

“LATITUDES” YACHT WORDING

COVERAGE 'A' - HULL INSURANCE

1. Property Covered

In consideration of the premium paid and except as otherwise provided herein, this insurance covers the vessel and the equipment and the accessories normally required to be on board the vessel for the use and maintenance thereof whether afloat or on shore.

2. Valuation Clause

The said vessel, for so much as concerns the Insured by agreement between the Insured and the Underwriters is and shall be valued at the amount stated under the heading 'Hull & Machinery' in Coverage 'A' of the Certificate Schedule.

Notwithstanding the foregoing it is hereby noted and agreed that if the said vessel is made available for sale at any time during the period of this insurance the amount stated under the heading 'Hull & Machinery' in Coverage 'A' of the Certificate Schedule shall be reduced to the advertised sale price or the survey valuation, whichever is the lower.

3. Perils Insured

This insurance covers, subject to the exclusions and limitations specified herein, theft of the vessel and/or the vessel's gear and equipment and direct physical loss or damage to the vessel from any external cause, as well as physical loss or damage directly caused by fire, lightning, explosion, or any latent defect in the machinery or hull (excluding the cost and expense of repairing or replacing any defective part), provided such loss or damage has not resulted from want of due diligence, willful misconduct or an intentional act by the insured or the owners of the vessel.

The amount recoverable hereunder shall not exceed the amount of insurance stated under the heading "Hull & Machinery" in Coverage "A" of the Certificate Schedule.

4. Exclusions

This Insurance does not cover:

- (1) Loss, damage or expense caused by or resulting from wear and tear, gradual deterioration (including effects of marine life) marring, denting, scratching, electrolysis, mechanical and/or electrical breakdown or derangement, corrosion, rust, dampness of atmosphere or weathering.
- (2) Loss of or damage to the vessel's engine(s), transmission(s), strut(s), shaft(s), propeller(s), electrical equipment and apparatus including connections and wiring unless resulting from fire, lightning, explosion, theft,

- vandalism, sinking, stranding or collision with any natural or manmade fixed or floating object.
- (3) Theft or mysterious disappearance of any part of the vessel unless occurring in conjunction with theft of the entire vessel or unless there be visible evidence of forcible entry or forcible taking.
 - (4) Theft of the vessel's outboard motors if they are not securely locked to the vessel or the vessel's boat(s) by an anti theft device in addition to their normal method of attachment.
 - (5) Wages, provisions, consumable stores, fishing gear or moorings.
 - (6) Personal effects, unless otherwise specifically declared, agreed and a separate value in respect thereof is shown on the Certificate Schedule.
 - (7) Loss or expenditure incurred in remedying a fault in design or construction or any cost or expense incurred by reason of betterment or alteration in design or construction.
 - (8) Sails and protective covers split by the wind or blown away while set,
 - (9) Sails, masts, spars, or standing and running rigging while the vessel is racing, unless the loss or damage is caused by the vessel being stranded, sunk, burnt, on fire or in collision or in contact with any natural or manmade fixed or floating object.
 - (10) Loss of use, warranty, guarantee or depreciation.
 - (11) Loss, damage, liability or expense arising from:-
 - (a) Any detonation of any weapon of war employing nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war.
 - (b) The outbreak of war (whether there be a declaration of war or not) between any of the following countries: United Kingdom, United States of America, the Russian Federation, the People's Republic of China.
 - (c) Requisition or pre-emption.
 - (d) Capture, seizure, arrest, restraint, detainment, confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the vessel is owned or registered.
 - (e) Arrest, restraint, detainment, confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations.

- (f) The operation of ordinary judicial process, failure to provide or to pay any fine or penalty, or any financial cause.

5. Hull Deductible Clause

The amount of the 'deductible' set forth in Coverage 'A' of the Certificate Schedule shall be deducted from each and every loss and Underwriters shall be liable for such amount of the loss only in excess of the deductible.

6. Windstorm Deductible and Specific Exclusions Clause.

In the event of loss or damage to the insured vessel as a result of a named windstorm during the period 30th June to 30th November the amount of the 'Windstorm Deductible' set forth in Coverage 'A' of the Certificate Schedule shall be deducted from each loss and Underwriters shall be liable for such amount of the loss only in excess of the deductible.

No claim resulting from the effects of a named windstorm will be paid for loss of or damage to bimini or canvas tops, awnings, loose deck furnishings, gear and equipment, roller-furled sails, outriggers and antennas unless securely stowed inside the vessel or stored in protected premises ashore.

No claim or expense resulting from the effects of a named windstorm shall be paid for loss of or damage to any vessel which has a length overall under 26 feet unless removed from the water and stored securely ashore.

No claim or expense shall be paid for loss of or damage to any vessel which remains on a swinging mooring during the passing of a named windstorm.

7. Tender and Motor Deductible Clause

It is hereby understood and agreed the amount of the 'deductible' set forth in Coverage 'A' of the Certificate Schedule in respect of "Tender & Motor" shall be deducted from each and every loss and Underwriters shall be liable for such amount of the loss only in excess of the deductible.

8. Adjustment Of Loss

In the event of a claim, Underwriters liability shall be limited to the reasonable cost of repairing the vessel to its pre-accident condition and all claims in respect of sails, protective covers, canvas tops, awnings, running and standing rigging, electronic equipment and apparatus, batteries, inflatable dinghies, outboard motors and personal effects shall be adjusted on the basis of their market value at the time of loss or damage.

9. Plywood, Metal, Plastic And Fibreglass Hulls

With respect to any damaged plywood, metal, plastic or fibreglass portion of the hull, the Underwriters shall not be liable for more than:

- (a) The cost of making the repairs in accordance with the customary and generally accepted repair practices, or

- (b) An amount not exceeding the cost of making repairs in accordance with any specific and recommended repair specifications of the manufacturer of the insured vessel; whichever is the least amount.

This principle shall also apply in determining whether or not the insured vessel is a constructive total loss.

10. Constructive Total Loss & Un-repaired Damage

No recovery for a constructive total loss shall be had hereunder unless the expense of recovering and repairing the vessel shall exceed the 'Hull & Machinery' value stated in Coverage 'A' of the Certificate Schedule.

In no case shall Underwriters be liable for un-repaired damage in addition to a subsequent total loss sustained during the period covered by this Certificate.

11. Transit Risks

This insurance covers land conveyances of the insured vessel and/or its dinghies, boats and launches within a radius of 100 miles from the home port or storage yard providing the vessel and/or its dinghies, boats and launches do not exceed 30 feet in length overall. The transportation of any vessel and/or its dinghies, boats and launches over 30 feet in length overall shall only be covered hereunder subject to prior advice and the use of professional haulers.

No claim shall be allowed in respect of scratching, bruising, chipping and denting and any liability of the Insured to third parties howsoever arising while the vessel is being transported.

12. Personal Effects

If an amount is stated for the purpose of this insurance under the heading 'Personal Effects' in the Certificate Schedule, coverage is extended to include the Personal Effects of the Insured and/or Insured's family and guests against all risks of physical loss or damage of whatsoever nature, while on board or used in connection with the insured vessel, including while in transit from the Insured's place of residence to the insured vessel, and until return to place of residence, but excluding claims arising from:

- (a) Wear, tear, gradual deterioration, damp, mould, mildew, moth, vermin;
- (b) Breakage of articles of a brittle nature unless caused by the vessel stranding, sinking, fire, collision, stress of weather, burglars or thieves;
- (c) Loss of or damage to cash, currency, bank notes, consumable stores, fishing gear, diving gear, moorings, wetsuits, water skis and the like.

Personal Effects coverage provided by this insurance is subject to the condition of average, that is to say, if the property covered shall at the time of any loss be of greater value than the sum insured hereby, the Insured shall only be entitled to

recover hereunder such proportion of the said loss as the sum insured bears to the total value of the said property.

This insurance does not cover any loss or damage which at the time of the happening of such loss or damage is insured or would, but for the existence of this insurance, be insured by any other existing policy or policies, except in respect of any excess beyond which would have been payable under such other policy or policies had this insurance not been affected.

COVERAGE 'B'- BODILY INJURY AND PROPERTY DAMAGE LIABILITY

The Underwriters agree to indemnify the Insured for any sum or sums which the Insured shall become legally liable to pay and shall pay by reason of interest in the insured vessel arising out of accidents occurring during the currency of this insurance, in respect of:

1. Bodily Injury

Loss of life, bodily injury or illness, including payments made for life salvage.

2. Property Damage

Loss of or damage to any other vessel or property whatsoever.

3. Removal Of Wreck

Cost or expense of, or incidental to, any attempted or actual raising, removal or destruction of the wreck of the insured vessel or the cargo thereof, or any neglect or failure to raise, remove or destroy the same.

4. Environmental Damage Liability

Cost or expense of containment, clean up , property damage and assessments for damage to the marine environment, including claims resulting from pollution and contamination.

5. Legal Costs

Provided their written consent has been obtained, Underwriters will also pay the legal costs incurred by the Insured or for which the Insured may be compelled to pay in contesting liability or taking proceedings to limit liability, including costs for representation at any Coroner's Inquest or fatal accident enquiry.

6. Omnibus Clause (Navigation By Others)

It is understood and agreed that the word 'Insured', for the purposes of COVERAGE "B" – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, includes, in addition to the Named Insured, any person, firm, corporation or other legal entity who may be operating the insured vessel with the prior permission of the Named Insured but does not include a person, firm, corporation or other legal entity, or any agent or

employee thereof, operating a shipyard, boat repair yard, marina, yacht club, sales agency, boat service station, or similar organization. Notwithstanding anything contained herein to the contrary the insurance provided by this clause does not cover liability of such an additional Insured to the Insured named in this Certificate. The insurance provided by this clause is conditional upon compliance by an Insured with all the terms, conditions and warranties applicable to the Named Insured. Nothing contained in clause shall be construed to increase the limits of the Underwriters' liability as stated in the Certificate Schedule.

7. Liability Exclusions

This insurance does not cover:

- a. Liability assumed by the Insured, under contract or otherwise if such liability is greater than or different from liability imposed upon the Insured by law in the absence of such contact.
- b. Any liability arising out of water-sport activities including but not limited to, water-skiing, aquaplaning, parasailing, scuba diving, swimming, snorkeling, windsurfing, kayaking, or operating a jet-ski or similar craft.
- c. Any liability arising out of scuba and diving activities of any type whatsoever, including instruction thereof, and the sale, supply or servicing of diving gear and equipment.
- d. Any liability, cost or expense whatsoever arising out of the willful misconduct or intentional act of the Insured.
- e. Claims in respect of any direct or indirect payment by the Insured under workmen's compensation or common law liability to any person employed by the Insured in any capacity.
- f. Any liability arising out of or in any way related to the sale, supply, service or consumption of food or drink on board the vessel.
- g. Fines, penalties, punitive or exemplary damages.

8. Limit Of Liability

The liability of the Underwriters under coverage 'B' of this policy in respect of any one accident or series of accidents arising out of the same event, shall in no case exceed the sum stated for this purpose in the Certificate Schedule, but when the liability of the Insured has been contested with the consent in writing of the Underwriters, the Underwriters will also pay a like proportion of the costs which the Insured shall thereby incur or be compelled to pay.

9. Litigation

The Underwriters shall have the option of naming the attorneys who shall represent the Insured in the prosecution or defense of any litigation or negotiations between

the Insured and third parties concerning any claim covered by this Certificate, and shall have the direction of such litigation or negotiations. If the Insured shall fail or refuse to settle any claim as authorized by the Underwriters, the liability of the Underwriters, shall be limited to the amount for which settlement could have been made. The Insured shall at the option of the Underwriters, permit the Underwriters to conduct, with an attorney of the Underwriters' selection, at the Underwriters' cost and expense and under its exclusive control, a proceeding in the Insured's name to limit the Insured's liability to the extent, and in the manner provided by the present or any future statutes relative to the limitation of a vessel owner's liability.

COVERAGE 'C' - MEDICAL PAYMENTS

In consideration of the premium, the Underwriters hereby agree to pay to or for each person who sustains bodily injury caused by accident occurring during the insurance period, while in or upon boarding or leaving the insured yacht, the reasonable expense of necessary medical, surgical, ambulance, hospital and professional nursing services and, in the event of death resulting from such injury, the reasonable funeral expense, all incurred within one (1) year from date of accident, subject to the following conditions:

1. Limit Of Liability

Notwithstanding the foregoing, the Underwriters shall not be liable under this insurance for more than the 'Amounts of Insurance' stated as applicable to this insurance on the schedule attached.

2. Exclusions

The coverage afforded by this insurance shall not apply:

- (1) To bodily injury to or death of any person:
 - (a) to or for whom benefits are payable under any Workmen's Compensation Act or under the Federal Longshoremen's and Harbor Workers' Compensation Act;
 - (b) who, in being in or upon or in boarding or leaving the insured yacht, is a trespasser;
 - (c) who is an employee of the Insured at time of accident.
- (2) To liability assumed by the Insured under any contract or agreement.
- (3) To liability incurred while the insured vessel is being used for other than private pleasure or skipper charter purposes unless agreed in writing by Underwriters.
- (4) To liability arising out of water-sport activities including but not limited to, water-skiing, aquaplaning, parasailing, scuba diving, swimming, snorkeling, windsurfing, kayaking, or operating a jet-ski or similar craft.

(5) To liability arising out of scuba and diving activities of any type whatsoever, including instruction thereof, and the sale, supply or servicing of diving gear and equipment.

3. Medical And Other Reports

The injured person, or someone on his behalf, shall, as soon as practicable, furnish full obtainable information pertaining to the accident and injury, and execute authorization to enable the Underwriters to obtain medical reports and copies of records.

4. Examination

The injured person shall submit to physical examination by physicians selected by the Underwriters when and as often as the Underwriters may reasonably require.

5. Proof And Payment Of Claim

As soon as practicable after completion of the services or after the rendering of services which in cost equal or exceed the limit of the Underwriters' liability under this insurance or after the expiration of one year from the date of accident, whichever first transpires, the insured person, or someone on his behalf shall give to the Underwriters written proof of claim under oath, stating the name and address of each person and organization which has rendered services, the nature and extent and the dates of rendition of such services, the itemized charges therefore and the amounts paid thereon. Upon the Underwriters' request, the injured person or someone on his behalf shall cause to be given to the Underwriters by each such person and organization written proof of claim under oath, stating the nature and extent and dates of rendition of such services, the itemized charges therefore and the payments received thereon.

The Underwriters shall have the right to make payment at any time to the injured person or to any such person or organization on account of the services rendered, and a payment so made shall reduce to the extent thereof the amount payable hereunder to or for such injured person on account of such injury.

No payment made under this insurance shall constitute an admission of liability of the Insured, or except under this insurance, of the Underwriters.

6. Action Against Underwriters

No action shall lie against the Underwriters unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this insurance, or until thirty (30) days after the required proofs of claim have been filed with the Underwriters.

**GENERAL CONDITIONS
APPLYING TO ALL SECTIONS OF THIS INSURANCE**

1. Navigation & Charter Hire Warranties

Warranted vessel not navigated outside the limits stated in the Certificate Schedule or, provided previous notice shall be given to Underwriters, held covered on terms to be agreed.

Warranted to be used solely for private pleasure and/or skippered charter purposes provided the Insured or the Insured's qualified captain is on board and in control of the vessel.

2. Continuation

Should the vessel at the expiration of this insurance be at sea or in distress or at a port or place of refuge or of call, she shall, provided prompt notice be given to the Underwriters, be held covered at a premium to be agreed until anchored or moored at her next port of call in good safety.

3. Sale or Transfer Of Interest

This insurance shall be void if this Certificate or the insured interest shall be sold, transferred, or pledged without the previous consent in writing of Insurers.

4. Assignment

No claim or demand against the Underwriters under this Certificate shall be assigned or transferred, and no person shall acquire any right against the Underwriters by virtue of this insurance without the express consent of the Underwriters.

5. Proof and Payment Of Claim

In case of loss, such loss is to be paid in thirty (30) days after satisfactory proof of loss and interest in the insured vessel, all indebtedness of the Insured being first deducted.

6. Premium Earned

In the event of payment by Underwriters for a total, arranged, compromised or constructive total loss of the insured vessel, the full annual premium shall be deemed earned.

7. Cancellation

This Certificate may be cancelled at any time at the Insured's request; or by the Underwriters by giving thirty (30) days written notice of such cancellation to the Insured at the address shown in this Certificate. If this Certificate is cancelled by the Insured, return of unearned premium shall be calculated on the Underwriters' regular short rate basis. A minimum of 25% of the annual premium paid shall be deemed to have been earned at inception. If this Certificate is cancelled by Underwriters a pro rata daily return of premium shall be made.

8. Concealment Or Misrepresentation

The entire Certificate shall be void from inception and the full annual premium shall be deemed earned if the Insured, or his agent, has concealed or misrepresented in writing, or otherwise, any material facts or circumstances concerning this insurance or the subject thereof, or if the Insured or his agent has been guilty of a fraudulent action or attempted fraud or has sworn falsely in reference to any matter or subject relating to this insurance, whether before or after a loss.

9. Transit Exclusion

This Certificate does not cover the vessel insured whilst in transit by land conveyance except as stated in Coverage 'A' Hull Insurance, nor when shipped by waterborne or airborne conveyance.

10. Other Insurance

Insurers shall not be liable for loss if at the time of the loss or damage there is any other valid and collectible insurance which would attach if this Insurance had not been effected, except that this insurance shall apply only as excess and in no event as contributing insurance and then only after all such other insurance has been exhausted This clause shall also apply if an Insured other than the Named Insured has other insurance against a loss covered by any section of this Certificate.

11. Dinghies, Boats & Launches Clause

Whenever the term "vessel" is used in this Certificate, it shall be understood to include the vessel's dinghies, boats and launches, whether attached to the vessel or not, subject to all terms and conditions of this Certificate, provided the value of such dinghies, boats and launches is included separately in the "Amount of Insurance" in the Certificate Schedule.

Warranted, however, that dinghies, boats and launches shall be permanently marked with the name of the vessel to which they belong.

12. Seaworthiness Warranty

Warranted all vessels covered by this insurance are maintained in a seaworthy condition throughout the period of insurance.

13. Survey Warranty

It is warranted that if this insurance is subject to a satisfactory out of water condition survey and valuation, and the validity of the survey (not more than 24 months) provided for such purposes expires during the course of the policy insured period, it is the Insured's sole responsibility to ensure that a new condition survey and valuation, including confirmation that any recommendations contained therein have been properly complied with, is made available to and agreed by Underwriters prior

to such expiry. Failure to comply will result in automatic cancellation of all coverage provided herein from the date of expiry of validity.

14. Notice Of Claim And Estimates For Repair

In the event of an accident or occurrence which may result in a claim under this Certificate, prompt notice shall be given to Underwriters or to the Underwriters' agent countersigning this Certificate, so that a surveyor and adjuster may be appointed to represent Underwriters should they so desire. Any theft or malicious damage shall also be promptly reported to the Police or Coastguard.

As concerns liability claims and medical claims, the Insured shall forward to the Underwriters as soon as practicable all communications, processes, pleadings or other legal papers or documents relating to such occurrences.

The Underwriters shall be entitled to decide the port to which the vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with Underwriters' requirements being refunded to the Insured) and shall have a right of veto concerning a place of repair or a repairing firm.

Underwriters may also take estimates or may require estimates to be taken for the repair of the vessel.

15. Duty of Insured (to act as though uninsured in the event of a loss)

In case of any loss or misfortune it is the duty of the Insured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimizing a loss which would be recoverable under this insurance. Underwriters will contribute to charges properly and reasonably incurred by the Insured, their servants or their agents for such measures.

Measures taken by the Insured or Underwriters with the object of saving, protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

The Insured shall render to Underwriters all possible aid in securing information and evidence and in obtaining witnesses and shall co-operate with the Underwriters in the defense of any claim or suit or in the appeal from any judgment.

The Insured shall render to Underwriters all possible aid in obtaining information and evidence should Underwriters desire to take proceedings at their own expense and for their own benefit in the name of the Insured to recover compensation or secure an indemnity from any third party in respect of anything covered by this insurance.

The Insured shall not make any admission of liability, either before or after any occurrence which could result in a claim for which the Underwriters may be liable. The Insured shall not interfere in any negotiations of the Underwriters for settlement of any legal proceedings in respect of any occurrence for which the Underwriters may be liable under this Certificate, provided however, that in respect of any occurrence likely to give rise to a claim under this Certificate, the Insured is obligated to and shall take such steps to protect his and/or the

Underwriters' interests as would reasonably be taken in the absence of this or similar insurance.