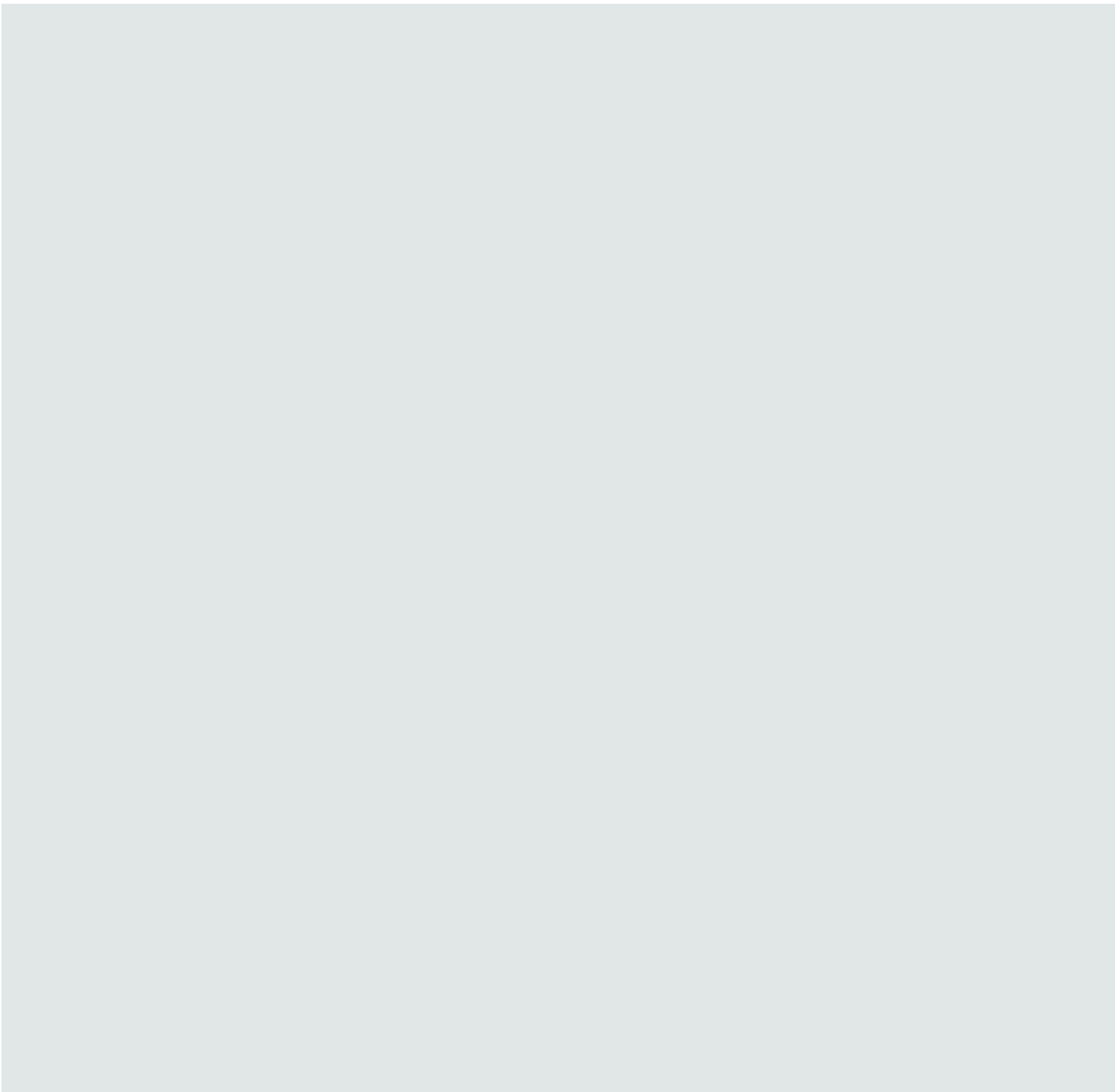


Commercial Vessel Policy document



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A warm welcome to Zurich

Thank you for taking out your Commercial Vessel insurance policy with us and welcome to Zurich Insurance plc.

Zurich Insurance plc is a member of a group of companies of which the ultimate parent company is Zurich Insurance Group Ltd, a company registered in Switzerland (Zurich). Zurich has a global network of subsidiaries and offices in North America and Europe as well as in Asia Pacific, Latin America and other markets. Founded in 1872, the Group is headquartered in Zurich, Switzerland. It employs approximately 60,000 people serving customers in more than 170 countries.

At Zurich we have your future in mind and look forward to working closely with you.

www.zurich.co.uk

Your Commercial Vessel policy

This policy is a contract between the Insured as stated in the schedule (also referred to as you, your, yours or yourselves) and Navigators & General (also referred to as the Insurer, we, us, our or ours).

We will insure you under those sections stated in the schedule during any period of insurance for which we have accepted your premium. Our liability will in no case exceed the amount of any sum insured or limit of indemnity stated in this policy, the schedule or any endorsement to this policy.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any amendments thereto or re-enactment thereof.

Any heading in this policy is for ease of reference only and does not affect its interpretation.

Law applicable to this contract

In the UK the law allows both you and us to choose the law applicable to this contract. This contract will be subject to the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon your address stated in the schedule. If there is any dispute as to which law applies it will be English law.

The parties agree to submit to the exclusive jurisdiction of the English courts.

This is a legal document and should be kept in a safe place.

Please read this policy and any schedule, endorsement and certificate carefully and if they do not meet your needs please contact us or your broker or insurance intermediary.

How we use personal information

We hold personal information in accordance with the Data Protection Act 1998. The information supplied to us by you may be held on computer and passed to other insurers and reinsurers for underwriting and claims purposes. You should show this to anyone whose personal information may be processed to administer this Policy including handling any claims.

We use a variety of security technologies and procedures to help protect personal information from inappropriate use, and we will continue to revise procedures and implement additional security features as new technology becomes available.

We may use personal information for underwriting and claims purposes, statistical analysis, management information, market research, audits on the handling of claims, systems integrity testing, and risk management.

We will only share personal information as described in this notice or where we are required or allowed to do so by law.

We may record or monitor telephone calls for security and regulatory purposes.

Policy administration

In order to administer your insurance Policy and any claims made against this policy we may share personal information provided to us with other companies within the Zurich Insurance Group and with business partners including companies inside and outside the European Economic Area. If we do transfer personal information including where we propose a change of underwriter we make sure that it is appropriately protected.

We may conduct searches about anyone whose personal information may be processed to administer this Policy (including handling any claims) using publicly available sources. Examples are the edited electoral roll, county court judgments/Scottish decrees, bankruptcy registers and other public databases. This helps us assess applications for insurance, provide renewal quotations and check the accuracy of information. These searches may be recorded by credit reference agencies but they will not affect any credit standing.

Claims history

When you tell us about an incident or claim we may pass information relating to it to the Claims and Underwriting Exchange Register (CUE), run by Insurance Database Services Ltd (IDSL) or other relevant database.

We and other insurers may search these databases when you apply for insurance, in the event of any incident or claim or at time of renewal to validate your claims history or that of any other person or property likely to be involved in the Policy or claim.

This helps to check information provided and prevent fraudulent claims.

Fraud prevention and detection

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

- a) share information about you with other organisations including the police
- b) conduct searches using publicly available databases
- c) undertake credit searches
- d) check and share your details with fraud prevention and detection agencies.

If false or inaccurate information is provided and fraud is identified details will be passed to fraud prevention agencies. Law enforcement agencies may access and use this information. We and other organisations may also access and use this information to prevent fraud and money laundering for example when:

- a) checking details on applications for credit and credit related to other facilities
- b) managing credit and credit related accounts or facilities
- c) recovering debt and tracing beneficiaries
- d) checking details on proposals and claims for all types of insurance
- e) checking details of job applicants and employees.

Please contact us if you want to receive details of the relevant fraud prevention agencies. We and other organisations may access and use from other countries the information recorded by fraud prevention agencies.

Data protection rights

Individuals have certain rights under the Data Protection Act 1998, including the right to ask for a copy of the information we hold about them. We may make a small charge for this. Individuals also have the right to ask us to correct their information if it is inaccurate.

If you want to know more about how we use personal information or have any data protection questions, please contact the Data Protection Officer, Zurich Insurance plc, 3000 Parkway, Whiteley, Fareham, Hants, PO15 7JZ.

General definitions

Certain words in this Policy have special meanings. These meanings are given below and apply wherever the words start with a capital letter.

1. Agreed Value

Agreed value shall mean the amount stated in the Schedule as the Sum Insured which represents the value of the Vessel as declared by the Insured and agreed by the Insurer.

2. Employee

Employee shall mean:

- a) any person under a contract of service or apprenticeship with the Insured
- b) any labour master or labour only subcontractor or persons supplied by any of them
- c) any self employed person
- d) any person hired or borrowed by the Insured working for the Insured in connection with the business.

3. In Commission

In commission shall mean when the Vessel is fitted out and ready for use.

4. Laid Up Out of Commission

Laid up out of commission shall mean when the Vessel is not fitted out or available for use.

5. Machinery

Machinery shall mean the Vessel's motors, electrical machinery, gear and equipment, batteries and their connections, (but not shaft and propeller).

6. Total Loss

Total loss shall mean when the Vessel is irretrievably lost or destroyed. A constructive Total Loss is when the cost of replacement or repair exceeds the Sum Insured.

7. Vessel

Vessel shall mean any watercraft as described in the Schedule including its hull, machinery, boats, gear, equipment and ship's tools such as would normally be sold with the craft including any additional items stated in the Schedule.

8. Salvage Charges

Salvage Charges shall mean charges which apply in maritime law to compensate a third party in the event of a successful salvage due to a voluntary act by that third party independent of any contract.

9. Seaworthy

Seaworthy shall mean that the Vessel is constructed, fitted-out, manned and ready to be navigated in conditions which can reasonably be expected.

10. Territorial Limits

Territorial limits shall mean the Territorial Limits stated in the Schedule.

11. Permitted Use

Permitted Use shall mean the Permitted Use stated in the Schedule.

12. Personal Injury

Personal Injury shall mean bodily injury or disease.

Section A – Marine hull material damage

The cover

In the event of accidental loss or damage to the Vessel during the Period of Insurance within the Territorial Limits whilst being used for the Permitted Use the Insurer will pay to the Insured:

- a) in the event of a Total Loss or constructive Total Loss either the Agreed Value of the Vessel or provide a replacement Vessel of a similar age, size and type even if the appearance and condition of the Vessel is not the same
- b) in the event of loss of or damage to outboard motors and unspecified boats, the maximum amount payable shall be the market value of the item at the time of loss or damage.

Provided always that the Insurer shall pay no more than the Sum Insured indicated in the Schedule.

No deduction in respect of new material replacing old will be made except in respect of sails, protective covers, canopies and side screens, running rigging, batteries, outboard motors and unspecified boats or items identified as obsolete or for which parts or a replacement are no longer available or legally compliant.

The amount payable in respect of claims for unrepaired damage shall be the reduction in the market value of the Vessel at the time of the damage, but not exceeding the reasonable cost of repair or replacement. In no case shall the Insurer be liable for unrepaired damage in the event of a subsequent Total Loss.

Exclusions applicable to Section A

Section A does not cover:

1. the cost of replacing, repairing or renewing a defective part of the Vessel
2. the cost of making good any defect in repair, maintenance or alteration work carried out for the account of the Insured resulting from either negligence or breach of contract
3. the cost of remedying a fault or error in design or construction or attributable to betterment or alteration in design or construction
4. theft of the entire Vessel or any trailer if not immobilised or fitted with an anti-theft device whilst left unattended
5. theft of any outboard motor if not securely locked with an anti-theft device in addition to its normal method of attachment
6. theft of machinery including outboard motors, gear and equipment not involving forcible entry into the Vessel or place of storage or following forcible removal of fixed gear and equipment from the exterior of the Vessel

7. loss or damage arising from electrolysis or osmosis
8. loss or damage arising from the failure, fault, short circuit or breakdown of Machinery
9. loss or damage arising from frost damage to Machinery unless manufacturers recommendations have been complied with
10. loss or damage to a jet drive or jet propulsion unit, as a result of ingestion of an underwater or floating object
11. loss or damage to Machinery as a result of gradual incursion of water into the Vessel unless following physical damage to the Vessel resulting from impact
12. loss or damage to Machinery resulting from water gradually escaping from any fixed pipe appliance or pipe
13. loss or damage in respect of fire or explosion where the Vessel is fitted with inboard machinery and the maximum design speed exceeds 20 m.p.h. or 17 knots unless it is equipped with automatic fire extinguishing apparatus in the engine compartment
14. loss or damage to sails, protective covers, canopies and side screens split by the wind or blown away unless as a result of the Vessel stranding or being in contact with any external substance (including ice) other than water or as a result of damage to spars to which sails are bent
15. loss or damage to consumable stores, the Vessel's own moorings or fishing gear, or cargo
16. wear and tear, deterioration from use or gradual deterioration
17. depreciation, or loss in value following repair
18. the Vessel's boat not permanently marked with an identifiable mark
19. loss or damage to the Vessel caused by or arising from the Vessel not being Seaworthy.

Extensions applicable to Section A

1. Grounding

This insurance covers reasonable costs necessarily incurred in inspecting the Vessel following grounding even if no damage is found.

2. Pollution hazard

This insurance includes loss of or damage to the Vessel directly caused by any governmental authority acting under the powers vested in them to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Insurer is liable under this Section, provided such act of governmental authority has not resulted from want of due diligence by the Insured, the owners or managers of the Vessel or any of them to prevent or mitigate such hazard or threat. Masters, officers, crew or pilots will not to be considered owners within the meaning of this Extension should they hold shares in the Vessel.

Clauses applicable to Section A

1. Excess clause

The Insured has agreed to bear the first loss up to the amount stated in the Schedule in respect of each claim except in the case of Total Loss of the Vessel.

2. Sistership clause

Should the Vessel come into collision with or receive salvage services from another Vessel belonging wholly or in part to the Insured or under the same management, the Insured shall have the same rights under this Policy as the Insured would have were the other Vessel entirely the property of owners not interested in the Vessel; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Insurer and the Insured.

Section B – Public liability

The cover

The Insurer agrees to indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as compensation for:

- a) accidental death of or accidental Personal Injury to any person other than an Employee where such death or Personal Injury arises out of and in the course of the employment
- b) accidental loss of or accidental damage to material property
- c) any attempted or actual raising, removal or destruction of the wreck of the Vessel or any failure to do so

occurring during the currency of this Policy arising from the Insured's interest in the Vessel within the Territorial Limits whilst undertaking activities covered under Permitted Use.

The liability of the Insurer under this Section for all compensation payable by the Insured to any claimant or number of claimants in respect of any one occurrence or all occurrences of a series arising out of one original cause shall not exceed the Limit of Indemnity stated in the Schedule.

Exclusions applicable to Section B

The indemnity granted by this Section shall not apply to or include:

1. liability arising from the Vessel whilst being transported by road
2. liability arising from any activity involving persons being pulled by the Vessel
3. liability arising out of towage or shifting of another vessel unless whilst assisting a vessel in distress
4. liability arising out of any salvage operations including associated towage for a fee or where a fee would normally be expected to be charged
5. liability arising from dredging and the removal and depositing of spoil
6. liability for loss or damage to property belonging to the Insured or held in trust by or borrowed, rented, leased or hired for use by the Insured
7. liability in respect of liquidated damages or fines or penalties which attaches solely because of a contract or agreement
8. exemplary, vindictive or punitive damages awarded by any Court of Law outside Great Britain, Northern Ireland, the Channel Islands or the Isle of Man
9. the first amount stated in the Schedule as the excess of compensation payable for loss of or damage to material property in respect of any one occurrence or all occurrences of a series arising out of one original.

Extensions applicable to Section B

1. Legal costs

In addition to the indemnity provided by Section B of this Policy the Insurer will indemnify the Insured in respect of all legal costs awarded to any claimant or incurred in the defence of any claim that is contested by or with the consent of the Insurer.

Provided always that in the event of the Insurer exercising their right under the Discharge of Liability (Clause No 1) to pay to the Insured in connection with any claim or series of claims the amount of the Limit of Indemnity (after deduction of sums already paid as compensation in respect of such claim or claims or other relevant claims) or any lesser amount for which such claim or claims can be settled the Insurer relinquishes the conduct and control of and shall be under no further liability in connection with such claim or claims then the Insurer's liability for such legal costs is limited to those costs and expenses incurred prior to the time of such payment.

2. Cross liabilities

Where this Policy is issued in the joint names of more than one party it will indemnify each party in the same manner as if a separate Policy had been issued to each of them.

3. Additional benefit

The Insurer will pay the costs incurred with their consent for:

- a) representation at any Coroner's Inquest or Fatal Inquiry in respect of any death
- b) defending in any Court of Summary Jurisdiction any proceedings in respect of any act or omission causing or relating to any event which may be the subject of indemnity under this Section.

4. Personal representatives

In the event of the death of the Insured the indemnity provided by this Section shall apply to any personal representative of the Insured in respect of liability incurred by the Insured.

Provided always that such personal representatives shall as though he were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy.

5. Indemnity to principal

In the event of any claim in respect of which the Insured would be entitled to receive indemnity under this Section being brought or made against any Public or Local

Authority or other Principal the Insurer will indemnify the said Public or Local Authority or other Principal against such claim and/or any costs, charges and expenses in respect thereof.

Provided always that the Insurer shall not be liable under this Extension unless the Insurer has the sole conduct and control of all claims.

6. Salvage sue and labour

In addition to the indemnity provided by Section B of this Policy the Insurer will indemnify the Insured in respect of salvage charges, costs or expenses incurred in preventing or minimising a loss insured under this Policy.

Clauses applicable to Section B

1. Discharge of liability

The Insurer may at any time pay to the Insured in connection with any claim or series of claims the amount of the Limit(s) of Indemnity (after deduction of sums already paid as compensation in respect of such claim or claims or other relevant claims) or any lesser amount for which such claim or claims can be settled and upon such payment being made the Insurer relinquishes the conduct and control of and be under no further liability in connection with such claim or claims other than the payment of costs and expenses incurred prior to the time of such payment.

2. Pollution clause

This Section excludes all liability in respect of Pollution or Contamination other than caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

For the purpose of this Clause Pollution or Contamination shall be deemed to mean:

- a) all pollution or contamination of buildings or other structures or vessels or of water or land or the atmosphere; and
- b) all loss or damage or Personal Injury directly or indirectly caused by such Pollution or Contamination.

General Exclusions

The indemnity granted by this Policy shall not apply to or include:

1. Date recognition

liability in respect of any loss or damage of whatsoever nature directly or indirectly caused by or contributed to by or consisting of or arising in whole or in part from:

- a) the way in which any data processing system responds to or deals with or fails to respond to or fails to deal with any true calendar date
- b) any data processing system responding to or dealing in any way with:
 - i) any data denoting a calendar date or dates as if such data did not denote a calendar date or dates
 - ii) any data not denoting a calendar date or dates as if such data did not denote a calendar date or dates whether such data processing system is your property or not

2. Cyber attack exclusion clause

loss damage liability or expense:

- a) directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- b) where this Policy is endorsed to cover risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause a) shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

3. Radioactive contamination, chemical, biological, bio-chemical and electromagnetic weapons exclusion clause

loss damage liability or expense directly or indirectly caused by or contributed to by or arising from

- a) ionising radiations 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
- c) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter

- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes
- e) any chemical, biological, bio-chemical, or electromagnetic weapon.

4. War exclusion

loss damage or expense caused by

- a) war civil war revolution rebellion insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power
- b) capture seizure arrest restraint or detainment (piracy excepted), and the consequences thereof or any attempt thereat
- c) derelict mines torpedoes bombs or other derelict weapons of war.
- d) In no case shall this insurance cover loss damage or expense
 - i) caused by strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
 - ii) resulting from strikes, lock-outs, labour disturbances, riots or civil commotions
 - iii) caused by any act of terrorism being an act of any person acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of any government whether or not legally constituted
 - iv) caused by any person acting from a political, ideological or religious motive

5. Wilful misconduct exclusion

loss, damage, liability or expense directly or indirectly caused by or arising from acts of recklessness or wilful misconduct by the Insured or other persons in control of the Vessel including, but not limited to, conduct when under the influence of alcohol or drugs.

6. Powerboat Racing

loss, damage, liability or expense arising out of Vessels with a MDS greater than 17 knots whilst under taking racing or competitive time trials.

General conditions

1. Alteration

The Insured must notify the Insurer as soon as possible during the Period of Insurance if there is any change in circumstances or to the material facts previously disclosed by the Insured to the Insurer or stated as material facts by the Insurer to the Insured which increases the risk of accident, injury, loss, damage or liability.

Upon notification of any such change the Insurer will be entitled to vary the premium and terms for the rest of the Period of Insurance. If the changes make the risk unacceptable to the Insurer then the Insurer is under no obligation to agree to make them and may no longer be able to provide the Insured with cover.

If the Insured does not notify the Insurer of any such change the Insurer may exercise one or more of the options described in clauses c) i), ii) and iii) of General condition 9 – Fair presentation of the risk but only with effect from the date of the change in circumstances or material facts.

This Policy will come to an end immediately if the Insured's organisation ceases to exist or if the Insured dies where the Insured is an individual except that the Insured's executors or personal administrators will be entitled to benefit from any cover until the Insured's estate has been administered.

2. Arbitration

If the Insurer admits liability for a claim but there is a dispute as to the amount to be paid the dispute will be referred to an arbitrator. The arbitrator will be appointed jointly by the Insured and the Insurer in accordance with the law at the time. The Insured may not take any legal action against the Insurer over the dispute before the arbitrator has reached a decision.

3. Authorised persons

It is a condition of this Policy that the use of the Vessel is restricted to the Insured's appointed skipper or other persons authorised to operate the Vessel on behalf of the Insured other than whilst being loaned, hired, or chartered, unless otherwise stated in the Schedule.

4. Cancellation

The Insurer may cancel this Policy or any Section or part thereof by giving 14 days notice in writing by special delivery mail to the Insured at the Insured's last known address and in such event the Insured will be entitled to a return of premium in respect of the unexpired portion of the Period of Insurance.

5. Claims procedures

- a) On the happening of any event which could give rise to a claim the Insured must notify, the Insurer or the Insured's insurance intermediary, as soon as reasonably possible. Our claims department telephone number is **01273 863400**.

The Insured will need to tell the Insurer:

- the company name
- the nature and cause of the loss or damage
- any relevant telephone numbers and/or addresses

The Insured must:

- i) as soon as reasonably possible notify the Police in respect of any loss or damage by theft or attempted theft or by riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances and malicious persons
- ii) as soon as reasonably possible forward to the Insurer any writ or summons issued against the Insured by a third party
- iii) take action to minimise the loss or damage and to avoid interruption or interference with the business and to prevent further damage or injury
- iv) at their own expense and within:
 - 1) seven days of loss or damage caused by riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons
 - 2) thirty days of any other loss or damage interruption or interference with the business or injury or disease

supply full details of the claim in writing to the Insurer together with any evidence and

information that may be reasonably required by the Insurer for the purpose of investigating or verifying the claim and (if demanded) a statutory declaration of the truth of the claim and any matters connected therewith.

- b) No settlement, admission of liability, payment or promise of payment shall be made to a third party without the consent of the Insurer.

6. Contractual right of renewal

If the Insured pays the premium to the Insurer using the Insurer's Direct Debit instalment scheme, the Insurer will have the right (which the Insurer may choose not to exercise) to renew the Policy each year and continue to collect premiums using this method. The Insurer may vary

the terms of the Policy (including the premium) at renewal. If the Insured decides that he does not want the Insurer to renew the policy, provided the Insured tells the Insurer (or his insurance intermediary) before the next renewal date, the Insurer will not renew it.

7. Contribution

If in the event of a loss, damage or liability under this Policy there shall be in force any other insurance providing cover against such claim:

- a) the liability of the Insurer shall be limited to its rateable proportion of such claim
- b) but which is subject to any provision excluding it from ranking concurrently with this Policy either in whole or in part or from contributing rateably to the claim then the liability of the Insurer shall be limited to such proportion of the claim as the sum insured bears to the value of the property.

8. Licence

This Policy will immediately cease if the Insured does not hold the appropriate licence to operate, crew and maintain the Vessel, whether for Maritime Coastguard agency (MCA) or otherwise.

9. Fair presentation of the risk

- a) At inception and renewal of this Policy and also whenever changes are made to it at the Insured's request the Insured must:
- i) disclose to the Insurer all material facts in a clear and accessible manner; and
 - ii) not misrepresent any material facts.
- b) If the Insured does not comply with clause a) of this condition the Insurer may:
- i) avoid this Policy which means that the Insurer will treat it as if it had never existed and refuse all claims where any non-disclosure or misrepresentation by the Insured is proven by the Insurer to be deliberate or reckless in which case the Insurer will not return the premium paid by the Insured; and
 - ii) recover from the Insured any amount the Insurer has already paid for any claims including costs or expenses the Insurer has incurred.
- c) If the Insured does not comply with clause a) of this condition and the non-disclosure or misrepresentation is not deliberate or reckless this Policy may be affected in one or more of the following ways depending on what the Insurer would have done if the Insurer had known about the facts which the Insured failed to disclose or misrepresented:
- i) if the Insurer would not have provided the Insured with any cover the Insurer will have the option to:
 - 1) avoid the Policy which means that the Insurer will treat it as if it had never existed and repay the premium paid; and
 - 2) recover from the Insured any amount the Insurer has already paid for any claims including costs or expenses the Insurer has incurred
 - ii) if the Insurer would have applied different terms to the cover the Insurer will have the option to treat this Policy as if those different terms apply. The Insurer may recover any payments made by the Insurer on claims which have already been paid to the extent that such claims would not have been payable had such additional terms been applied
 - iii) if the Insurer would have charged the Insured a higher premium for providing the cover the Insurer will charge the Insured the additional premium which the Insured must pay in full.
- d) Where this Policy provides cover for any person other than the Insured and that person would if they had taken out such cover in their own name have done so for purposes wholly or mainly unconnected with their trade, business or profession the Insurer will not invoke the remedies which might otherwise have been available to the Insurer under this condition if the failure to make a fair presentation of the risk concerns only facts or information which relate to a particular insured person other than the Insured.

Provided always that if the person concerned or the Insured acting on their behalf makes a careless misrepresentation of fact the Insurer may invoke the remedies available to the Insurer under this condition as against that particular person as if a separate insurance contract had been issued to them leaving the remainder of the Policy unaffected.

10. Fraudulent claims

If the Insured or anyone acting on the Insured's behalf:

- a) makes a fraudulent or exaggerated claim under this Policy; or
- b) uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or
- c) makes a false statement in support of a claim whether or not the claim is itself genuine; or
- d) submits a claim under this Policy for loss or damage which the Insured or anyone acting on the Insured's behalf or in connivance with the Insured deliberately caused; or
- e) realises after submitting what the Insured reasonably believed was a genuine claim under this Policy and then fails to tell the Insurer that the Insured has not suffered any loss or damage; or
- f) suppresses information which the Insured knows would otherwise enable the Insurer to refuse to pay a claim under this Policy

the Insurer will be entitled to refuse to pay the whole of the claim and recover any sums that the Insurer has already paid in respect of the claim.

The Insurer may also notify the Insured that the Insurer will be treating this Policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If the Insurer terminates this Policy under this condition the Insured will have no cover under this Policy from the date of termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an insured person and not on behalf of the Insured this condition should be read as if it applies only to that insured person's claim and references to this Policy should be read as if they were references to the cover effected for that person alone and not to the Policy as a whole.

11. Insurer's rights

The Insurer shall:

- a) be entitled to take over the defence or settlement of any claim made upon the Insured by any other party and the Insured shall give all assistance as may be reasonably required by the Insurer
- b) have the right to enter the premises where the loss or damage has occurred and to keep possession of any of the Property Insured and to deal with the salvage in a reasonable manner but the Insured shall not be entitled to abandon any property to the Insurer

- c) be entitled to take benefit of any rights of the Insured against any other party before or after the Insured has received indemnification under this Policy and the Insured shall give all assistance as may be reasonably required by the Insurer
- d) at its option indemnify the Insured by payment, reinstatement, replacement or repair in respect of any property lost or damaged or part thereof. If the Insurer elects to reinstate or replace any property the Insurer shall not be bound to reinstate or replace exactly or completely but only as circumstances permit and in reasonably sufficient manner and shall not in any case be bound to expend in respect of any one of the Items insured more than the Sum Insured thereon.

12. Legal representatives

In the event of the death of the Insured the Insurer will indemnify the Insured's legal personal representatives in respect of liability at law previously incurred by the Insured provided they observe, fulfil and be subject to the Terms, Conditions and Limitations of the Policy insofar as they can apply.

13. Payment by Instalments

Reference to the payment of premium includes payment by monthly instalments. If the Insured pays by this method the Policy remains an annual contract and the date of the payment and the amount of instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then subject to the Consumer Credit Act 1974 (if applicable) the credit agreement and the Policy will be cancelled immediately.

14. Premium adjustment

If any part of the premium is calculated on estimates furnished by the Insured the Insured shall keep an accurate record containing all particulars relative thereto and shall at all times allow the Insurer to inspect such record. The Insured shall within one month from the expiry of each Period of Insurance furnish to the Insurer such particulars and information as the Insurer may require. The Premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject always to the minimum premium stipulated.

15. Reasonable care

The Insured shall take all reasonable steps to:

- a) protect the Vessel
- b) comply with statutory enactments Bye-Laws and any other obligations and Regulations imposed by any authority
- c) employ only competent Employees
- d) prevent accidents
- e) maintain all Vessels in a sound condition and Seaworthy
- f) maintain all ways, works machinery and plant in sound condition.

In the event of the discovery of any defect or danger the Insured shall forthwith cause such defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require.

16. Sanctions

Notwithstanding any other terms of this Policy the Insurer will be deemed not to provide cover nor will the Insurer make any payment or provide any service or benefit to the Insured or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of the Insured would violate any applicable trade or economic sanctions law or regulation.

Endorsements

The following endorsements are applicable to Sections A and B unless indicated otherwise below where stated in the Schedule.

1. War extension

This Policy extends to include cover for loss, damage, liability or expense caused by:

- i) war, civil war, conflict or commotion
- ii) terrorism
- iii) capture, seizure, arrest, restraint, detainment, confiscation, expropriation and the resulting consequences.

Provided always that this Policy does not cover:

- i) loss, damage or liability arising from outbreak of war between any of the following:
 - United States of America
 - United Kingdom
 - France
 - the Russian Federation
 - the People's Republic of China.
- ii) loss, damage or liability whilst the Vessel is in the territorial waters of the countries listed on our War and Strikes Areas of Exclusion Notice.
- iii) hostile detonation of an atomic or nuclear weapon.
- iv) loss, damage or liability whilst the Vessel is ashore.

Cancellation

The Insurer may cancel this cover by giving 7 days notice. The Insured may cancel the cover by giving 7 days notice. The Insurer may re-instate the cover providing the Insurer and the Insured agree on a revised premium and the conditions of the cover offered.

2. Food and drink

The Insurer will indemnify the Insured in respect of claims arising from the sale of deleterious food and drink.

3. Frost cover

This insurance includes loss or damage to the Vessel's machinery caused by frost, subject to all reasonable precautions being taken to safeguard the machinery.

4. Road transit

Applicable to Section A only

This insurance includes road, rail or transit on a 'roll-on, roll-off' vehicle ferry within the limits of Great Britain, Northern Ireland, the Channel Islands or the Isle of Man including loading and unloading but excluding scratching, bruising, denting and claims for repainting.

5. Machinery damage extension

This Insurance shall cover loss or damage to Machinery caused by:

- i) latent defects in the Machinery but excluding the cost of replacing or repairing a defective part
- ii) the negligence of any person whatsoever, but excluding the cost of making good any defect resulting from either negligence or breach of contract in respect of any repair or alteration work carried out at the expense of the Insured or in respect of the maintenance of the Vessel

Providing always that the Machinery is:

- a) regularly maintained within the original manufacturer's guidelines or an independent marine engineer
- b) evidence of servicing and repair is verifiable and can be provided on request to the Insurer

The Policy Excess is doubled in respect of this Extension.

6. Strikes extension

This Insurance shall cover loss, damage liability or expense caused by:

- i) strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions
- ii) any terrorist or any person acting from a political motive.

7. Loss of income

If during the currency of this Policy the Vessel becomes damaged under Section A so as to be unfit for normal charter usage, the Insurer agrees to indemnify the Insured for such loss of charter usage until the Vessel is repaired or replaced subject to the following indemnity limits not being exceeded:

- i) £1,000 loss of charter fees payable per week
- ii) £50,000 loss of charter fees arising out of any one occurrence up to 10 weeks but excluding the first 14 days.

Provided always that:

- a) no claim is to attach in respect of booking during which the loss occurs payments shall only be made under this clause in respect of proven bookings made in respect of the Vessel, which is the subject of the claim, prior to such loss or damage occurring
- b) the insured shall take all responsible practicable steps to minimise the period in which the Vessel so lost or damaged is not available for hire and shall arrange repairs to the Vessel or replacement of the Vessel as soon as possible
- c) all vessels built, hired or chartered by the Insured following the accident or occurrence to be deemed replacement vessel
- d) in the event of the vessel being hired or chartered by the insured following a loss under this Extension the Insurer will indemnify the Insured for any additional costs incurred
- e) the Insurer has the sole conduct and control of all claims covered by this Extension.

8. Loss of income following total loss

If during the currency of this Insurance the within Insured Vessel becomes a total or constructive total loss by a peril insured against, a sum not more than 10% of the Total Sum Insured will become payable in addition to the sum insured shown in the schedule

9. Skipper requirement

It is a condition precedent to all liability of the Insurer that a director or employee of the Insured with a minimum of 3 years experience of skippering a similar vessel is on board and in charge whilst the Vessel is in use.

10. Outboard retaining clamps

Applicable to Section A only

Exclusion 5) is amended to read as follows:

This Policy excludes theft of any outboard motor if attached to the Vessel unless it is securely locked with a purpose manufactured anti-theft device which prevents retaining bolts/clamps being undone in addition to its normal method of attachment.

11. Trailer wheel clamp

Applicable to Section A only

Exclusion 4) is amended to read as follows:

This Policy excludes theft of the entire Vessel or any trailer if insured hereunder unless the trailer is fitted with and securely locked with a purpose manufactured wheel clamp whilst left unattended.

12. Increased excess for underwater gear

Applicable to Section A only

It is agreed that the excess is doubled in respect of claims for loss or damage to the Vessel's propulsion, stability and steering equipment that is under the water.

13. Reduced excess

Applicable to Section A only

It is agreed that the excess is reduced to £150 in respect of claims for loss or damage to any outboard motor or Vessel's boat.

14. Trials and demonstrations

This insurance includes trials or demonstrations to prospective purchasers within the Territorial Limits.

15. Vessel security ashore

It is a condition precedent to all liability of the Insurer that Vessels are kept ashore in a locked building or compound when not in use.

16. Vessel laid up ashore

It is a condition precedent to all liability of the Insurer that Vessels are laid up ashore when not in use.

17. No claims bonus

In the event of no claims arising under this Policy, the same having been in force 12 consecutive months (including an In Commission period of not less than 4 months), the renewal premiums will be reduced as follows:- If no claim arises in respect of 1 year – 5%, 2 consecutive years – 7.5%, 3 consecutive years – 10%, 4 consecutive years – 15%, 5 or more consecutive years – 20%. Provided always that the bonus is only payable if the insurance is renewed and remains in force for a further period of 12 months (including an In Commission period of not less than 4 months), and on understanding that this privilege shall not imply any obligation on the Insurer or the Insured to renew.

18. Crew repatriation, salary and personal effects

The Insurer will indemnify the Insured in respect of claims arising from the Insured's interest in the Vessel in respect of:

- i) repatriation costs of the Vessel's crew up to a maximum of £5,000 per crew member
- ii) up to two months salary of the Vessel's crew up to £6,000 anyone crew member
- iii) personal effects of the Vessel's crew up to £1,000
- iv) medical expenses of the Vessels crew of no greater than £1,000

Provided always that:

- i) the aggregate indemnity any one period of insurance does not exceed £50,000
- ii) the Vessel is a Total Loss at the time of the claim
- iii) the crew member is employed by the Insured, on the Vessel, at the time of the Total Loss.

19. Racing risks extension

Definition:

Sails and Rigging

Sails and Rigging shall mean the Vessel's sails, masts and spars and standing and running rigging including fittings.

This insurance includes the replacement cost of the Sails and Rigging following loss or damage whilst the Vessel is racing:

Provided always that:

- a) loss or damage is covered by this Policy
- b) the value of the Sails and Rigging shall not exceed 50% of the Insured value of the Vessel or as stated in the Schedule
- c) no deduction in respect of new material replacing old will be made.
- d) this Extension shall exclude one third of the value of the Sails and Rigging after deduction of the Policy Excess.

20. Indemnity to hirer – inland hire

The Insurer will provide Indemnity to any person using any Vessel with the permission of the Insured, provided always that:

- i) such person is not entitled to indemnity under any other insurance
- ii) such person shall as though they were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy.

Conditions applicable to this Extension:

- i) Non Invalidation

This Policy will not be prejudiced by the actions of any hirer or user of the Vessel providing this has occurred without the knowledge or consent of the Insured who upon becoming aware of these actions immediately informs the Insurer and takes steps to avoid a reoccurrence.

- ii) Handover procedure

It is a condition of this Extension that the Insured undertakes the Association of Pleasure Craft Operators (APCO) hire boat handover programme or similar to the hirers of the Vessel, prior to commencement of such period of hire.

21. Filming extension

This insurance shall cover loss damage liability expense whilst the Vessel is used for the purposes of undertaking filming.

Provided always that this Extension shall exclude:

- i) liability arising out of contract and/or by agreement that would not have arisen in the absence of such agreement
- ii) loss, damage or liability to or caused by actors, actresses, film or sound personnel, technicians, stunt men or unspecified persons connected with the filming activity, cameras, sound equipment and the like unless such loss, damage or liability arises as a result of negligence of the Insured
- iii) claims that are recoverable under any other policy of insurance.

22. Crew liability extension

Definition:

Closely Related Family Member

Closely related family member shall mean a crew member closely related to you as husband, wife, civil partner, father, mother, grandfather, grandmother, stepfather, stepmother, son, daughter, grandson, granddaughter, stepson, stepdaughter, brother, sister, half-brother or half-sister.

The Insurer will Indemnify the Insured for claims arising out of accidents for bodily injury to or death to the Vessel's crew whilst onboard the Vessel.

The level of Indemnity provided under this Extension shall not exceed the following limit anyone loss and the aggregate of all losses for the current period of insurance: £2,000,000.

But in no case shall this Extension apply where:

- i) the Vessel carries more than 2 crew
- ii) a contract of employment exists between the Insured and the crew member unless the crew member is a Closely Related Family Member to the Insured
- iii) the Insured is an incorporated as a limited company

Provided always that:

- i) the Insured is not entitled to indemnity under any other insurance
- ii) such person shall as though they were the Insured observe, fulfil and be subject to the terms, limitations and conditions of this Policy.

23. Hired in equipment

This insurance covers loss or damage to equipment not owned by the Insured but installed for use on the Vessel and for which the Insured has assumed contractual liability, whether such equipment be in the nature of aids to navigation or communication or otherwise and where such loss or damage is covered by this Insurance.

Providing always that:

- i) in no event shall the liability of the Insurer exceed agreed contractual value of the equipment or its replacement market value
- ii) all such equipment shall be included in the insured value of the Vessel
- iii) the maximum indemnity provided under this Extension shall not exceed £50,000 anyone item of equipment .

24. Loss of hire: passenger vessels

In the event of the Vessel which is licensed to carry fare paying passengers becoming unfit for normal use as a result of an insured loss, this Insurance will pay additionally per day a sum which is 1/365 of an amount equal to 20% of the insured value of the Vessel concerned as shown in the Schedule.

Provided always that:

1. no payment shall be made in respect of the first 14 days after the occurrence of the loss or damage giving rise to a claim under this Extension
2. no payment shall be made in respect of periods out of service between 1st November and 31st March inclusive, unless specially agreed by the Insurer
3. no payment shall be made for any period which this Insurance does not remain in force
4. in the event of Vessels being hired to meet commitments, the cost of such hiring or of necessary temporary repairs to the insured Vessel shall be recoverable as a claim hereunder in lieu of and not exceeding the amount of the daily loss of use payment
5. payment under this Clause shall be limited to a total of 90 days

6. the Insured shall take all reasonable steps to minimise any loss under this Extension and shall arrange repairs and/or replacement as soon as possible
7. no payment shall be made in the event of the Actual Total Loss of the Vessel, or where the agreed value of the Vessel is paid owing to the reasonable costs of recovery and/or repair exceeding the sum insured shown against the Vessel in the Schedule.

25. Stock extension

Applicable to Section A only

Section A extends to cover stock of food, alcoholic and other beverages and tobacco products on board the Vessel, being the property of the Assured, up to the amount(s) shown in the Schedule but limited to loss or damage caused by fire, lightning, explosion and theft following violent and forcible entry into locked store on board the insured Vessel and Total Loss following Total Loss of the Vessel by an insured peril.

26. Rebate premium

A rebate of 7.5% of the Gross Premium charged for the 12 months period of this Policy shall be allowed on expiry subject to:

- a) The insurance being renewed by the Insurer for a further 12 months from the expiry date subject to terms and conditions as may be agreed between the Insured and the Insurer.
- b) The claims paid and outstanding as notified as occurring during the 12 months period not exceeding 40% of Gross Premiums charged during that period.
- c) In the event of unquantified claims remaining at renewal date the Insurer reserves the right to withhold the rebate until such time as the likely claim cost is known.

27. Money

Applicable to Section A only

Section A extends to include cash, currency and bank notes up to a total value of £500 whilst on board the within insured Vessel (or Vessels) or whilst in transit to a bank or safe deposit.

Cover under this extension is limited to loss caused by Fire, External Accidental Means, Theft following forcible and violent entry into the Vessel or hold-up.

Excluding cash currency and bank notes remaining overnight on board the Vessel.

28. Pontoons, staging and kiosks

Section A extends to include pontoons, staging and kiosks owned by the Insured and used in connection with the within insured Vessels against loss or damage caused by Fire, Lightning and Explosion up to a total sum insured of £10,000.

Section B extends to indemnify the Insured in respect of the use of the above for the purposes of embarking or disembarking from the insured Vessels.

Providing always that the pontoon and staging is thoroughly examined at least once a year and a full record of such inspections prepared and made available to the Insurer on request.

29. Financial interest

The following company holds an interest in the Vessel.

30. Crew personal accident

It is agreed that benefits in accordance with the Schedule of compensation below will be paid if at any time during the period of insurance a member of the crew of the Vessel whilst on board the Vessel shall sustain bodily injury caused by accidental violent and visible means which shall solely and independently of any other cause within 12 months from the date of the accident result in his/her:

Death	£25,000
Loss of One or More Limbs by Physical Separation at or Above the Wrist or Ankle	£25,000
Total and Irrecoverable Loss of Sight of One or Both Eyes	£25,000

31. Towcon conditions of towage

It is a condition of this Policy that the towage is undertaken as per the TOWCON conditions of towage.

32. Towage exclusion – the towed vessel

This Policy excludes liability to and of the towed vessel.

33. Buoyancy aid condition

It is a condition precedent to all liability of the Insurer that a buoyancy aid is worn by any person using a Vessel.

34. Exhibition cover

This insurance includes any Vessel owned by the Insured whilst on exhibition within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man and in transit thereto and therefrom. This insurance excludes scratching, bruising, denting and claims for repainting occurring in transit or during loading or unloading.

35. Delivery voyages

This insurance includes the delivery of the Vessel by water, under the Vessel's own power, within the Territorial Limits.

36. Private and pleasure use by directors

This insurance includes private pleasure use of Vessels by directors of the Insured and senior employees with the permission of the Insured.

Our complaints procedure

Our commitment to customer service

We value the opportunity to look into any concerns **you** may have with the service **we** have provided and **we** are committed to handling all complaints fairly, consistently and promptly.

Who to contact in the first instance

Many concerns can be resolved straight away therefore in the first instance please get in touch with **your** usual contact at Zurich or **your** broker or insurance intermediary as they will generally be able to provide **you** with an immediate response to **your** satisfaction.

Contact details will be provided on correspondence that **we** or **our** representatives have sent **you**.

If **we** cannot resolve **your** complaint straight away **we** will aim to resolve **your** concerns as soon as possible and **we** will keep **you** informed of progress while **our** enquiries are continuing.

The majority of complaints **we** receive are resolved within four weeks of receipt.

The Financial Ombudsman Service (ombudsman)

If **we** are unable to resolve **your** complaint to **your** satisfaction within eight weeks or if **you** remain dissatisfied following receipt of **our** final response letter **you** may be able to ask the ombudsman to formally review **your** case. **You** must contact the ombudsman within six months of **our** final response.

The ombudsman contact details are as follows:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

You can telephone for free on:

08000 234 567 for people phoning from a "fixed line" (for example a landline at home)

0300 123 9 123 for mobile-phone users who pay a monthly charge for calls to numbers starting 01 or 02

or e-mail:

complaint.info@financial-ombudsman.org.uk

This is a free and impartial service and **you** are entitled to contact the ombudsman at any stage of **your** complaint.

The ombudsman can help with most complaints if **you** are:

- a consumer
- a business employing fewer than 10 persons that has an annual turnover or balance sheet that does not exceed €2 million
- a charity with an annual turnover of less than £1 million
- a trustee of a trust with a net asset value of less than £1 million.

If **you** are unsure whether the ombudsman will consider **your** complaint or for more information please contact the ombudsman directly, or visit <http://www.financial-ombudsman.org.uk>

The Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS) which means that **you** may be entitled to compensation if **we** are unable to meet **our** obligations to **you**. Further information is available on www.fscs.org.uk or by contacting the FSCS directly on 0800 678 1100.



**NAVIGATORS
& GENERAL**

A Member of the  Zurich Insurance Group

Navigators & General – Brighton

PO Box 3707, SN4 4AX Tel 01273 863400 Fax 01273 863401

Email enquiries@navandgen.co.uk www.navandgen.co.uk

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