3. Temporary substitute **yachts**

If **your yacht** is out of commission due solely to a covered **occurrence** and cannot be repaired and made available for **your** private pleasure use for at least 10 days from the date of the **occurrence**, **we** will cover **damages** an **insured person** is legally obligated to pay for **bodily injury** and/or **property damage** caused by an **occurrence** arising from the maintenance, operation or use of a temporary substitute **yacht** while **your yacht** is being repaired for a period of up to 7 days thereafter. This cover is subject to the limit shown in the **schedule** for Protection and Indemnity cover.

4. Wreck removal

If **you** are legally required to raise, remove, or destroy the wreck of **your yacht**, **we** will pay all **reasonable costs you** incur to raise, remove or destroy the wreck up to the Protection and Indemnity cover limit set out in the **schedule**.

5. Search and rescue

If an **insured person** is lost overboard from **your yacht**, **we** will pay up to the search and rescue cover limit set out in the **schedule** for expenses for search and rescue **you** incur to recover such an **insured person**.

6. Defence cover

In addition to the cover limit shown in the **schedule** for Protection and Indemnity cover, **we** will pay the legal costs to defend an **insured person**, with **our** prior written consent, against any civil action for **bodily injury** or **property damage** caused by an **occurrence** arising from the ownership, operation, maintenance or use of **your yacht**, even if the action is false, fraudulent or groundless.

We will also pay:

- a. all court costs and expenses on judgments assessed against an **insured person**;
- b. **reasonable costs** incurred by an **insured person** at **our** request up to a total of EUR10,000 for assisting **us** in the investigation or defence of a claim or action;
- c. interest on the entire judgment which accrues after entry of the judgment;

PART III – PROTECTION AND INDEMNITY COVER continued

- d. any amount **we** consider should be tendered as settlement or as a payment into court which does not exceed the amount of cover;
- e. all prejudgment interest awarded against an **insured person** on the part of the judgment **we** pay or offer to pay.

We may investigate and settle any claim or action at **our** sole discretion.

We reserve the right to appoint lawyers who shall represent an **insured person** in the defence of a claim that is covered by this PART III – PROTECTION AND INDEMNITY COVER, PART IV – UNINSURED BOATERS COVER and PART V – LONGSHORE AND HARBOR WORKERS COMPENSATION ACT COVER.

However, in jurisdictions where **we** are ourselves prevented from defending an **insured person** in respect of a covered claim for a covered loss because of laws or other reasons, **we** will pay any expenses incurred with **our** prior written consent for an **insured person's** defence.

Our duty to defend any claim or action arising out of a single **occurrence** ends when the amount **we** have paid in **damages** for that **occurrence** equals the Protection and Indemnity cover limit shown in the **schedule**.

G. Exclusions

Should any of the following Exclusions not be permissible pursuant to the UK Employers' Liability (Compulsory) Insurance Act 1969 and relevant regulations (the UK Employment Legislation) the requirements of the UK Employment Legislation as to **policy** conditions and exclusions shall prevail in **your** favour.

The following exclusions apply to PART III – PROTECTION AND INDEMNITY COVER. There shall be no insurance under PART III – PROTECTION AND INDEMNITY COVER for any loss, damage, liability, claim, cost of defence or expense attributable to or resulting directly or indirectly, in whole or in part from:

1. Property owned, or in care, custody or control

Property damage to property owned by, or in the care, custody or control of, an **insured person** or a **family member**. This exclusion does not apply to **property damage** to property rented by or leased to an **insured person** or **family member** for their use.

2. Intentional acts or omissions

Any dishonest, criminal, wilful, intentional or malicious act or omission by any **insured person**. **We** also do not cover any loss, **damage**, claim, cost of defence or expense resulting directly or indirectly, in whole or in part from acts or omissions of any person which are intended to result in, or would be expected by a reasonable person to cause **bodily injury** or **property damage**. This exclusion applies even if the **bodily injury** or **property damage** is of a different kind or degree, or sustained by a different person than expected or intended. However, **we** do provide cover for any **insured person** who does not personally direct or participate in such acts or omissions which cause the **bodily injury** or **property damage**.

3. **Medical expenses**

We do not cover any **medical expenses** under B. **Medical expenses** cover arising out of:

- a. **bodily injury** to any person who is eligible for benefits under any workmen's compensation, Longshore and Harbor Workers Compensation Law, employer's liability acts and any other statutory or common law liability in respect of accidents or illness of any workmen, **crew member** or any other employee of **yours** or anyone who is working on or on board **your yacht**;
- b. responsibility assumed by **you** or any **insured person** under any contract or agreement;
- c. persons sustaining **bodily injury** while **your yacht** is being transported over land, sea or air;
- d. **bodily injury** to a trespasser on **your yacht**;
- e. **bodily injury** that occurs in connection with parasailing, kiteskiing, or similar activity;

PART III – PROTECTION AND INDEMNITY COVER continued

- f. rest cures, treatment for abuse of or addiction to drugs or alcohol, in-patient psychiatric care or periods of quarantine or isolation;
- g. cosmetic or plastic surgery, and any optical treatments or care except as required treatment for a **bodily injury**; or
- h. dental or optical treatment or care except as required treatment for a **bodily injury**.

4. Employee benefits

Any act, error or omission in respect of the provision of employee benefits of any kind by **you**.

5. Contractual liability

Any liability assumed by an **insured person** under any contract or agreement without **our** prior permission.

6. Obligatory repatriation

Any liability for repatriation costs and expenses in respect of any **crew member** if such expense is payable by reason of the end of the **crew member's** contractual term of service (whether by contract or by agreement), the sale or disposal of **your yacht**, the default of the named insured, the arrest, detainment or seizure of **your yacht** or the laying up of **your yacht**.

7. Unauthorised use

Any **occurrence** while **your yacht** is being operated or used without **your** consent.

8. Firearms

The possession, use, handling, storage, or accessibility of any firearm or deadly weapon.

9. Motorised land vehicles

The ownership, operation, maintenance, use, loading or unloading of any motorised land vehicle, including any vehicle engaged in the overland transportation of **your yacht**.

10. Diving equipment

The use or provision of diving or air compression equipment or the supply of compressed gasses which are not maintained in compliance with the equipment manufacturer's instructions or which is used by persons not in possession of a recognised licence from a professional diving association and/or school.

11. **Bodily injury** to **you** or **your family member**:

Any **bodily injury** to:

- a. **you**; or
- b. any **family member**.

PART IV – UNINSURED BOATERS COVER

A. Insuring agreement

We will pay, up to the Uninsured Boaters Cover limit shown in the **schedule**, **damages** for **bodily injury** to an **insured person** sustained while on board **your yacht** that the **insured person** is legally entitled to receive and unable to recover from an uninsured or unidentified owner or operator of another vessel and resulting from a collision between **your yacht** and an unidentified or uninsured vessel.

B. Exclusions

There shall be no cover under PART IV – UNINSURED BOATERS COVER for **damages**:

- a. if the uninsured vessel is owned or operated by a government agency or body;
- b. for anyone using **your yacht** without **your** permission, including arising from any **occurrence** while **your yacht** is being operated or used without **your** consent;
- c. claimed by any **crew member**;
- d. where there is no physical evidence of direct contact between **your yacht** with the uninsured or unidentified vessel;
- e. where the uninsured vessel is owned by **you** or any **insured person** or furnished for the regular use of an **insured person, captain** or **crew member**;
- f. if any **bodily injury** claim is settled without **our** written consent;
- g. to benefit any insurer or self insurer under any employer's liability law, worker's or workmen's compensation, disability benefits, or similar law;
- h. where there is any other insurance available to meet such **damages**, even if such amount is not sufficient to pay the entire **damages**. **We** will deduct **our** payments under this cover from any payments an **insured person** is entitled to recover under any other cover under this **policy**. No one can recover duplicate payment for the same elements of loss. **We** will particularly not duplicate any payments paid or payable under any employer's liability laws, workers' compensation, disability benefits, Jones Act, Longshore and Harbor Workers Compensation Laws, General Maritime Law or similar law;
- i. for **bodily injury** to any person who is eligible for benefits under any employer's liability law, Workmen's Compensation or Longshore and Harbor Workers Compensation Laws, or any other employee of **yours** or anyone who is working on or aboard **your yacht**.

PART V – LONGSHORE AND HARBOR WORKERS COMPENSATION ACT COVER

We provide additional cover under this part for **your** liability under the provisions of the Federal Longshore and Harbor Workers Compensation Act. **We** will pay up to the cover limit for Longshore and Harbor Workers Compensation Act cover as shown in the **schedule** for each **occurrence**. **We** will, as required by the Act, conform to all the provisions of this Act, 33 USCA § 902 (2010), as amended, while this **policy** is in force. **We** will carry out the provisions this Act, and **we** shall not be relieved of liability due to **your** insolvency or bankruptcy. This cover is only effective if a cover limit is shown for this PART V - LONGSHORE AND HARBOR WORKERS COMPENSATION ACT COVER in the **schedule**.

We reserve the right to appoint lawyers who shall represent an **insured person** in the defence of a claim that is covered by this PART V – LONGSHORE AND HARBOR WORKERS COMPENSATION ACT COVER.

PART VI – GENERAL EXCLUSIONS AND CONDITIONS

Should any of the following Exclusions not be permissible pursuant to the UK Employers' Liability (Compulsory) Insurance Act 1969 and relevant regulations (the UK Employment Legislation) the requirements of the UK Employment Legislation as to **policy** conditions and exclusions shall prevail in **your** favour.

The following general exclusions and conditions apply to all parts of this policy

A. General exclusions

There shall be no insurance under any provision of this **policy** where any claim or loss results directly or indirectly, in whole or in part from or relates to;

1. Nuclear hazard, including the following and any consequence of the following:
 - a. ionizing radiation from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
 - b. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or
 - c. the use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
2. War, including the following and any consequence of the following:
 - a. undeclared war, civil war, insurrection, rebellion, or revolution;
 - b. warlike acts by a military force or military personnel; or
 - c. the destruction, seizure or use of property for a military purpose. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
3. Chemical weapons and cyber attacks including the following and any consequence of the following:

The use or threatened use of:

 - a. any chemical, biological, bio-chemical, or electromagnetic weapon, device, agent or material; or
 - b. any computer, computer system, software program, virus or process, or any other electronic system, as a means for inflicting harm, or the consequence of any of these, regardless of any other direct or indirect cause or event, whether covered or not, contributing in any sequence to the loss or **damage**. **We** also do not cover any loss, **damage**, claim, cost of defence or expense caused by any action taken in hindering or defending against the use or threatened use of any of these.
4. Terrorism including the following and any consequence of the following:

The use or threat of force or violence, by an individual or group acting alone, on behalf of or connected to any organisation or government, which gains its motivation from political, religious or ideological beliefs including the intent to influence any government or the public by the use of fear.
5. Confiscation including the following and any consequence of the following:

The capture, seizure, arrest, restraint, detainment, confiscation, nationalisation, requisition or destruction of or damage to property by any government, or under the order of any government or public or local authority except as otherwise provided in PART II – PROPERTY COVER, C. Payment.
6. Intentional Acts, including the following and any consequence of the following:

To any **insured person** who directs, permits, approves of or participates in any dishonest, criminal, wilful, intentional or malicious act or omission.
7. Fines or punitive **damages**

Except as otherwise expressly provided in the **policy**, **we** do not cover any fines, penalties, punitive, exemplary or non-compensatory **damages**, or any **damages** resulting from the multiplication of compensatory **damages** regardless of the cause of loss.

PART VI – GENERAL EXCLUSIONS AND CONDITIONS continued

8. Illegal activity

The use of **your yacht** for any illegal purpose including but not limited to, the transport of any illegal substance. However, **we** do provide Protection and Indemnity cover for **insured persons** who do not personally direct or participate in, the illegal act.

9. Unseaworthy state

Where, with **your** knowledge, **your yacht** is sent to sea in an unseaworthy state, **we** shall not be liable for any loss attributable to unseaworthiness.

10. Humiliation, harassment, false arrest

Any liability arising from actual, alleged or threatened humiliation, harassment, false arrest, false imprisonment, wrongful detention, libel, slander, defamation of character or invasion of rights of privacy, malicious prosecution, shock, emotional distress, mental injury, wrongful entry or eviction.

11. Discrimination

Any liability arising out of actual, alleged or threatened discrimination or harassment due to age, race, national origin, colour, sex, creed, handicapped status, sexual preference or any other discrimination.

12. Sexual molestation or corporal punishment

Any liability arising out of any actual, alleged or threatened:

- a. sexual molestation, misconduct or harassment;
- b. corporal punishment; or
- c. sexual, physical or mental abuse.

13. Transmittable diseases

Any liability from any illness, sickness or disease transmitted intentionally or unintentionally by any **insured person** to anyone. **We** do not cover any **damages** for any threat of exposure or any consequences resulting from that illness, sickness or disease.

14. Chartering or commercial use

The use of **your yacht** for any purpose other than private pleasure purposes. **Your yacht** cannot be chartered unless approved by **us** in advance in writing, and such charter use is limited to private pleasure purposes only. **Your yacht** cannot be chartered, leased, or used for any commercial purposes at any time. Entertaining business clients on **your yacht** is not considered charter or commercial use.

15. Towing

The towing of any vessel or other object by **your yacht**. This exclusion shall not apply to the occasional towing of any **tender** under 8 metres or where **your yacht** tows any other vessel which is in grave and imminent danger.

16. Racing

Any **occurrence** during instruction, testing, preparation or participation for or in any race, speed contests, or prearranged handling and performance test. However, **we** do cover sailing races.

17. Parasailing or kiteskiing

Any **occurrence** while **your yacht** is being used for parasailing, kite surfing/boarding, teak surfing or similar activity.

18. Aircraft

The ownership, maintenance, use, loading or unloading, transporting or towing of any aircraft.

PART VI – GENERAL EXCLUSIONS AND CONDITIONS continued

19. Claims settled without **our** consent

We do not cover any claim settled with a third party without **our** written consent regardless of the cause of loss. Nor do **we** cover any cost, expense or judgment for an action in the absence of **our** written consent.

20. Sanctions

We shall not be deemed to provide cover and **we** shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **us**, **our** parent company or **our** ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or the United States of America.

B. General conditions

Should any of the following conditions not be permissible pursuant to the UK Employers' Liability (Compulsory) Insurance Act 1969 and the relevant regulations made in connection therewith (the UK Employment Legislation) the requirements of the UK Employment Legislation as to **policy** conditions and exclusions shall prevail in **your** favour.

We will not be liable to pay any claim under this **policy** unless **you** and any **insured person** comply with all the requirements in the following conditions.

1. **Your** duties after an **occurrence**

In the event of an **occurrence** which is likely to give rise to a claim under this **policy**, or if **you** or any other **insured person** under this **policy** is sued in connection with an **occurrence** which may be covered under this **policy**, **you** or an **insured person** (where applicable) must:

- a. give prompt notice to **us** or **your** intermediary as soon as reasonably possible of any incident that may result in any kind of claim under this **policy**. Failure to do so may affect **our** acceptance of a claim under the **policy** if the claim is made so long after the event that **we** are unable to investigate the claim fully or may result in **your** not receiving the full amount claimed if the amount claimed is increased as a result of the delay;
- b. notify the local police if loss or damage is caused by theft or attempted theft, accidental loss, malicious persons and vandals, and keep a note of any reference number given to **you**;
- c. notify the credit card, bank card or card issuing company in case of loss under credit card cover;
- d. protect the property from further damage. If repairs to the property are required, **you** must:
 - i. make reasonable and necessary repairs to protect the property; and
 - ii. keep an accurate record of all repair expenses;
- e. provide **us** with quotations, bills, receipts and related documents;
- f. as often as **we** reasonably require:
 - i. make available to **us** the damaged property for inspection and testing;
 - ii. provide **us** with records and documents **we** request; and
 - iii. submit to separate examination under oath;
- g. send to **us** within sixty (60) days of **our** request, **your** signed sworn proof of loss that sets out, to the best of **your** knowledge:
 - i. the time, place and cause(s) of loss;
 - ii. the interest of all others in the property; and
 - iii. other insurance which may cover the loss and the full amount claimed under each cover for which a claim is made.

PART VI – GENERAL EXCLUSIONS AND CONDITIONS continued

- h. provide **us** with the names and addresses of any known persons injured and any available witnesses;
- i. provide **us** with demand letters, legal documents and other documents which will help **us** defend any **insured person**; and
- j. assist and cooperate with **us** in the conduct of the defence by taking all reasonable steps to help **us**:
 - i. to make settlement;
 - ii. to enforce any right of contribution or indemnity against any person or organisation who may be liable to an **insured person**;
 - iii. to attend hearings and trials; and
 - iv. to secure and give evidence and obtain the attendance of witnesses.

2. Abandonment

No action which either **you** or **we** take to save, protect or recover **your yacht** will be regarded as a waiver or acceptance of abandonment nor will it prejudice the rights of either **you** or **us**.

3. Appraisals of **physical loss or damage**

If **you** and **we** fail to agree on the amount of **physical loss or damage** to property covered under PART II - PROPERTY COVER, either party may make a written demand that each selects an independent appraiser. In this event, the parties must notify each other of their selection within 20 days. The independent appraisers will select a third appraiser within 15 days. If a third appraiser is not agreed upon within that time, either party may request selection of the third appraiser by the President of the British Marine Federation or the Executive Committee of ICOMIA (the International Council of Marine Industry Associations). The independent appraisers will then appraise the loss and submit any differences to the third appraiser. A decision in writing agreed to by the two appraisers or one appraiser and the third appraiser will be binding. Each independent appraiser will be paid by the party selecting him. The expenses of the third appraiser shall be shared equally between **you** and **us**.

4. Premium fully earned

If **we** pay any claim, the full premium for the **policy** shall be considered fully earned and **you** shall receive no return premium.

5. Cooling-off period

If this cover does not meet **your** requirements, **you** may return this **policy** and **schedule** to **us** at

Private Client Group
AIG Europe Limited
The AIG Building
58 Fenchurch Street
London EC3M 4AB
United Kingdom

within 15 days of the cover starting or the day on which **you** receive the **policy** and **schedule**, whichever is later, notifying **us** of **your** intention to cancel.

We will refund all premiums paid, via **your** issuing broker/agent, within 30 days from the date **we** received the notice of cancellation from **you**, except where a claim has been made by **you** within the 15 days. Please contact **your** issuing broker/agent where a refund is due.

If the premium is paid by direct debit, in the event of cancellation, **you** must ensure the relevant bank or building society is instructed to stop making payments.

6. Duplicate cover

If a loss is covered under more than one part of this **policy**, **we** will pay **you** under the part giving **you** the greatest amount of cover, but not under more than one part. In no event will **we** make duplicate payments for a single loss.

PART VI – GENERAL EXCLUSIONS AND CONDITIONS continued

7. Due diligence

It shall be the duty of every **insured person** to exercise due diligence to maintain all insured property in good condition and repair in all respects for the intended use of such insured property.

8. Other insurance

When other insurance applies to a covered loss, **we** will pay only the rateable proportion of the loss that **our** amount of cover bears to the total amount of insurance covering the loss, except in respect of **medical expenses** cover which will be in excess of any other valid and collectible insurance.

9. Sale, transfer or change in ownership

If **your yacht** is sold, transferred to a new owner, or any interest in the owning legal entity is changed without **our** written consent, this insurance will be of no further force and effect and cancelled from the time of such sale, transfer or change of ownership.

If **your yacht** is at sea at the time of such sale, transfer or change, this insurance will continue until her arrival at a safe port if **you** ask **us** to agree this in advance.

10. Concealment or fraud

Your ability to make a claim may be prejudiced if, whether before or after a loss, **you** have:

- a. intentionally concealed or misrepresented any material fact or circumstance;
- b. engaged in fraudulent conduct; or
- c. made false statements;

relating to this insurance.

11. Subrogation

If **you** or an **insured person** has the right to recover all or part of any payment made under this **policy**, those rights of recovery are transferred to **us** following, and to the extent of, **our** payment under this **policy**. **You** and any **insured person** must not do anything after the loss to impair such rights of recovery. At **our** request, **you** or an **insured person** will bring an action at **our** expense, transfer those rights to **us** and help **us** enforce them or **your** rights and cooperate with **us** in **our** attempt to recover **our** payment.

No one covered under this **policy** or acting on their behalf shall waive, limit or impair **our** right to recover and/or the amount to recover against a third party before or after a loss.

12. Salvage

In the event **we** have paid **your** claim for any item that has been damaged where the amount paid has been based on the total loss of that item, taking into account depreciation, **we** shall be entitled to, but not obligated to, take legal ownership of the item for which **we** have paid the claim, irrespective of its condition. **You** agree to provide to **us** all legal rights and title in the item if requested by **us**, where **we** have elected to take legal ownership of the item under this condition. This condition shall not apply where **we** have elected to pay the cost of any repair to **your** item.

13. Assignment

No assignment of or change of interest in this **policy** or in any amount payable under it will be binding on or recognised by **us** without **our** prior written consent.

14. Changes

If the facts and/or information which **you** provided and on which this **policy** is based are materially incorrect and/or are materially altered without **our** written consent, **we** shall be entitled to terminate this **policy** with effect from the date from which the information was incorrect and/or altered.

No change or modification of this **policy** shall be effective except when made by a written endorsement issued by **us**.

PART VI – GENERAL EXCLUSIONS AND CONDITIONS continued

15. No benefit to bailee

This insurance shall not act to benefit any bailee.

16. Legal actions against **us**

In respect of Protection and Indemnity cover, no **insured person** shall join **us** in any action against any other **insured person**.

17. Bankruptcy or death

An **insured person's** bankruptcy or insolvency shall not relieve **us** of any of **our** obligations. However, an **insured person** must notify **us** immediately upon filing or service of legal documents initiating any such proceedings. Further, if an **insured person** dies or becomes bankrupt or insolvent during the **policy period**, this **policy**, unless cancelled by the **insured person's** legal representative, will cover the **insured person's** legal representative for the remainder of the **policy period**.

18. **Your** cancellation

You may cancel this **policy** at any time by notifying **us** in writing of the future date that the cancellation is to take effect. If **you** have not made a claim during the **policy period**, **we** will refund the proportion of any premium **you** have paid for the **policy period**.

19. **Our** cancellation

We may cancel this **policy** or any part of it at any time by giving **you** 10 days notice in writing. This notice will be posted to **you** at the last mailing address shown on the **schedule** by Special Delivery

We may cancel **your policy** if **you** pay **your** premium by Direct Debit instalment and any instalment remains unpaid. The cancellation will take effect 10 days after the unpaid instalment was due. **We** will notify **you** in writing. This notice will be posted to **you** at the last mailing address shown on the **schedule** by Special Delivery

20. Renewal

Please note that **your policy** will be automatically renewed at the end of the **policy period**, as per the terms contained in the annual renewal notice, unless **we** hear otherwise.

Please be aware that **we** can only guarantee automatic renewal if **you** have made **us** aware of any changes to, or any new material fact which may affect **our** acceptance of, **your policy**.

If **you** usually pay **your** premium to **your** broker, please continue to do so, or if **you** currently pay **your** premium by monthly direct debit, **we** will automatically amend **your** monthly payments to reflect the new renewal premium.

If **we** elect not to renew this **policy**, **we** will notify **your** broker not less than ten (10) days before the end of the **policy period** as stated in the **schedule**.

Regardless, this **policy** will terminate at the end of the **policy period** stated in the **schedule** if **you** have failed to discharge when due any of **your** obligations in connection with the payment of premium for the renewal of this **policy**, or if **you** have notified **us** or **our** agent that **you** do not wish this **policy** to be renewed. Proof of mailing of notice mentioned above shall be sufficient proof of notice.

21. Law

This contract will be governed by English Law, and **you** and **we** agree to submit to the exclusive jurisdiction of the courts of England and Wales, unless **you** reside in Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case the law applicable to that jurisdiction will apply and its courts will have exclusive jurisdiction.

22. Jurisdiction

Unless the **schedule** provides to the contrary this **policy** is subject to the exclusive jurisdiction of the courts of England and Wales.

PART VI – GENERAL EXCLUSIONS AND CONDITIONS continued

23. Construction, severability and conformity to law

If any provision contained within this **policy** is, for any reason, held to be invalid, illegal, unenforceable in any respect, such invalid, illegal or unenforceable provision shall have no effect on any other valid, legal and enforceable provisions of this **policy**, and the valid, legal and enforceable provisions of this **policy** will continue to remain in full effect. Any invalid, illegal or unenforceable provision shall where permitted be construed by limiting it so as to be valid, legal and enforceable to the extent compatible with applicable law.

24. Rights of third parties

This insurance is not intended to give any person any right to enforce any term of this insurance which that person would not have had but for the Contract (Third Parties) Act 1999.

25. Liberalisation

We may extend or broaden the insurance provided by this **policy** without increasing the premium. If **we** do this during the **policy period** or within sixty (60) days before it begins, then the extended or broader insurance will automatically be applied to **your policy**.

26. Fraud

Any fraud, deliberate dishonesty, or hiding of information connected with a claim by an **insured person**, will make this **policy** invalid so far as concerns that **insured person**. If this happens, the **insured person** will lose any benefit due to them and they must pay back any benefit that **we** have already paid. If this happens, **we** will not refund any premiums.

27. Theft of items in temporary storage

We provide cover for the loss **of your yacht's** masts, spars, sails, equipment, **tenders, personal watercraft**, outboard motors and **contents** by theft while in temporary storage on land. Such cover will only apply, however, if there are visible signs of forced entry to or exit from the locked premises and/or locked vehicles and/or a locked **yacht** from which the items are stolen and/or visible signs of tampering or destruction of an appropriate locking device which was fit for its purpose.

28. Theft of **personal effects** and/or **fine arts**

Cover for theft of **personal effects** and/or **fine arts** will only be available if there are visible signs of forced entry to or exit from **your yacht** from which the covered items are stolen.

29. Theft of firearms

Cover for theft will only be available if there are visible signs of forced entry to the locked gun compartment and/or safe onboard **your yacht**.

30. Currency

Please note that any limit or sum of money referred to in this **policy** wording shall be converted to the currency used in the **schedule** at the AIG Insurance corporate exchange rate applicable at the date of the claim / incident.

31. Appraisals of loss

If **you** and **we** fail to agree on the amount of loss, either party may make a written demand that each selects an independent appraiser. In this event, the parties must notify each other of their selection within 20 days. The independent appraisers will select a third appraiser within 15 days. If a third appraiser is not agreed upon within that time, either party may request selection of the third appraiser by the Association of British Insurers, Financial Conduct Authority or Prudential Regulation Authority. The independent appraisers will then appraise the loss and submit any differences to the third appraiser. A decision in writing agreed to by the two appraisers or one appraiser and the third appraiser will be binding. Each independent appraiser will be paid by the party selecting him. The expenses of the third appraiser shall be shared equally between **you** and **us**.

32. Payment of premium

You must pay the premium shown in the **schedule**. No claims will be met if the premium is not paid.

PART VII – COMPLAINTS AND COMPENSATION

We believe **you** deserve courteous, fair and prompt service. If there is any occasion when **our** service does not meet **your** expectations please contact **us** using the appropriate contact details below and provide the **policy**/claim number and the name of the policyholder/**insured person** to help **us** deal with **your** comments quicker.

Claims related complaints

Claims Manager
Private Client Group
AIG Europe Limited
The AIG Building
58 Fenchurch Street
London EC3M 4AB
United Kingdom

Telephone: +44 (0)870 850 0178

Email: pcgclaims@aig.com

Online: www.aig.co.uk (please select 'contact' followed by '**your** feedback')

All other complaints

Client Service Manager
Private Client Group
AIG Europe Limited
The AIG Building
58 Fenchurch Street
London EC3M 4AB
United Kingdom

Telephone: +44 (0)207 954 8419

Email: pcgadmin@aig.com

Online: www.aig.co.uk (please select 'contact' followed by '**your** feedback')

We will acknowledge the complaint within 5 business days of receiving it, keep **you** informed of progress and do **our** best to resolve matters to **your** satisfaction within 8 weeks. If **we** are unable to do this **you** may be entitled to refer the complaint to the Financial Ombudsman Service (FOS) who will review **your** case. **We** will provide full details of how to do this when **we** provide **our** final response letter addressing the issues raised.

Please note: The FOS will not consider a complaint if **you** have not provided **us** with the opportunity to resolve it previously.

PART VII – COMPLAINTS AND COMPENSATION continued

The FOS address is:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
United Kingdom

Telephone: 08000 234 567 (free for people phoning from a 'fixed line', i.e. UK landline)

Telephone: 0300 123 9 123 (free for mobile phone users in the UK who pay a monthly charge for calls to numbers starting 01 or 02)

Email: complaint.info@financial-ombudsman.org.uk

Following this complaint procedure does not affect **your** right to take legal action.

Financial Services Compensation Scheme (FSCS)

We are covered by the FSCS. If **we** are unable to meet **our** financial obligations **you** may be entitled to compensation from the scheme, depending on the type of insurance and the circumstances of the claim.

For insurance required by law, 100% of **your** claim is covered, without any upper limit. For all other types of insurance, 90% of **your** claim is covered, without any upper limit. Further information about compensation scheme arrangements is available at www.fscs.org.uk and on 0800 678 1100 from the United Kingdom or +44 (0) 207 892 7300.

For more information, please contact us at:

Private Client Group
AIG Europe Limited
The AIG Building, 58 Fenchurch Street
London EC3M 4AB
www.aig.co.uk/pcg

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