



Yacht & Pleasure Craft Policy



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We welcome you as a Policyholder of Argus Insurance Company (Europe) Limited a locally incorporated Company associated with the Argus Insurance Group offering you an extensive insurance service.

Please read this Policy Booklet together with your Schedule. These set out the cover you have chosen, plus any limits that apply. If you are not satisfied with the details or the policy does not cover your needs, please return the Schedule to your insurance adviser.

THE CONTRACT OF INSURANCE

This policy is a contract between you and Argus Insurance Company (Europe) Limited and is based on the information you gave us when you applied for this insurance. In return for your premium, we will provide the cover shown in the Schedule during the period of insurance.

THE LEGAL DEFINITION

In return for payment by you, we will provide insurance in accordance with the policy cover shown in the policy schedule in respect of accident, injury, loss or damage occurring within the territorial limits (or in the course of transit between any ports therein including the processes of loading and unloading) during the period of insurance.

LAW APPLICABLE TO CONTRACT

You and the insurer are free to choose the law to this contract but in the absence of agreement to the contrary, the law of the country in which you reside at the date of the contract (or, in case of a business, the law of the country in which the registered office or principle place of business is situated) will apply. If you are not resident (or, in the case of a business, the registered office or principle place of business is not situated) in Gibraltar, the law which will apply is the law of Gibraltar.

USE OF LANGUAGE

Unless otherwise agreed, the contractual terms and conditions and other information relating to this contract will be in English.

CHANGES WE NEED TO KNOW ABOUT

Please tell your insurance adviser immediately if there are any changes which may affect this insurance for example:

- The people to be insured;
- The sums insured are not adequate; and/or
- Criminal convictions or cautions of the people insured.

Any change in circumstances may result in revised terms and conditions of this policy from the date of the change. If you do not tell us about any change, it may affect any claim you make.

Signed on behalf of the Insurer



Tyrone Montovio
Director

OUR SERVICE TO YOU, COMPLAINTS PROCEDURE AND OUR PROMISE OF SERVICE

We are committed to delivering a first class quality service to all our customers, we do however realise that occasionally things can go wrong. We take any complaint seriously and aim to resolve any problems as soon as possible.

To ensure that we provide the kind of service you expect, we always welcome your feedback to make sure that we continually improve our service to you.

What will happen if you make a complaint?

- We will acknowledge your complaint within 5 working days of receiving it.
- We will aim to resolve complaints, following assessment and investigation as soon as possible.

Most concerns can be resolved quickly, but sometimes we will need to go into more detail. If this looks likely we will keep you updated about the situation and let you know when you can expect to hear from us.

If you are unhappy with any aspect of the handling of your insurance, your first point of contact should be your insurance advisor or your usual Argus Insurance point of contact. You can write to us or telephone us, whatever suits you best, and ask your contact to review your problem.

If you are unhappy with the decision you receive from us, you should write to, The General Manager, Argus Insurance Company (Europe) Limited, PO Box 45, Regal House, 3 Queensway, Gibraltar.

If you are dissatisfied with our final decision, you can refer the matter to the Department of Consumer Affairs, 10 Governor's Lane, Gibraltar.

YOUR CANCELLATION RIGHTS

You have a statutory right to cancel your policy within 14 days from the day of purchase of the contract or the day on which you receive your policy documentation, whichever is later.

If you want to cancel, and your insurance cover has not yet started, you'll be entitled to a full refund of the premium paid.

Or if your insurance cover has already started, you'll be entitled to a refund of the premium paid, with a deduction for the time for which you've been covered. This is calculated on a pro-rata basis.

To cancel your policy please contact your insurance adviser at the address shown on your Policy.

If you don't cancel the policy it will continue in force and you'll need to pay the premium. For your cancellation rights outside the statutory cooling-off period, please refer to the General Conditions section of this booklet.

ADMINISTRATION CHARGE

If you make any adjustments to your policy we reserve the right to apply a minimum administration charge of £15.

ADDITIONAL COVER - REFUND OF PREMIUMS

If you have purchased additional cover options with this policy, a refund may not be available on those additional covers if they are subsequently removed after the statutory cancellation period.

THE RIGHT LEVEL OF COVER

How much should you insure for?

It's up to you to make sure that the amount you insure for represents the full value of your property. For buildings, this means the full cost of rebuilding your property, including any outbuildings. You also need to think about any extra costs involved in rebuilding such as demolition, architects' and surveyors' fees. And there could be additional costs in meeting the requirements of your local authority.

CONTRACT OF INSURANCE

Your **Yacht & Pleasure Craft Policy** is a contract between the **Insured (You)** and the Insurer **{Argus Insurance Company (Europe) Limited} (Us)** and is formed by the information that **you** have given **us** and this **Policy**.

On the basis that the information that **you** have given to **us**, is true and complete to the best of **your** knowledge and belief, (subject to the terms of the **Policy**), **we** will insure **you** against loss, damage, injury and legal liability, which will happen during the **Period of Insurance** for which **we** have accepted **your premium**.

If the cover provided does not meet **your** requirements **you** may return the **Policy** to the point of sale within 14 days from the date **you** bought it or the date **you** received **your Policy** documentation. **We** will give **you** a full refund of any **premium you** have paid provided:

- that **you** have not made and are not intending to make a claim and no incident likely to give rise to a claim has occurred.
- that where the **Policy** was issued to cover the **Insured Pleasure Craft** which is or was to be registered with the Small Ships Register of the Malta Maritime Authority, proof of continuation of insurance coverage for the term of the **Policy** must be provided.

You must tell **us** about any changes which affect **your Policy** and which have occurred either since **your Policy** started or since the last renewal date. If **you** are not sure whether certain facts are relevant please ask **us**. **Your Policy** may not be valid or may not cover **you** fully if any relevant information is not disclosed. **You** should keep a written record (including copies of letters) of any information **you** give **us** or **your** insurance advisor when **you** renew this **Policy**. A copy of the proposal form **you** have completed will be provided to **you**.

Your Policy is valid for the **Period of Insurance** shown in the **Schedule**.

POLICY DEFINITIONS

If **we** explain what a word means that word has the same meaning wherever it is used in the **Policy**. These words are highlighted by the use of bold print.

AGREED VALUE/AGREED VALUE BASIS

Where **we** have agreed with **you** on the value of **your Insured Pleasure Craft** and other covered property, for an **Additional Premium**, this/these amount(s) will be shown in the **Schedule**.

ANTI-THEFT DEVICE

A device sold and marketed as a secure method of preventing theft.

COMPETENT PERSON

A person who has the experience and knowledge to drive and handle a craft like the **Insured Pleasure Craft** and is 18 years of age or over. A **Competent Person** must also be in possession of any necessary permits and/or licenses required by the law.

TERRITORIAL LIMITS

The geographical area specified in the schedule within which we have agreed to insure the insured vessel. You can travel outside the cruising limits if you are forced to by the weather, any form of danger or an order of a government or legal authority.

Standard Cruising Limits

Standard cruising limits are Territorial Waters of Gibraltar and Southern Territorial Waters of Spain up to the bay of Cadiz to the West and up to Malaga to the East.

Extended Cruising Limits

Includes territorial waters of the whole of Spain and Portugal, (including Northern Moroccan Waters i.e. Smir, Asilah, Ceuta and Melilla).

Full Mediterranean Waters

Covers the Full Mediterranean Waters.

ENDORSEMENT

A written record of any alteration **we** agree to make to **your Policy** that is shown in **your Schedule**.

EXCESS

The amount of each and every claim **you** have to pay.

HOUSEBOAT

An **Insured Pleasure Craft** is said to be used as a **houseboat** when it is not under way, or navigating, but is used while on moorings, or in its berth, by the owner or others, for living on board.

IN COMMISSION PERIOD

The period shown in the **Schedule** when the **Insured Pleasure Craft** is fitted out and available for immediate use including hauling out launching and lifting by crane.

INSURED PERSON(S)

Means the person (or people) named in the **Schedule**, their domestic partner and members of their family (or families) or any person operating the **Insured Pleasure Craft** with your prior permission and without charge. This does not include a paid master or crew member of the **insured pleasure craft**, or any person or organisation or their agent or employee operating a marina, shipyard, sales agency or like organisation.

INSURED PLEASURE CRAFT

The hull, superstructure, fittings, machinery, engines, gear and equipment that would normally be sold with the craft.

The **Insured Pleasure Craft** includes **Special Equipment** but not in excess of £500 in respect of any one item and in the aggregate unless specifically mentioned in the **Schedule**.

The **Insured Pleasure Craft** includes **Additional Property** only if separately declared and valued in the **Schedule**.

SPECIAL EQUIPMENT

Items of electronic equipment and navigational or communication equipment that **you** own, that you use specifically on the **Insured Pleasure Craft** (excluding **Personal Effects**).

ADDITIONAL PROPERTY

Tenders, Outboard Engines, Trailers and Life Rafts.

HIDDEN DEFECT

A hidden flaw in the construction or material of the **Insured Pleasure Craft** or part of the **Insured Pleasure Craft** which is not discoverable by using reasonable care.

LAID UP PERIOD

The period shown in the **Schedule** when the **Insured Pleasure Craft** is stored in its **Laid Up Location** being a safe berth or ashore as defined in the **Schedule**, not fitted out and not ready for immediate use and is not used for any purpose other than fitting out or customary overhauling (including hauling out and lifting by crane).

LIMIT OF LIABILITY

The limit applicable in respect of **Section 2 - Liability** which is shown in the **Schedule**.

PERIOD OF INSURANCE

The period which **you** have paid for and which **we** have accepted the **premium** for.

PERSONAL EFFECTS

Items of clothing and articles of a strictly personal nature likely to be worn, used or carried, or nautical apparel or apparatus (including lifejackets, wetsuits, diving equipment, water-skis, fishing gear and tow ropes) other than **Special Equipment**, generally kept on board the **Insured Pleasure Craft** and not normally sold along with the **insured pleasure craft**.

MONEY

Coins and bank notes in current use, cheques, postal orders and money orders, travel tickets, petrol coupons, deeds, bills of exchange, travellers' cheques and documents of any kind.

VALUABLES

Jewellery or other articles of gold, silver or other precious metals, watches, furs, pictures, paintings and other works of art, collections or stamps, coins or medals.

POLICY

The insurance **Policy** is made up of this booklet, the latest **Schedule** issued and any **Endorsement** added at the beginning or throughout the currency of the **Policy**.

You should read them together as if they were one document.

PREMIUM

The amount of money that **you** pay and **we** accept for this insurance.

SCHEDULE

The document that makes the **Policy** personal to **you**. It sets out:

- the **Period of Insurance**.
- **Your** details.
- **Our** details.
- details of the **Insured Pleasure Craft**.
- the **Sections** of the **Policy** which are applicable.
- the **Cruising Limits**.
- the **In Commission** and **Laid Up Periods** and the **Laid Up Location**.
- the **Sums Insured** and other monetary limits.
- the **Excess**.
- the **Premium**.
- any **Endorsements** applying.

SUM(S) INSURED/TOTAL SUM INSURED

The values shown in the **Schedule** for the **Insured Pleasure Craft** or parts thereof.

TOTAL LOSS

A loss where the **Insured Pleasure Craft** is entirely lost or destroyed or a **Constructive Total Loss**.

CONSTRUCTIVE TOTAL LOSS

A loss where the **Insured Pleasure Craft** is beyond economical repair meaning that the cost of repair and/or recovery would exceed the **Total Sum Insured** shown in the **Schedule**.

US/WE/OUR/THE INSURER

Argus Insurance Company (Europe) Limited.

WARRANTY

a. General Nature of a Warranty

A **Warranty** is a promise by **you** that:

- a. some particular thing shall or shall not be done; or
- b. some condition shall be fulfilled; or
- c. a particular state of affairs does or does not exist.

b. Strict Compliance

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

c. Alterations or Deletions of Warranties

If **you** give prior notice in writing that **you** wish to alter or delete a **Warranty we** may, at **our** discretion, and upon payment of any **Additional Premium** required, agree in writing to such alteration or deletion.

YOU/YOUR/THE INSURED

Means the person or entity named as the **Insured** in the **Schedule** or any other person who is navigating or in charge of the **Insured Pleasure Craft** with **your** permission who **we** provide cover for.

Other words may be explained elsewhere in the **Policy** or **Schedule**.

WHERE AND WHEN COVER APPLIES

We insure the **Insured Pleasure Craft** shown in the **Schedule** while it is:

- **In commission** during the **In Commission Period** shown in the **Schedule** within the **Cruising Limits** shown on the **Schedule** including hauling out, launching and lifting by crane and while ashore in its place of storage. During the **In Commission Period** when not in use the **Insured Pleasure Craft** will be normally berthed in the permanent place of mooring defined in the **Schedule**.
- **Laid up** afloat or ashore out of commission during the **laid up period** shown on the **Schedule** at the **Laid Up Location** defined in the **Schedule**.
Cover continues during hauling out, launching and lifting by crane, whilst fitting out and overhauling and during normal maintenance.

It is warranted that when unattended ashore the **Insured Pleasure Craft** must be stored in its **Laid Up Location** defined in the **Schedule** or in a locked garage/store (excluding motor vehicles) or in a supervised or locked commercial yacht yard approved by **us** in writing. Trailers may be left unattended in the open provided they are padlocked to a securely locked motor vehicle or to a fixed and immovable object or with their wheels removed.

The **Insured Pleasure Craft** may not be towed unless in need of assistance and may not undertake salvage or towage services under contract.

LOSS OR DAMAGE TO THE INSURED PLEASURE CRAFT

This Section is only applicable when a Total Sum Insured is shown in in the Schedule.

COVER

In respect of the **Insured Pleasure Craft** shown in the **Schedule**, **you** can claim for loss or damage directly caused by sudden and unforeseen accident including:

- fire, self ignition, explosion or lightning.
- collision, stress of weather, stranding, sinking.
- malicious acts.
- accidents in loading, discharging or handling stores, gear, equipment, machinery or fuel and during hauling out launching and lifting by crane and including fitting out and overhauling.
- theft, but solely theft:
 - i of the entire **Insured Pleasure Craft** and/or (if insured) of its tender and/or life raft.
 - ii of the **insured pleasure craft's** trailer (if insured) provided that if left unattended:
 - it is chained and padlocked to a securely locked motor vehicle or to a fixed and immovable object; or
 - its wheels have been removed; or
 - theft follows forcible and violent entry into the place of storage, maintenance or repair ashore.
 - iii of the **insured pleasure craft's** outboard engine/s (if insured) provided that if 25H.P. or under:
 - the engine/s is/are secured to the **Insured Pleasure Craft** or to the tender by way of an anti-theft device in addition to its normal method of attachment; or
 - theft follows forcible and violent entry into the **insured pleasure craft's** locked cabin or into the place of storage (excluding motor vehicles), maintenance or repair ashore.
 - iv of the **insured pleasure craft's** inboard machinery, gear, equipment and/or (if insured) of its **Special Equipment** following forcible and violent entry into the **insured pleasure craft's** locked cabin, hatch or locker or into its place of storage (excluding motor vehicles) maintenance or repair ashore.
 - v contact with pontoons, harbour equipment, quays, jetties, reefs or any other object that is underwater or partly underwater.
 - vi accidental damage caused by faults that **you** could not know about or by a fault in the design of the **Insured Pleasure Craft** or the way it was made.
 - vii the **insured pleasure craft's** outboard engine/s (if insured) dropping off or falling overboard.

You can also claim for:

Salvage Charges

We will pay the all sums which **you** shall become legally liable to pay and shall pay in respect of salvage charges.



Sue and Labour Costs

We will pay expenses reasonably and properly incurred by **you** to avert or minimize a loss which **you** would be **insured** for under **your Policy**.

Sighting Costs

We will pay the cost of inspecting the underwater part of the hull of the **Insured Pleasure Craft** after a stranding even if there is no damage up to a limit of £1000.

Pollution Costs

We will pay for loss or damage caused to the **Insured Pleasure Craft** by an authority trying to stop or reduce a pollution threat. As long as **you** have done everything possible to stop or reduce the threat **we** will pay for the loss or damage to the **Insured Pleasure Craft** caused by the authority.

Fire Extinguishing Appliances and Safety Flares

We will pay the cost of replenishing fire fighting appliances and safety flares following a fire on board the **Insured Pleasure Craft** up to a limit of £ 250.

WHAT IS THE MOST WE WILL PAY

Except in respect of sue and labour costs referred to above, **we** will not pay more in total than the **Total Sum Insured** noted in the **Schedule** for any one claim under this **Section** in respect of anyone occurrence or series of occurrences originating from one event.

Furthermore, for any specified item forming part of the **insured pleasure craft**, except for sue and labour costs referred to above, **we** shall not pay more than the **Sum Insured** noted against such item in the **Schedule**.

Where **we** have agreed with **you** on the value of your **Insured Pleasure Craft** and other covered property, for an **Additional Premium**, this/these amount(s) will be shown in the **Schedule** as **Agreed Value Basis**. We will pay for a **Total Loss** of your **Insured Pleasure Craft** and other covered property, only if the **Insured Pleasure Craft** is completely lost or destroyed. **We** will also pay for a **Constructive Total Loss** if the cost of recovering and repairing the **Insured Pleasure Craft** is greater than the amount of insurance shown for your **Insured Pleasure Craft** on the **Schedule**. If **we** pay **you** for a **Total Loss** or **Constructive Total Loss**, **you** agree that **we** are entitled to salvage proceeds or recovery therefrom, if any. If there is a **Total Loss** of your **insured pleasure craft**, **we** will not deduct for depreciation in determining the value of any property. If there is a **Partial Loss**, however, **we** may deduct for depreciation on trailers, **Personal Effects**, sails, masts and spars (and attached fittings), running or standing rigging, protective covers, outboard engines and **Special Equipment** forming part of the **insured pleasure craft**.

Where the value of your **Insured Pleasure Craft** has not been agreed with **us** and if in the event of a claim the **Total Sum Insured** (or any part of it) is less than the **Market Value**, any sum paid by us will be limited to the same proportion as the above-mentioned sum insured bears to the **Market Value** of the **Insured Pleasure Craft** at the time of the incident leading to a claim.

Sue and labour costs covered above are payable in addition to the **Total Sum Insured** or any **Sum Insured** but the maximum sum we will pay in respect of sue and labour costs for the **Insured Pleasure Craft** or any part thereof arising from each separate occurrence or series of occurrences originating from one event is the **Sum Insured** in respect of any affected item and the **Total Sum Insured** in the aggregate.

EXCEPTIONS

We will not pay for:

1. Loss or damage caused by wear and tear, corrosion, vermin, insects, fungus, marine life, electrolysis or osmosis, gradual deterioration, rust, dampness, normal wetting or weathering.
2. Loss of value because of age and use, except when the relative **Sum(s) Insured** are on an **Agreed Value Basis**.
3. Loss of value of the **Insured Pleasure Craft** after it has been repaired or other consequential loss.

4. The cost of:

- repairing or replacing any part that is lost or damaged or otherwise condemned because it was faulty or defective.
- putting right any fault or defect caused after somebody else's mistake or if they do not finish any repair work or alterations.

5. Loss or damage caused by scratching, denting, chipping and/or bruising while the **Insured Pleasure Craft** is being transported.

6. Loss of or damage to sails and protective covers split by wind or blown away while set unless following damage to the spars to which the sails are bent or following the **Insured Pleasure Craft** being stranded or coming into collision with any external substance (other than water).

7. Loss of or damage to:

- mechanical, electrical or electronic machinery.
- batteries.

and their connections caused by:

- a. latent defects;
- b. faulty design and/or construction and/or maintenance and/or repair;
- c. frost, ice, freezing or extremes of temperature;
- d. electrical, electronic or mechanical breakdown, failure or derangement.

8. Loss of or damage to:

- a. sails, masts or spars (and attached fittings) and running or standing rigging while the **Insured Pleasure Craft** is racing;
- b. **Additional Property** unless specific Sum/s Insured is/are noted for such property in the **Schedule**;
- c. consumable stores, moorings;
- d. **Personal Effects** except as covered by the **Personal Effects Extension**;
- e. trailer tyres while in transit by the application of brakes or by road punctures, cuts or bursts;
- f. to outboard motors following contact with water, unless such motor is completely stripped down and flushed with oil by a qualified engineer immediately after recovery.

9. Overnight Theft Exclusion - Auxiliary Tender Outboards

No cover is provided under the Section - Loss or Damage to the Insured Pleasure Craft - for loss or damage to any outboard motor of 9.9H.P. or less caused by theft when the Insured Pleasure Craft is left unattended on its permanent or temporary moorings after each use overnight unless such motor is stolen following forcible and violent entry into the insured pleasure craft's locked cabin or into the engine's place of storage ashore.

10. Theft Exclusion - Outboard Engines

No cover is provided under the Section - Loss or Damage to the Insured Pleasure Craft - for loss or damage to any outboard engine of 9.9H.P. or less caused by theft when the Insured Pleasure Craft is left unattended afloat after use.

SPECIAL CONDITIONS APPLYING TO THIS SECTION.

You must comply with the following conditions to have the full protection of your **Policy**. If **you** do not comply with them **we** may, at **our** option, cancel the **Policy** or refuse to handle **your** claim or reduce the amount of any claim payment.

1. Fire Protection

Cover for fire and explosion is only provided subject to the **Insured Pleasure Craft** being equipped with fire extinguishing apparatus to the following minimum standards:

- a. if the **Insured Pleasure Craft** is equipped with outboard engine/s above 25H.P. or with inboard engine/s the minimum standard is one manual fire extinguisher; and
- b. if the **Insured Pleasure Craft** has a galley area, the minimum standard is extended to include a fire blanket.

2. Transit (if applicable)

While it is in transit the **Insured Pleasure Craft** must be:

- carried on a trailer fit for the purpose intended and towed by a suitable vehicle; or
- fitted in a purpose built cradle and carried by a professional haulier; or
- secured or fastened to a vehicle roof rack, provided this is a suitable method of transit for the **insured pleasure craft**.

3. Speedboat impact damage limitation

Applicable only if the **Insured Pleasure Craft** is a speedboat designed to exceed 17 knots.

In the event of loss or damage to the rudder, propeller/s, strut or shaft, motors, electric or electronic machinery, batteries and their connections caused:

- by the **Insured Pleasure Craft** hitting or otherwise coming in contact with any object that is underwater or partly underwater; and/or
- by the blockage of any vents of the **Insured Pleasure Craft**;

the most **we** will pay in any one **Period of Insurance** is limited to £2000.

4. Automatic Bilge Pump Warranty

You warrant that an automatic bilge pump is fitted and maintained in working order and is in operation whilst vessel is left on its mooring unattended.

EXCESS APPLICABLE TO THIS SECTION

In the event of each and every claim (except for a claim for a **Total Loss**) under this **Section** for loss, damage or expense **we** shall not be liable for the amount of the **Excess** shown in the **Schedule**.

PERSONAL EFFECTS

Cover under this **Section** is extended (without application of the **Excess**) to **Personal Effects** and such property shall be deemed part of the **Insured Pleasure Craft**.

Personal Effects are only insured if they belong to **you** or **your** family members and while they are on board or are being conveyed by water to or from the **Insured Pleasure Craft**.

LIMIT

The amount recoverable under this Extension shall be limited to £600 or to the **Sum Insured** shown in the **Schedule** in respect of **Personal Effects** if such **Sum Insured** is higher. No one item shall be deemed of greater value than £ 250 unless specifically declared and valued.

EXCEPTIONS APPLICABLE TO PERSONAL EFFECTS SECTION

We shall not be liable in respect of:

- a. loss or damage to **Money** or **Valuables**, mobile phones, cameras or other personal electronics;
- b. any loss or damage to **Personal Effects** occurring while the **Insured Pleasure Craft** is:
 - unattended ashore (except in a locked garage/store); and/or
 - in the custody and control of a repairer or a yacht yard or other storage facility;
- c. theft of **Personal Effects** unless such theft follows forcible and violent entry into the **insured pleasure craft's** locked cabin, hatch or locker;
- d. breakage of articles of a brittle nature, unless caused by the **Insured Pleasure Craft** being stranded, sunk, burnt or in collision or by stress of weather or theft as covered by this extension;
- e. loss of water-skis, wet suits, skis, diving equipment, tow ropes and fishing gear unless as a result of fire or theft as covered by this extension or as a result of a **Total Loss**.

LIABILITY

This Section is only applicable when a **Limit of Liability** is shown on the **Schedule**.

COVER

1. Compensation

You can claim all sums that you legally have to pay as a result of owning the **Insured Pleasure Craft** shown on the **Schedule**, for:

- a. the death of or injury to any other person, including anyone getting on or off or travelling on the **Insured Pleasure Craft**;
- b. damage to any other property including other vessels, piers, docks, wharves, jetties, cables or pontoons;
- c. attempted raising or raising, removing or destroying the wreck of the **Insured Pleasure Craft** or if **you** fail to remove or destroy it; or
- d. pollution caused by the **Insured Pleasure Craft** as a result of loss or damage **we** insure.

2. Legal Costs

As long as **we** have agreed in writing, **we** will also pay for:

- a. all **your** legal costs in settling or defending a claim; and
- b. lawyers' fees and all expenses relating to official enquiries or coroner's inquests.

3. Indemnity to other persons navigating with your permission

This insurance will (at **your** request) also insure any **competent person** who is navigating or in charge of the **Insured Pleasure Craft** with **your** permission but:

a. **we** will not insure:

- shipyard operators or their employees;
 - repair yard operators or their employees;
 - slipway operators or their employees;
 - yacht club operators or their employees;
 - marina operators or their employees;
 - sales agencies or their employees;
 - delivery skippers or their employees or crew; or
 - any other similar organizations;
- unless **we** accept to do so in writing.

b) **we** will not insure any person who misappropriates the **insured pleasure craft**.

WHAT IS THE MOST WE WILL PAY

We will not pay more in total than the **Limit of Liability** noted in the **Schedule** in respect of any one accident or series of accidents arising out of the same event.

EXCEPTIONS

We will not pay claims for:

1. death, injury or illness of anyone **you** employ.
2. death, injury or illness of an employee of anyone navigating or otherwise using the **insured pleasure craft**. We do not provide cover for legal liability incurred under any Workmen's Compensation or Employers' Liability Legislation nor under any other Statutory or Common Law Liability in respect of accidents and illness to persons employed by **you** or by any other **Insured Person**.
3. water-skiers operating with the **Insured Pleasure Craft** or anything similar until they are safely back on board the **Insured Pleasure Craft**.
4. parascenders operating with the **Insured Pleasure Craft** or any other sport which takes place in the air, until they are safely back on board the **Insured Pleasure Craft**.
5. divers operating from the **Insured Pleasure Craft** until they are safely back on board the **Insured Pleasure Craft**.
6. accidents while the **Insured Pleasure Craft** is in transit by or attached to a mechanically propelled road vehicle or caused by any trailer **we** insure except when it is deliberately uncoupled from the towing vehicle.
7. accidents while the **Insured Pleasure Craft** is in transit by rail or ferry.
8. liability of any sort which comes under any law relating to workmen.
9. any fines or other penalties which any Government or Government Authority require **you** to pay.
10. any punitive or exemplary damages, however described.

11. any liability arising under an agreement or contract which would not have arisen had the agreement or contract not existed.
12. claims in respect of any property belonging to **you** or **your** employees or members of the **Insured's** household or under the custody or control of such persons.

EXCESS APPLICABLE TO LIABILITY

In the event of each and every claim under this **Section** we shall not be liable for the **Excess** shown in the **Schedule**.

If however a claim made by **you** involves both **Sections A** and the **Liability section**, the **Excess** shall only be applicable once.

PERSONAL ACCIDENT EXTENSION

We automatically include this **extension** when **Section A** is operative and a **Total Sum Insured** is shown in **Section A** of the **Schedule**.

DEFINITIONS

INSURED PERSONS

The **Insured** and any passengers. If the **Insured** is a company we include any **competent person** navigating the **Insured Pleasure Craft** with **your** permission provided he or she is not doing so in the course of his or her employment, trade or occupation.

BODILY INJURY

Bodily injury (including exposure to the elements following a mishap to the **insured pleasure craft**) caused by violent, accidental, external and visible means.

LOSS OF LIMB

Loss by severance of an entire hand or foot or the total and permanent loss of use of an entire hand or foot.

LOSS OF SIGHT

Total and irrecoverable loss of sight.

PERMANENT TOTAL DISABLEMENT

Total and permanent disablement from attending to or following any occupation or employment including:

- **Loss** of two or more **limbs**; or
- **Loss of sight** in both eyes; or
- **Loss** of one limb combined with loss of sight in one eye.

COVER

If the **Insured Persons** sustain **Bodily Injury** while on board or embarking or alighting from the **Insured Pleasure Craft** shown on the **Schedule** during the **Period of Insurance**, resulting directly and independently of any cause, in **Death** or **Permanent Total Disablement** or **Loss of Limb** or **Loss of Sight** within one year from the date of injury, we will pay the benefits noted below in '**What is the most we will pay**'.

WHAT IS THE MOST WE WILL PAY

This **Policy** is extended to cover the **Insured**, and any persons invited on board the **insured pleasure craft**, for the following Benefits in the event of a personal accident whilst aboard, embarking or disembarking the **insured pleasure craft**, within 12 months of that accident, which is the sole and independent cause of subsequent death or disability.

Benefit per Insured Person for:

- | | |
|---|----------------|
| 1. Death | £15,000 |
| 2. Permanent Total Disablement | £15,000 |
| 3. Loss of one Limb or Loss of Sight in one eye | £15,000 |

Provided that:

1. **We** will not pay more in total than the benefit for death in respect of any one injury to an **Insured Person**.
2. If **Permanent Total Disablement** is payable in respect of any injury then any benefit paid or payable under Benefit 3 above shall be deducted.
3. **We** will not pay more in total than £75000 in any one **Period of Insurance** irrespective of the number of **Insured Persons** claiming.
4. **We** will not pay any benefit to anyone who is compensated under **Section 2 -Liability of your Policy**.

EXCEPTIONS

We will not pay:

1. If any **Insured Person** is aged 76 or over at the time of the occurrence.
2. If any **Insured Person** is aged under 16 or over 70 years at the time of the accident, the **Death Benefit** will be limited to £5,000 and the **Permanent Total Disablement** benefit limit will not apply.
3. If **Bodily Injury** results from exposure to needless danger or from committing or attempting to commit suicide or unlawful acts.
4. If **Bodily Injury** results from the misuse of drugs or alcohol.
5. If the **Insured Pleasure Craft** is being used for any purpose other than private pleasure.
6. If an **insured person** is **your** employee or otherwise in the course of any trade, profession, business or employment; and
7. If the **Bodily Injury** results from the use of a jet-ski even if part of the **Insured Pleasure Craft**.
8. If the **Bodily Injury** results in **Death, Loss** or **Disablement** caused directly or indirectly by:
 - A disease of any physical defect or illness;
 - An injury that existed prior to the accident;
 - Pregnancy;
 - Consequential loss of any kind; or

- Suicide, deliberate self-injury, being under the influence of drink or drugs (unless prescribed by a Doctor), alcoholism, drug addiction, solvent abuse or wilful exposure to exceptional risk (except in attempting to save human life).

ADDITIONAL CONDITIONS

1. No payment shall be made without appropriate medical certificate.
2. If in the event of a claim **we** require any medical certificates, information, evidence and receipts ; these must be obtained by **you** and not at **our** expense.
3. If in the event of a claim **we** require a medical examination, **you** must agree to this and in the event of **Death we** are entitled to a post-mortem examination, both at **our** expense.
4. No claim shall be payable under more than one benefit in respect of any one accident. In the event of an accident causing disablement followed by **Death** occurring from any one cause within 12 calendar months of the accident, **we** will pay only the compensation payable in case of **Death**.

MEDICAL EXPENSES EXTENSION

We will pay up to £500 per **Insured Person** for any doctors' or surgeons' fees for emergency treatment if **you** or **your** passengers sustain **Bodily Injury** because:

- The **Insured Pleasure Craft** hits another boat;
- The **Insured Pleasure Craft** hits another object; or
- The **Insured Pleasure Craft** sinks.

CLAIMS - HOW WE SETTLE CLAIMS

1. Options available to us

We will, at **our** option, pay in cash the amount of the loss or damage or may repair, reinstate or replace the lost or damaged property.

If **we** choose to repair, reinstate or replace property, **we** shall be obliged to do so only to an extent as is reasonably deemed practically sufficient regardless of the fact that former appearance and condition of the property may not be precisely restored.

2. Reduction of Sum Insured

The **Sum Insured** on hull, inboard machinery, gear and equipment will not be reduced by any claim. Other **Sums Insured** are reduced by the amount of a claim.

3. Basis of Settlement

- For a **Total Loss**, **we** shall base our settlement on the **insured pleasure craft's Market Value** or **Agreed Value** at the time of the loss but the most **we** will pay is the **Total Sum Insured**.
- In the event of a partial loss, **we** shall base **our** settlement on the reasonable cost of repairing or reinstating the lost or damaged part of the **Insured Pleasure Craft** (to a condition similar to, but not better than, that which existed when the relevant part was new) and necessary expenses related thereto plus any necessary salvage charges, subject always to:
 - such cost and expense not rendering the loss a **Constructive Total Loss** in which case we shall never pay more than the **insured pleasure craft's Market Value, Agreed Value** or the **Total Sum Insured**, whichever is the lower amount; and

- the maximum payable for any item of **Additional Property** or **Special Equipment** specified in the **Schedule** being the **Sum Insured** on such item as noted in the **Schedule**.

All claims on Trailers, **Personal Effects**, Sails, Masts and Spars (and attached fittings), Running or Standing Rigging, Protective Covers, Outboard Engines and **Special Equipment** forming part of the **Insured Pleasure Craft** will be settled bearing in mind deductions to reflect age, wear, tear and depreciation.

The only costs payable by us in excess of the **Total Sum Insured** are costs for Sue and Labour referred to earlier.

4. Constructive Total Loss

In ascertaining whether the **Insured Pleasure Craft** is a **Constructive Total Loss**, the **Total Sum Insured** or **Agreed Value** (if applicable) shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the **Insured Pleasure Craft** or wreck shall be taken into account.

No claim for **Constructive Total Loss** based upon the cost of recovery and/or repair of the **Insured Pleasure Craft** shall be recoverable unless such loss would exceed the **Total Sum Insured** or **Agreed Value** (if applicable).

5. Unrepaired Damage

If the **Insured Pleasure Craft** becomes a **Total Loss**, we shall be entitled to reduce our payment by the amount of any claim we may have paid for previous damage which is still unrepaired at the time of the **Insured Pleasure Craft** becoming a **Total Loss**.

6. Other Insurances

In the event of any other insurance covering the same claim as this **Policy**, we shall only be liable to contribute our rateable proportion of such claim. This condition is not applicable to cover under **the Personal Accident Section**.

GENERAL EXCEPTIONS

The following Exceptions apply to the whole of your Policy.

In no case shall this insurance cover loss, damage, injury, liability or expense arising from:

1. War, Confiscation and Expropriation

- 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 (barratry and piracy excepted), and the consequences thereof or any attempt thereat;
- c. derelict mines, torpedoes or other derelict weapons of war;
- d. confiscation, expropriation, requisition or pre-emption;
- e. the operation of ordinary judicial process, failure to provide security or to pay any fine, penalty or any financial cause.

2. Strikes and Terrorism

- a. strikers, locked-out workmen, persons taking part in labour disturbances, riots or civil commotion;
- b. terrorism and/or steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of this exception, "terrorism" means any act(s) of any person(s) or organisations involving:

- i. the causing, occasioning or threatening of harm of whatever nature and by whatever means;
- ii. putting the public or any section of the public in fear;

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organisation(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

3. Extended Radioactive Contamination

- 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. This Exclusion 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.

4. Chemical, Biological, Bio-Chemical, Electromagnetic Weapon and Cyber Attack

- a) any chemical, biological, bio-chemical or electromagnetic weapon;
- b) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic or electrical system.

5. Sonic Boom

Pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.

6. Tenders

Any tenders not permanently marked with the name or registration mark of the parent **Insured Pleasure Craft** and any tenders with a maximum designed speed of 17 knots or over unless specifically agreed.

7. Use Limitations

Any occurrences happening while the Insured Pleasure Craft is:

- a) used permanently as a houseboat;
- b) let out on hire or carrying fare-paying passengers;
- c. used for demonstration purposes;
- d. used for any purposes other than private pleasure purposes;
- e. being delivered to/from Gibraltar unless prior written consent is obtained from us;
- f. used for any illegal purposes whatsoever.

8. Racing & related activities

Any occurrences happening while the **Insured Pleasure Craft** (if mechanically propelled) is used for parascending and similar sports, for racing, speed tests or trials in connection with such activities.

9. Control of insured pleasure craft

Any occurrences happening:

- when the **Insured Pleasure Craft** is under way unless a **competent person** shall be on board and in control of the **Insured Pleasure Craft** (not applicable where the **Insured Pleasure Craft** breaks adrift as a result of an insured peril).
- as a result of **your** (or that of any person authorised to control, manage or be on board the **insured pleasure craft**) wilful misconduct, malicious act or failure to exercise due diligence to manage or use the **Insured Pleasure Craft** properly or to maintain it in a seaworthy condition.
- as a result of the **Insured Pleasure Craft** being in control of anyone under the influence of drugs or alcohol.
- as a result of loss, damage or liability deliberately caused by the wrongful acts or wilful misconduct of any insured person.
- as a result of bodily injury sustained by any person who is a trespasser or uninvited guest while in, upon, boarding or leaving the **Insured Pleasure Craft** no medical payments shall be made by us.

10. Ice, Freezing and Extremes of Temperature

We will not pay for damage or loss due to ice, freezing or extremes of temperature.

11. Physical Condition

We will not pay for loss or damage due to physical condition of the **Insured Pleasure Craft** (other than **Hidden Defects**) that existed prior to the effective date of this Policy.

12. Unexplained Disappearance

We will not pay claims for unexplained disappearance of property, **Personal Effects** or **Equipment** from the **insured pleasure craft**.

GENERAL CONDITIONS

You must comply with the following conditions to have the full protection of **your Policy**. If **you** do not comply with them and any other particular terms and endorsements **we** may, at **our** option cancel the **Policy** or refuse to handle your claim or reduce the amount of any claim payment.

1. Your duty to tell us about the risk and about changes in circumstances

We will only provide the insurance described in this **Policy** if:

- to the best of **your** knowledge and belief, the information that **you** have given is true and complete. If someone else has given us the information for **you**, that person was acting for **you** at the time and **you** are responsible for the information they gave.
- anyone claiming under **your Policy** has met all the relevant conditions.
- **you** notify **us** immediately of any changes that may affect **your** insurance. In particular **you** must tell us if:
 - i **you** change **your** address;

- ii **you** change the **Insured Pleasure Craft** or buy extra and/or different machinery, gear or equipment including **Special Equipment**;
- iii **you** change the places where **you** keep the **Insured Pleasure Craft**;
- iv **you** or anybody living with **you** have been declared bankrupt or prosecuted for or convicted of theft fraud, dishonesty, arson or any other offence other than a driving offence.

2. Your special duties and our rights if loss, damage or injury occurs

If **you** have an accident or loss **you** might want to claim for under **your Policy** you must contact us as soon as possible at **our** head office or any branch office for a claim form and instructions. Send the completed claim form back to us as soon as possible but not later than 15 days later.

What you should or should not do

You must:

1. immediately upon discovery inform the police about any theft, attempted theft, fire or vandalism, malicious damage or loss of the **Insured Pleasure Craft** or any part of it.
2. send all claims, letters, summonses or legal documents to **us** immediately upon receipt and **you** must not reply to any of these documents without **our** written consent.
3. supply at **your** own expense all reports, certificates, plans, specifications, evidence (including receipts), information and assistance that **we** may require.
4. take all reasonable steps (including marking a wreck and attempting to raise a sunken craft) to minimize losses, to recover missing property and to prevent further loss, damage or injury.
5. allow **our** appointed medical advisor to carry out any medical examination (including a post mortem) of any **insured person** under the **Personal Accident Section**.
6. give **us** permission to take action in **your** name to get back any amount **we** have paid or may pay under **your Policy**; and also give us as much assistance as possible to do so.

You must not:

1. negotiate, admit or repudiate any claim without **our** written permission.
2. authorise permanent repairs to the **Insured Pleasure Craft** without **our** express permission.
3. alter the condition of the damaged property until **our** surveyor has seen such property.
4. abandon any property to **us**.

We or **our** representative(s) are entitled at any time to:

1. take over the defence or settlement of any claim.
2. take action including legal action to get back any amount we have paid or may pay under **your Policy**.
3. receive all necessary information and assistance from **You** and any other person **insured** by this **Policy**.

4. have access, at all reasonable times, to examine the **Insured Pleasure Craft** or any part of it.
5. get or ask **you** to get estimates for repairs and **we** can decide where repairs can be done.

3. New Ownership

If **you** sell the **Insured Pleasure Craft** or transfer it to new ownership or management or if a company owns the **Insured Pleasure Craft** and there is a change in the controlling interest of the company ; this **Policy** will be cancelled from the date of the sale transfer or change unless the **Insured Pleasure Craft** is at sea in which case such cancellation shall, if required, be suspended until arrival at the next port or place of safety. **We** will not recognize any interest or transfer of interest or assignment of this **Policy** unless we have agreed and noted it in **your Schedule** or by **Endorsement**.

4. Cancellation

This **Policy** may be cancelled:

- a. by **us** with immediate effect if **you** do not pay the **premium**;
- b. by **us** at any time subject to **our** giving **you** 15 days notice by registered mail sent to **your** last known address. **We** will allow **you** a return **premium** which reflects how long **we** were on risk during the **Period of Insurance**;
- c. by **you** at any time. **We** will allow **you** a return **premium**, which reflects how long **we** were on risk during the **Period of Insurance** only if **you** have sold the **insured pleasure craft**. **We** will not give **you** a return of **premium** for any other reason.

A return of **premium** shall not be payable if a claim has been made in the current **period of insurance** nor if **you** cancel the **Policy** in the first year of insurance after the first 14 days from the date **you** bought the Policy.

5. Seaworthiness condition and general precautions

We will only provide the insurance described in this **Policy** if:

- a. at all times **you** have taken all reasonable precautions to prevent any liability, injury, loss or damage and **you** have acted with due diligence;
- b. at all times, **you** have taken all reasonable steps to maintain and keep the **Insured Pleasure Craft** including all its machinery, gear and equipment:
 - in a proper state of repair and seaworthiness.
 - otherwise fit for the purpose and use intended.
 - in conformity with any applicable safety regulations including those relating to life safety equipment.
- c. when under way, the **Insured Pleasure Craft** shall:
 - be properly manned.
 - not carry more passengers and crew than as permitted by any relevant authority.
 - be navigated by a **competent person** who at all times complies with any relevant laws.

6. Gas Installations, Moorings and Protective Covers

We will only provide the insurance described in this **Policy** if:

- a. at all times:

- any bottled gas installation on the **insured Pleasure Craft**, shall conform to approved safety standards and the gas tubing must be made of copper (with rubber edging) unless accepted by us in writing.
 - any liquid gas containers on the **Insured Pleasure Craft** are to be stored on deck away from hatches and other openings or in a separate well-ventilated housing situated in such a way that escaping gas cannot reach enclosed spaces, cabins, engines, compartments and bilges.
 - any moorings for the **Insured Pleasure Craft** are to be inspected regularly and maintained in sound condition.
- b. when unattended at berth or mooring afloat:
- the **Insured Pleasure Craft** is adequately protected by waterproof or watertight cover against bad weather.

7. Fraud

You must not act in a fraudulent manner.

If **you** or anyone acting on **your** behalf:

- make a claim under this **Policy** knowing the claim to be false or fraudulently inflated in any respect; or
- make a statement in support of a claim knowing the statement to be false in any respect; or
- submit a document in support of a claim knowing the document to be forged or false in any respect; or
- make a claim in respect of any loss or damage caused by **your** wilful act or with **your** connivance;

then

- **we** shall not pay the claim;
- **we** shall not pay any other claim which has been made under the **Policy**;
- **we** may at **our** option declare the **Policy** void;
- **we** shall be entitled to recover from **you** the amount of any claim already paid under the **Policy** since the last renewal date;
- **we** shall not make any return of **premium**;
- **we** may inform the police of the circumstances.

ENDORSEMENTS

Only applicable if shown in the Schedule.

1. Racing risks

Subject otherwise to the terms and conditions of this **Policy** but regardless of **Exceptions 6 and 8(a) to Section 1**, such **Section** extends to cover loss or damage to sails, masts, spars (and attached fittings) and standing and running rigging while the **Insured Pleasure Craft** is racing.

For the purposes of this cover however the **Excess** shall be one third of the value or repair cost of such property or the amount of the **Excess** on the **Schedule**, (whichever is the greater amount).

The most **we** will pay is therefore limited to 66% of the **Sum Insured** noted on the **Schedule** in respect of sails, masts, spars (and attached fittings) and standing and running rigging.

The **Excess** shall however not be altered as above if loss or damage while racing is caused by stranding, sinking, collision and fire.

2. Single Handed Sailing

Permission is given for the **Insured Pleasure Craft** to be sailed single handed by **you** or any person whose details of experience, etc have been submitted to and accepted by **us** within the **Cruising Limits** authorised on the **Schedule**.

3. Transit Clause

This **Policy** is extended to cover the **Insured Pleasure Craft** whilst in transit by road, rail, or car-ferry including loading and unloading from the conveyance, within the limits stated in the **Schedule**, but no claim shall be allowed in respect of:

- a. scratching, bruising and/or denting arising during transit covered by this Clause and the cost of consequent repainting or revarnishing;
- b. liability to third parties arising from any accident while the vessel is being towed by or attached to a motor vehicle or has broken away or become accidentally detached from a motor vehicle.

4. No Claims Bonus

In the event of no claim arising under this **Policy**, the same having been in force for 12 consecutive months (including a commission period of not less than four months), the renewal premiums will be reduced as follows:

If no claim arises in respect of 1 year	5%
If no claim arises in respect of 2 consecutive years	10%
If no claim arises in respect of 3 consecutive years	15%
If no claim arises in respect of 4 consecutive years	20%

Provided always that the bonus is only payable if the **Policy** is renewed and remains in force for a further period of 12 months (including a commission period of not less than four months).



Argus Insurance Company (Europe) Limited

PO Box 45, Regal House, 3 Queensway, Gibraltar

Telephone: (+350) 200 79520 Fax: (+350) 200 70942, E-mail: enquiries@argus.gi

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