

WATERBORNE TRAILED BOAT FORM

WARRANTIES AND GENERAL CONDITIONS

(Applicable to all sections unless stated otherwise)

PRIVILEGES

This insurance provides cover for the Insured vessel, subject always to all terms, conditions, warranties & exclusions contained herein or stated elsewhere on the Policy, whilst afloat or ashore, including whilst being transported by public highway, and whilst hauling & launching from recognised slipways. There shall be no cover provided whilst the Insured vessel is towing, or being towed by, another vessel other than where such towing is necessary and customary for the assistance of vessels in distress.

PRIVATE PLEASURE WARRANTY

It is warranted that the vessel hereby Insured is to be used solely for private pleasure purposes and not to be hired, chartered or used for any commercial purpose unless previously approved by Underwriters in writing, and such permission is endorsed hereon.

CRUISING WARRANTY & USAGE

It is warranted by the Insured that the vessel will navigate only within the cruising warranty specified on the Policy. Where use in any coastal waters is permitted the vessel must not navigate in excess of twenty-five miles from a recognised safe docking area or port.

It is further warranted by the Insured that the vessel will be in the charge of an operator named on the Policy, or any endorsement thereto, at all times whilst under way.

ROAD TRANSIT

It is warranted that whilst the vessel is being transported by road it shall be loaded and securely attached to a road trailer of adequate size, which is designed and built specifically for the purpose of transporting boats. The towing vehicle must also be fitted with an immobilisation device and be of a size and capacity to ensure the safety of the unit for the duration of the transit, including whilst launching and during recovery from the water.

It is warranted that at all times the towing vehicle will be driven by a person holding a full and valid licence for the vehicle used (including towing where required) and for the territories transited.

FIRE EXTINGUISHER CLAUSE

If the vessel hereby Insured is fitted with inboard machinery which is either gas powered, turbo charged or diesel powered and rated in excess of 200 horse power, it is warranted that an automatic fire extinguisher (or a remotely operated fire extinguisher) of adequate size and type is fitted in the engine room. It is further warranted that such extinguishers are serviced and re-certified in accordance with the manufacturers recommendations.

There will be no cover under any section of this policy for loss, damage, liability or expense arising out of fire or explosion in the absence of a fire extinguishing system as required above.

TRANSFER OF INTEREST

If the vessel, trailer or any other property hereby Insured is sold, assigned, transferred or pledged to any person whatsoever insurance hereon shall cease at the time of such sale, assignment, transfer or pledge.

PERSONAL NEGLIGENCE

Personal negligence or fault of the Insured in the navigation of the vessel (or whilst the unit is in transit) shall not relieve the Underwriters of liability under the Policy. There is however no cover under any section of the Policy for loss or damage occasioned, or for liability incurred wilfully or intentionally caused by the Owner or Insured

DEDUCTIBLE

In the event of a claim being made under the Policy, the deductible amount stated on the Policy for the relevant Policy section shall be paid by the Insured. No claim shall be payable until the amount of loss exceeds the deductible amount stated.

In the event of any occurrence leading to a claim being made under more than one section of this insurance, only one deductible shall apply, which shall be the highest of those shown on the Policy for the relevant sections.

NOTICE OF LOSS AND FILING OF PROOF

The Insured shall report immediately to Underwriters any and every occurrence or event that may lead to a claim being made under the Policy. In the event of damage to the vessel, trailer or any other property Insured no permanent repair shall be made or authorised before Underwriters' representative has had an opportunity to examine such damage.

Any appointment of representatives, or investigators by Underwriters shall be deemed to have been made without prejudice to Underwriters' liability, and shall not constitute an acceptance of the claim or a waiver of any rights or defences in law, under the conditions of the Policy or otherwise that may be available or may become available as a result of subsequent investigations.

The Insured shall also file with Underwriters' representative, a detailed sworn proof of loss and proof of interest and/or received bills in case of a partial loss, within ninety (90) days from date of loss.

PAYMENT OF LOSS

Where a loss becomes payable under this insurance, it shall be paid to the Insured within ninety (90) days of Underwriters receiving satisfactory proof of loss and proof of interest in the property Insured. In the event that any money due to Underwriters has not been received at that time, Underwriters shall be entitled to deduct the sum of all monies due from any loss payment.

SUBROGATION

It is agreed that upon payment of any loss, damage, or expense the Underwriters are to be subrogated to all the rights of the Insured to the extent of such payment.

TIME FOR SUIT AGAINST UNDERWRITERS

In the event of Underwriters declining to pay in whole, or in part, the monetary amount to indemnify the Insured for amounts claimed as a result of the reported incident, then any action to recover disputed sums must be commenced within one (1) year from the date that notice of such declination is received by the Insured.

It is agreed that notice of any declined claim given in writing by Underwriters to the Insured's Agent or Broker, is deemed to have been simultaneously given to the Insured.

Where the Policy is issued in a State where the above time limitation is prohibited, the limit shall be extended to allow action to be commenced within the shortest limitation permitted under the laws of such State.

ACTION AGAINST UNDERWRITERS

Any person or organization or the legal representative thereof who has previously secured judgement against the Insured shall be entitled to recover under the Policy to the extent of the insurance afforded by the Policy. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Underwriters of any of their obligations hereunder.

LEGAL REPRESENTATION AND DUTY TO DEFEND

If the liability of the Insured is contested with the prior written approval of Underwriters, the Underwriters will pay the cost and expense of such defence up to the limit stated in Section C, in which event the Underwriters shall have the option of naming the attorneys who shall represent the Insured in said defense. If such option is exercised, Underwriters shall have the direction and control of any representative selected.

The Insured shall whenever required, attend hearings and trial and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of suits and limitations proceedings.

Underwriters' duty to defend the Insured will cease upon the limit stated for section C being exhausted, whether by payment of indemnity or for costs of defense, or a combination of the two.

CO-OPERATION CLAUSE

The Insured shall co-operate with the Underwriters and shall not assume any obligation, admit any liability or incur any expense for which the Underwriters may be liable, without the written approval of the Underwriters, except as may be necessary and permitted to safeguard the Vessel under the provisions of the SUE AND LABOR clause in section A of the Policy.

EXAMINATION UNDER OATH

The Insured shall exhibit, to any person designated by Underwriters, all that remains of any property Insured hereon. In addition the Insured, and insofar as is within his control, his employees, family members or other persons, shall submit to examinations under oath by Underwriters' representative as often as may be reasonably required. The Insured shall also produce any & all documents, books of account, bills, invoices and other vouchers, or certified copies thereof if originals are unavailable, that may be reasonably requested by Underwriters or their Representative, and shall permit extracts and copies thereof to be made.

No such examinations under oath, examination of documents, nor any other act of Underwriters, or any of their Employees or Representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defence which the Underwriters might otherwise have with respect to any loss or claim made under this insurance.

MISREPRESENTATION OR FRAUD

This insurance shall be void in its entirety if the Insured, or any agent or representative acting on the Insured's behalf, has failed to disclose or misrepresented any material fact or circumstance concerning this insurance or the subject hereof, or the interest of the Insured herein.

This insurance shall be void in its entirety if the Insured, or any agent or representative acting on the Insured's behalf, commits fraud or falsely swears in any matter relating to this insurance or the subject hereof whether before or after a loss. If any fraud is discovered in relation to this insurance Underwriters shall be entitled to recover from the Insured any sum or sums which may have been previously paid, on account or otherwise in relation to this insurance along with any costs incurred in so doing.

NOTICE OF CANCELLATION

This insurance may be cancelled by the Insured by returning the Policy to Underwriters by mail giving thirty (30) days prior written notice of the date such cancellation shall take effect.

This insurance may be cancelled by Underwriters, by mailing to the Insured at the last known address, &/or by notifying in writing the agent through whom this insurance was placed, giving not less than ten (10) days notice thereafter for such cancellation to become effective. Where State law requires a period in excess of ten days notice, cancellation will become effective after the minimum period required by law. The mailing of notice as aforesaid shall be sufficient proof of notice. The end of the Policy period shall be the time that the Insured surrenders the Policy, or the effective date of the cancellation stated in any notice from Underwriters.

RETURN OF PREMIUM

If the Insured cancels, premium shall be returned at the rate of 65% of pro rata premium for the un-expired period. If the vessel is sold pro rata premium will be returned, subject to a minimum retention of 25% of the annual premium by Underwriters.

If the Underwriters cancel, premium shall be returned pro-rata for the un-expired period.

Premium adjustment may be made at the time cancellation is effected and, if not then made, shall be made as soon as practicable after cancellation becomes effective. The Underwriters' or their representatives' check mailed or delivered as aforesaid shall be sufficient tender of any refund of premium due to the Insured.

PREMIUM FULLY EARNED

There shall be no return of premium allowed under this insurance in the event of a claim being made (or the reporting of an incident likely to result in a claim being made at a future date) under any section of the Policy within the relevant Policy period.

In the event that a claim is made following the cancellation date of the Policy, any premium returned by Underwriters shall be immediately reinstated to Underwriters by the Insured.

OTHER INSURANCE

If a named Insured has other insurance against a loss covered by any section of the Policy, the Underwriters shall not be liable under the Policy for a greater proportion of such loss than the applicable amount stated bears to the total amount of all valid and collectible insurance against such loss. If an Insured other than a named Insured has other insurance against a loss covered by any section of the Policy, this insurance shall be excess over such other insurance.

NO CLAIMS DISCOUNT

In the event of this insurance having been in force for a total period of twelve consecutive months, during which period there have not been any claims made or reported, a discount of 5% shall be allowed against the premium charged for the following twelve months of insurance. Such allowance will increase by 5% for each subsequent year of insurance up to a maximum of 20% allowance in total.

The total discount earned will be applied to the premium charged, as determined by Underwriters, upon renewal of the insurance.

In the event of a claim being paid by Underwriters under any section of this insurance the total discount allowed will be forfeited for the following twelve month period.

This clause shall in no circumstances be construed as creating an obligation for Underwriters to offer renewal of the insurance

NAMED WINDSTORM EXCLUSION

There is no cover provided under any section of the Policy for any loss, damage or expense incurred or arising as a result of a named or numbered windstorm.

PARAMOUNT EXCLUSIONS

1. No section of this insurance shall cover loss, damage, liability or expense arising from;
 - 1.1 War, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, whether war is declared or not.
 - 1.2 Capture, seizure, arrest, restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat, whether in time of peace or war and whether lawful or otherwise.
 - 1.3 Derelict mines, torpedoes, bombs or other derelict weapons of war.
 - 1.4 Any terrorist, politically ideologically or religiously motivated act.
2. This insurance does not cover loss, damage, liability or expense arising from or consisting of the failure or inability of any chip, equipment, integrated circuit or any computer program to recognise or correctly to interpret or process any date as the true or correct date, or to fail to capture, retain process or interpret any type of data, command or instruction.
 - 2.1 This exclusion shall not however apply to exclude any resulting loss, damage, liability or expense otherwise Insured by the Policy.
 - 2.2 Notwithstanding Clause 3.1 above in no circumstances shall the cover provided extend to a claim for loss, damage, liability or expense associated with any investigation, audit, consultation, evaluation, inspection, repair, modification, change, replacement or supervision to test for, or correct any problem described in 3 above.

The Policy is made and accepted subject to the foregoing stipulations and conditions, and to the conditions on the following pages which are hereby specially referred to and made a part of the Policy, it being understood and agreed that in the case of any conflict or inconsistency the foregoing provisions shall prevail over those which follow.

SECTION A
HULL & MACHINERY

PROPERTY COVERED

This insurance indemnifies the Insured against loss or damage to the Hull, Machinery, Road Trailer, Fittings (including fixed furniture), Gear and Equipment of the vessel hereby Insured (hereafter collectively referred to as 'the unit'), up to the amount shown for Section A on the Policy. There is however no cover provided for jetskis, wave-runners or other personal watercraft hereunder. Cover is subject to all of the warranties, terms, conditions and exclusions of the Policy.

COVERAGE

The insurance provided by this Section covers, subject to the exclusions and limitations of the Policy, against ALL RISKS of physical loss or damage to the Property covered resulting from any external cause. Additionally the Policy covers physical loss or damage directly caused by fire, explosions, breakage of shafts, or any latent defect in the machinery or hull which manifests itself during the Policy period.

DUE DILIGENCE

The Insured is required to exercise diligence at all times in respect of the maintenance, safeguard and operation of the property Insured hereunder. The vessel must be maintained in a seaworthy condition and the trailer in roadworthy condition for the duration of this insurance.

DELIBERATE DAMAGE CLAUSE (POLLUTION HAZARD)

Subject to the conditions of the Policy, this insurance also covers loss of or damage to the Vessel directly caused by governmental authorities acting for the public welfare to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the Vessel for which the Underwriters are liable under the Policy, provided such act of governmental authorities has not resulted from want of due diligence by the Insured to prevent or mitigate such hazard or threat.

SECURITY WHILST UNIT IS ASHORE

It is warranted that the vessel, whilst ashore mounted on the trailer, is stored either in a locked garage or secure compound, or other location that has been agreed by Underwriters, as the normal location for the unit.

Whilst the unit is in transit the following limitations to cover will apply to theft of any Insured property:

1. If the unit is left unattended overnight it must be left in a secure compound, with access restricted by locked gating, theft cover will be subject to the Policy deductible.
2. If the unit is left unattended during daylight hours, it must remain either hitched to the towing vehicle or be secured by a hitch lock or wheel clamp, theft cover will be subject to the Policy deductible.
3. If the unit is left unattended overnight outside of a secure compound, it must remain hitched to the towing vehicle or be secured by a hitch lock and have at least one of the trailer's wheels securely clamped, theft cover will be subject to a deductible of 10% of the total value of the unit.
4. There is no cover provided for theft of the unit in circumstances other than as outlined in 1-3 above.

ROAD TRANSIT

The unit shall be covered whilst being transported by public highway within the trading limits however there is no cover afforded hereon for damage caused by scratching, bruising, denting or damage to paint by stone chips or other road material for the duration of the transit. Additionally there is no cover for bursting of, or damage to road tyres.

HAULING & LAUNCHING

The unit shall be covered whilst hauling and launching only if such operation is carried out at a slipway recognised and constructed for that purpose.

DEDUCTIBLE CLAUSE

The deductible amount stated on the Policy under Section A shall be applied to each claim for loss or damage covered under this Section. Each and every claim shall be adjusted separately & the sum so stated shall be deducted.

VALUATION CLAUSE

The vessel Insured shall be valued at the amount stated on the Policy under Section A. Such declared value must not exceed the true market value of the vessel at the inception of this insurance.

LATENT DEFECT

Coverage is afforded hereunder for losses consequential to the manifestation of a latent defect during the Policy period.

A latent defect is defined as the physical failure of a specific component or part, which could not be detected or foreseen by reasonable inspection or testing at the inception of the Policy.

Cover hereon is restricted to incidents occurring during the period of insurance stated hereon. Under no circumstances are faults in design or construction or failure of a part due to corrosion or wear and tear of any kind to be deemed as latent defects, irrespective of when any loss or damage to the vessel may occur or be discovered.

There is however no cover for the cost and expense of repairing or replacing any defective part.

NEW FOR OLD

In the event of loss or damage, cost of repairs to be paid without deduction, new for old, except as provided under the conditions of the Partial Loss Clause. Underwriters shall be liable for no more than the reasonable cost to repair or replace the damaged parts.

PARTIAL LOSS CLAUSE

Where coverage is afforded hereon to the following items:

1. Personal Effects
2. Inflatable Dinghies
3. Outboard Motors
4. Electronic Equipment
5. Canvas covers
6. Carpets, Curtains, Cushions or Upholstery

Whether or not such items are separately identified and valued within the schedule, and unless otherwise agreed by specific reference, the following scale of depreciation shall apply to the new replacement values of such items, or if no longer in production, replacement with items of similar specification;

Age of Item (years)	Depreciation (%)
0 – 2	0
3 – 5	33.33
6 – 9	50
10 & over	75

The depreciation will be applied prior to application of the appropriate deductible and any payment by Underwriters.

In addition to the schedule above, the cost of repainting the bottom of the vessel will be depreciated at the rate of 20% per year or part thereof since the bottom was last painted.

CONSTRUCTIVE TOTAL LOSS

No recovery for a constructive total loss shall be made hereunder unless the expense of recovering and repairing the vessel shall exceed the Total Sum Insured as stated on the Policy.

In the event of constructive total loss it is a condition of this insurance that the Insured agrees to transfer, and transfers as soon as is reasonably practicable, title of the vessel to any person that Underwriters or their representative may elect. It is agreed that any salvage of property will be sold to the highest serious bidder for such property.

UN-REPAIRED DAMAGE

In no case shall the Underwriters be liable for un-repaired damage in addition to a subsequent total loss or constructive total loss sustained during the term covered by the Policy.

STRIKES CLAUSE

This insurance also covers loss of or damage to the property hereby Insured caused by strikers, locked out workmen or persons taking part in labor disturbances, riots or civil commotions or caused by vandalism or persons acting maliciously this clause does not extend to cover acts of terrorism.

EMERGENCY TOWING

In the event of the vessel encountering an emergency situation whilst afloat where the Insured and vessel are not in imminent danger, Underwriters agree to reimburse the reasonable costs incurred by the Insured in obtaining commercial assistance for the following;

- 1 Towing of the Insured vessel to the nearest place where necessary repairs can be made.
- 2 Delivery of gas, oil, spare parts, loaned battery (excluding the costs of the items themselves) or emergency labour whilst the vessel is away from safe harbor.

Cover under this clause is limited to \$500 any one occurrence and shall be paid without application of any deductible.

SUE AND LABOR CLAUSE

In case of any occurrence which causes damage to the vessel, or which may lead to a loss covered by this insurance, Underwriters will indemnify the Insured (or any person who has care, custody or control of the vessel) for the reasonable costs incurred to safeguard or recover the vessel, or any other property Insured hereon.

Any payment made by Underwriters under this clause will not be deemed to waive any rights or defences they may have under the Policy or under law, whether or not such payments are made under express reservation of rights, or without prejudice to this insurance.

PARTIAL &/OR TOTAL SUBMERSION WHILST MOORED

Subject always to all other terms, conditions, warranties and exclusions applicable to this insurance, no claim for any incident resulting in total or partial submersion of the Insured vessel whilst it is moored & not in use shall be covered hereon unless it arises as a consequence of one of the following perils;

1. Heavy weather resulting in physical breach of the watertight integrity of the hull.
2. Fire, Lightning, or Explosion.
3. Latent defect as more fully defined above.
4. Negligence of any person employed by the Insured under a legally enforceable contract for the purpose of repair, maintenance &/or caretaking.

BAILMENT CLAUSE

There is no cover for loss/damage occasioned to the unit whilst it is within the control of a third party, including, any official entity representing any Coast Guard, competent court, or other official whatsoever unless notice of any incident giving rise to such proceedings has been provided to Underwriters, allowing sufficient time for provision of security, if necessary.

Any expenses incurred by Underwriters in provision of a bond, letter of undertaking or any other security or instrument will proportionately reduce the limit stated in section C of the Policy.

EXCLUSIONS

There is no cover under this insurance for the following;

1. Any loss or damage directly or indirectly caused by or resulting from wear and tear, gradual deterioration, inherent vice, marine borers, vermin, osmosis or electrolysis.
2. Theft or mysterious disappearance of equipment or accessories unless occurring in conjunction with theft of the entire vessel or unless there is visible evidence of forcible entry to a secured storage area.
3. Any loss, damage or expense caused by, or in consequence of, ice and/or freezing.
4. Any loss, damage or expense directly or indirectly caused by or in consequence of faulty construction and/or improper design.
5. Any loss or damage to electrical apparatus, including wiring, directly or indirectly caused by electricity, other than lightning, unless fire ensues and then only for loss or damage caused by such ensuing fire.
6. Theft of outboard motors from the Insured vessel, unless they are secured to the vessel by an anti-theft device in addition to their normal means of attachment. This exclusion shall not apply to any motor that is stolen following forcible entry into a locked cabin or storage space aboard the vessel or ashore, provided the make & serial number of such motor have been provided to Underwriters on the application form.
7. Any loss of, or damage to consumable stores, fuel, fishing tackle, diving equipment or moorings.
8. Wages and/or provisions whether the average be particular or general.
9. Mechanical breakdown or derangement of machinery.
10. Any loss of use or charter hire of the vessel Insured.
11. Any loss of, or damage to, personal property of any description.

SECTION B

PERSONAL PROPERTY

This section shall apply provided that a separate amount Insured in respect of Personal Effects is stated in the Policy under section B.

Subject to the terms, conditions, warranties and exclusions hereon, this insurance is extended to cover all risks of loss of or damage to Personal Property of the Insured and/or of the Insured's family and clothes provided for use while on board or in connection with the Insured Vessel, including while in transit between the Insured's place of residence and the Insured vessel.

PROPERTY NOT COVERED

There is no cover provided for the following items unless specifically agreed by Underwriters and listed hereon;

1. Cash, Currency, Checks, Credit Cards or monetary instruments of any kind.
2. Jewellery of any kind
3. Artworks of any kind
4. Fishing Tackle or gear

EXCLUSIONS

There is no cover provided for losses caused, contributed to or arising as a consequence of the following;

1. Wear and tear, gradual deterioration, dampness, mould, mildew, vermin, moth and mechanical derangement
2. Breakage of articles of a brittle nature, unless caused by the vessel being stranded, sunk, burnt, or in collision with another vessel or dock, or in conjunction with total loss of the vessel.
3. Loss of water-skis or diving equipment, unless as a result of fire, theft following forcible entry, or in conjunction with total loss of the vessel.
4. Disappearance of items, unless there is visible proof of violent & forcible entry into the vessel.
5. War, strikes, riots, civil commotion, terrorism, malicious damage or any person acting from a political, ideological or religious motive.

NON-CONTRIBUTION

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

LIMIT OF INDEMNITY

The amount recoverable under this section shall be limited to the amount stated in the Policy for section B. The maximum amount payable for any one item is limited to \$250 unless previously agreed by Underwriters and specified hereon.

DEDUCTIBLE

The deductible amount stated in the Policy in relation to Section B will be deducted from the aggregated amount of any claim arising from any one accident or occurrence hereon.

PARTIAL LOSS CLAUSE

The provisions contained in the Partial Loss Clause contained in section A of this insurance applies to each & every loss recoverable under this section in addition to the deductible stated.

SECTION C

PROTECTION AND INDEMNITY INSURANCE

This section will indemnify the Insured for any sum or sums that he shall become legally liable to pay, and shall pay, arising directly from his interest in the vessel Insured in respect of any responsibility, claim, demand, damages, and/or expense arising out of accidents occurring during the currency of this insurance. Such indemnity shall however be limited to accidents or occurrences giving rise to the following circumstances.

PROPERTY DAMAGE

Loss of or damage to any other vessel or fixed property possessed by a person other than the Insured, which is directly caused by the vessel Insured hereon.

Loss of or damage to any goods, merchandise, freight or other things or interest whatsoever on board, or on, property owned by a third party, which is directly caused by the vessel Insured hereon.

REMOVAL OF WRECK

Necessary costs associated with any attempted or actual raising, removal or destruction of the wreck of the Insured vessel, or for incidents arising out of any neglect or failure to raise, remove or destroy the same.

BODILY INJURY

Loss of life or illness of, or bodily injury to, a third party person (including payments made on account of life salvage), provided that the occurrence leading to such injury is on, near, or caused by the Insured vessel.

COSTS

If Underwriters require the Insured to contest any suit or action the Insured will be indemnified against the ensuing costs and expenses that are incurred as a result of Underwriters' instructions. There is however no indemnity hereunder for costs that are incurred by the Insured without Underwriters' written authority.

AGGREGATE LIMIT

The total amount recoverable under this section for all losses, including property damage, personal injury, loss of life, payments made on account of life salvage, and costs, resulting from any accident or series of accidents arising out of the same event, shall not exceed, in the aggregate, the sum stated under Limit of Protection and Indemnity Insurance.

SISTERSHIP

Should the vessel hereby Insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the Insured hereon, the Insured shall have the same rights under this insurance as they would have were the other vessel entirely the property of a third party. 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 Underwriters and the Insured.

POLLUTION

The Policy does not insure against any loss, damage, cost, liability, or expense, imposed on the Insured, arising out of the discharge, dispersal, release, or escape of oil, fuel, chemicals, waste materials, or other pollutants. This exclusion does not apply, however, if such discharge, dispersal, release or escape is occasioned by a sudden and accidental external cause or occurrence.

OMNIBUS CLAUSE

In addition to the named Insured & unless otherwise stated on the Policy, this section provides indemnity for any other person named as an operator of the vessel on the Policy. Such cover shall however be limited to periods during which such person has

control of the vessel. This section does not extend to cover the liability of any charterer or any person or organisation (or their agents or employees) operating a marina, shipyard, vessel club, charter organisation, sales agency or similar organisation.

DEDUCTIBLE

The deductible amount stated in the Policy in relation to Section C will be deducted from the aggregated amount of any claim arising from any one occurrence hereon.

DIVERS EXCLUSION CLAUSE

At no time does the Policy provide coverage for accidents or injuries to any person on or assigned to the vessel whether as passenger, crew member, or otherwise whilst any such person is engaged in scuba diving, skin diving, snuba diving, free diving or hard hat diving activities of any kind.

This exclusion applies to all injuries (including decompression sickness) whether sustained in whole or in part while leaving the vessel to enter the water, while in the water, or while boarding the vessel on return from the water.

This exclusion also applies to any injuries, wherever sustained, when scuba diving, skin diving, snuba diving or hard hat diving equipment, or the negligence of anyone in connection with the supply or maintenance of such equipment, plays any causative or contributing role in connection with the injury.

ROAD TRANSIT EXCLUSION

There is no indemnity provided hereon for any liability incurred of any description whilst the vessel is being loaded onto or removed from the trailer, or being towed on land, irrespective of whether such liability arises whilst on a recognised highway or elsewhere.

OTHER EXCLUSIONS

There is no Indemnity provided by Underwriters for the following;

1. Any fine, or penalty or assessment against the Insured or vessel named herein, by any national, state or local government.
2. Liability of any charterer of the vessel named herein.
3. Any liability assumed by the Insured under any contract or agreement unless specifically endorsed hereon.
4. Any liability to a person employed by the Insured in any capacity whatsoever, including without limitation any crew member.
5. Any liability arising out of any workers compensation or employer's liability statute or law of any kind, including without limitation the US Longshoremen's & Harbor Workers Compensation Act.
6. Any liability awarded, or costs associated with the defense of, any alleged or actual act of discrimination or harassment including, but not limited to, those based upon age, disability, gender, race or creed.
7. Any liability for costs associated with raising, removing or destroying the wreck of the vessel, or associated costs of pollution control following an event excluded by the Partial &/or total submersion clause in section A above.
8. Any liability arising out of the Insured's failure to comply with a removal order following an event excluded by the Partial &/or Total Submersion clause in section A above.
9. Any liability to or incurred by persons whilst being towed by the vessel Insured, including, but not limited to whilst waterskiing, aquaplaning, parasailing or banana rides.

SECTION D

MEDICAL PAYMENTS INSURANCE

The Underwriters agree to pay to or for each person who sustains bodily injury caused by accident occurring during the Policy period, while in or upon, boarding or leaving the vessel Insured hereunder, 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 the date of accident, subject to the following conditions

LIMIT OF LIABILITY

Notwithstanding the foregoing, the Underwriters shall not be liable hereunder for any expense or combined expense incurred in excess of that stated, as a result of any one accident or series of accidents arising out of the same event.

Any payments made by Underwriters under this section will reduce the amount recoverable under section C of this insurance in respect of the occurrence giving rise to such claim.

EXCLUSIONS

Cover afforded under this section shall not apply in the following cases

1. To bodily injury to or death of any person;
 - (a) To or for whom benefits are payable under any Workmen's Compensation or under the Federal Longshoremen's and Harbor Workers' Compensation Act;
 - (b) Who is a trespasser in or upon or boarding or leaving the Insured vessel;
 - (c) Who is an employee of the Insured, in any capacity whatsoever.
2. To liability assumed by the Insured under any contract or agreement.
3. While the vessel is being used for other than private pleasure purposes.
4. To death of the Insured or registered owner of the vessel.
5. To bodily injury to the Insured or registered owner of the vessel.

MEDICAL REPORTS; PROOF AND PAYMENT OF CLAIM

As soon as practicable, the injured person or someone on his behalf shall give the Underwriters written proof of claim, under oath if required, and shall, after each request from the Underwriters, execute authorisation to enable the Underwriters to obtain medical reports and copies of records.

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

The Underwriters may pay the injured person or any persons or organisations rendering the services and such payment shall reduce the amount payable hereunder for such injury. Payment hereunder shall not constitute admission of liability of the Insured or of the Underwriters.

SECTION E

UNINSURED BOATER COVERAGE

Underwriters will meet the damages payable arising out of bodily injury received aboard the vessel Insured hereon, which the Insured would legally be entitled to recover from the uninsured owner or operator of another vessel, but is unable to do.

AGGREGATE LIMIT

The amount shown under Section E on the Policy is the most we will pay, regardless of the number of Insured persons, claims made or vessels involved in any one accident or series of accidents arising out of the same event.

Any payment made under this section to or for an Insured person will reduce any amount that person is entitled to recover under Section C of this insurance in respect of any one accident or occurrence.

EXCLUSIONS

There is no coverage provided under this section;

1. For claims settled without our written consent.
2. If the uninsured vessel is owned by, or under charter to, any government agency or unit.
3. For vessels owned by, or furnished for your regular use, or the use of a member of your immediate family or any person Insured by the Policy.
4. For an Insured person using a vessel without permission.
5. Where no evidence of physical contact exists between the vessel Insured and an unidentified vessel, or where no evidence of physical contact exists between the vessel Insured and an uninsured vessel.
6. For any payment which will apply directly or indirectly to the benefit of any insurer under any state or federal compensation law or act.

SERVICE OF SUIT CLAUSE

It is agreed that in the event of the failure of the Underwriters severally subscribing this insurance (the Underwriters) to pay any amount claimed to be due hereunder, the Underwriters, at the request of the Insured will submit to the jurisdiction of a court of competent jurisdiction within the United States of America.

Notwithstanding any provision elsewhere in this insurance relating to jurisdiction, it is agreed that the Underwriters have the right to commence an action in any court of competent jurisdiction in the United States of America, and nothing in this clause constitutes or should be understood to constitute a waiver of the Underwriters' rights to remove an action to a United States Federal District Court or to seek remand therefrom or to seek a transfer of any suit to any other court of competent jurisdiction as permitted by the laws of the United States of America or any state therein.

Subject to the Underwriters' rights set forth above:

- (a) It is further agreed that the Insured may serve process upon any senior partner in the firm of:

HUGHES & NUNN (Attorneys), 450 B Street, Suite 2000, San Diego, California. 92101

and that in any suit instituted against any one of them upon this contract the Underwriters will abide by the final decision of the court or any Appellate Court in the event of an appeal.

- (b) The above named are authorised and directed to accept process on behalf of Underwriters in any such suit and/or upon the request of the Insured to give a written undertaking to the Insured that they will enter a general appearance upon the Underwriters' behalf in the event such a suit shall be instituted.
- (c) The right of the Insured to bring suit as provided herein shall be limited to a suit brought in the name of, and for the account of the named Insured or any additional Insured noted hereon.
- (d) Further, pursuant to any statute of any state, territory or district of the United States of America which makes provision therefor, Underwriters hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office (the Officer), as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named as the person to whom the Officer is authorised to mail such process or a true copy thereof.