



# YACHT CLAUSES

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## About SOPAC

Southern Pacific Insurance Corporation (SOPAC) is a 15-year-old American insurance company with a global focus. During his tenure in the United States Marine Corp SOPAC's Founder, Mr. Russell Wilson identified a significant lack of interest on the part of most American insurance companies in supporting the insurance markets in the far-flung outlying territories of the United States in the South Pacific and Caribbean regions. Upon his retirement from the Marine Cor, Mr. Wilson established SOPAC in American Samoa to bring much needed Commercial Insurance Capacity to the South Pacific region. Over time, SOPAC's market focus has expanded to include the Caribbean, Mainland US, Europe, Africa, the Middle East, Central Asia, and South America. Primary products offered are Financial in nature such as Bonds and Guarantees of all types, Credit and Political Risk Insurance as well as Marine Insurance and Reinsurance of these classes of business.

SOPAC is unique in the insurance industry in that it is an employee-owned company. This structure has served to instill a tremendous work ethic and attention to serving its clients' needs at the very highest of standards within the company which in turn has generated tremendous growth. SOPAC has achieved 100% year on year increases in net written premium for the past 4 consecutive years while its Balance Sheet Capital has increased to \$259,943,036.00 to support this unprecedented growth. SOPAC is registered and/or authorized in numerous jurisdictions including American Samoa under Business License No. 2570, U.S. Virgin Islands under ID No.511292733, Louisiana under Charter No. 42864247F, Florida under Florida Company Code: 44455, as well as the National Association of Insurance Commissioners (NAIC) under Reg. No. 15659. In addition, SOPAC supports extensive Surety markets in the United Kingdom (UK) and New Zealand within the parameters of regulatory compliance in those jurisdictions. SOPAC has applications pending at this time in the European Union and Florida.

## Insuring with SOPAC

In return for the payment of the premium and compliance with all applicable terms and conditions of this policy and any endorsements shown on your policy schedule. We agree to provide the insurance coverages that you have selected as shown on the proposal form and policy schedule which forms part of the contract of insurance.

By accepting this policy, you agree that the statements on the proposal form and any other required information are your agreements and representations. This policy is issued in reliance upon the truth of your representations during the application process and it includes all agreements existing between you and us or any of our representatives.

It is warranted that the **insured yacht** is seaworthy at the inception of this insuring agreement. Violation of this warranty voids this insuring agreement from its inception.

## Words with Special Meaning

Throughout this policy most words and phrases that have special meanings appear in bold. Only the pronouns “we”, “our”, “us”, “you”, “your”, and “yours” are defined but do not appear in bold. This section defines some of the more general terms used in this policy. Bold terms that are not listed in this section, are defined within the sections they appear.

1. **You, your** and **yours** refer to the ‘Insured’ named on the policy schedule.
2. The words **we, us,** and **our** refer to SOPAC
3. **Accidental loss or damage** means physical loss and/or damage which occurs by accident. An accident is a happening that is unforeseen, unavoidable, and unintended by you.
4. **Actual cash value** means the replacement cost of the lost or damaged property less depreciation.
5. **Bodily injury** means physical injury, sickness or disease sustained by a person including death resulting from any of these.
6. **Constructive total loss** where the cost of replacement or repair of your vessel exceeds the sum insured or where we consider that the cost of repair would exceed the market value of the vessel.
7. **Contaminant** means any petroleum product, chemical, lubricant, or solvent normally associated with the use and operation of a watercraft.
8. **Deductible** means the amount shown on the schedule which you must pay first when you make a claim under your policy.
9. **Design defect** means a flaw in the structural plan of the insured yacht’s hull or machinery, or any of its components. Design defect does not include wear and tear, gradual deterioration, corrosion, rust, electrolysis, osmosis, weathering, latent defects, or manufacturer’s defects.
10. **Family member** means any person related to you by blood, marriage, or adoption (including a ward or foster child) who resides in your household.
11. **Fire and/or Explosion** means accidental loss or damage caused to the boat from the combustion of materials.
12. **Geographical Limits** are the limits shown on the schedule of insurance under the section named cruising range.

13. **Gradual Deterioration** is the gradual degradation of the vessel caused by wear and tear, rust, rot, oxidation, corrosion, electrolytic or galvanic action, wasting or weathering.

14. **Indemnity** means that we will cover the market value for the replacement cost of the vessel and its parts as it stands at the time of a claim.

15. **Insured** means you and any person, firm, corporation, or legal entity that may be operating the insured yacht with your prior permission. However, this does not include a paid captain or any paid crew member of the insured yacht. Nor does it include any person, firm, corporation, or other legal entity or any of their agents or employees operating a shipyard, boat repair facility, marina, yacht club, sales agency, chartering agency, yacht broker, boat service station, salvor, towing service or similar organization.

16. **Hull** means the hull, deck, cabin, deck fixtures, equipment, appliances, and fittings on or below the deck of the vessel.

17. **Latent defect** is a hidden flaw, weakness or imperfection in the design, manufacture or build of the vessel that is not apparent by routine inspection and is not the result of gradual deterioration or a lack of maintenance.

18. **Machinery** includes but is not limited to main or auxiliary engines including gear boxes, starter motors, alternators, electrical and mechanical equipment, cables and fittings, hydraulic equipment, piping and fittings, boilers, shafts, exhaust systems, generators, air conditioning equipment, tanks, pumps, and water makers.

19. **Manufacturer's defect** means the improper, incorrect, or inadequate manufacturing process including osmosis, of the insured yacht's hull or machinery or any of its components. Manufacturer's defect does not include wear and tear, gradual deterioration, corrosion, rust, electrolysis, weathering, inherent vice, latent defects, or design defects.

20. **Marine electronics** means electronic devices designed specifically for marine navigation, including fish finders, or marine communication.

21. **Market Value** means the sale value of the boat, boats parts, personal possessions and/or navigation equipment immediately prior to the claimed loss or damage, considering the condition and age of the items and the location of the vessel.

22. **Maximum Design Speed** is the maximum speed that the vessel is designed to achieve under power as stated by the vessel manufacturer with the engine fitted.

23. **Occurrence** means a single event, or an accident or series of accidents caused by a single event.

24. **Personal Belongings** means items of a personal nature that you own and use specifically for the vessel that would not normally be sold with the vessel. This includes but is not restricted to portable navigation equipment, fishing gear, diving equipment, clothing, shoes, waterproof gear, wetsuits, portable electrical goods. Cover for personal belongings is based on **Market Value** at the time of the loss or claim.

25. **Property damage** means damage to tangible property.

26. **Personal watercraft** means a vessel which uses an inboard engine powering a water jet pump as its primary source of motive power, and which is designed to be operated by a person sitting, standing, or kneeling on the vessel.

27. **Policy** the policy of insurance is represented by this document together with the marine insurance schedule, windstorm questionnaire and completed proposal form.

28. **Replacement cost** is the least of the following amounts:

a. the applicable limit shown on the Declarations Page.

b. the cost to repair or replace the lost or damaged property using other new property:

i. of comparable material and quality; and

ii. used for the same purpose; or

c. Starting the 5th year from the date of manufacture the cost to replace the lost or damaged property with substantially identical property.

29. **Resident** means any person who lives in your home.

30. **Schedule** is the document issued to you by us which details coverage, values, and additional limitations. Otherwise known as certificate of insurance or certificate of currency.

31. **Sum Insured** is the value of the vessel or other insured property as specified in the policy schedule.

32. **Tender** means an auxiliary boat or dinghy which is carried on deck or towed behind your vessel that is used as a lifeboat or way of transportation to your boat, excludes personal watercraft unless agreed and extended in writing. The boat tender must be marked with the name and/or registration number of the parent vessel.

33. **Vessel** means the insured vessel as described in the policy schedule including its spars, sails, rigging, tackle, fittings, machinery, and equipment necessary for the safe operation and maintenance of the craft. It also includes **tenders** and road trailer that are specified or are part of the original purchase of the vessel and included within the sums insured shown on the policy schedule.

34. **Windstorm** means tropical depressions, tropical storms or hurricanes as designated by the National Weather Service and/or National Hurricane Centre, whether named or not.

## GENERAL CONDITIONS

### 1. Use of the **Insured Vessel**

If you violate any of the following conditions, coverage will be suspended until you are no longer in violation:

- a. The **insured vessel** is for private pleasure use only. Coverage is not provided for charter, hire, lease, or any other commercial use unless agreed by us and shown on the **schedule**. Recreational entertaining of the **insured's** business clients on the **insured vessel** is not considered commercial use.
- b. The **insured vessel** may be towed overland on its trailer, provided the weight of the **insured vessel**, trailer and any other equipment do not exceed the towing capacity as provided by the manufacturer of the towing vehicle. The **insured vessel** may not be transported overland more than 350 miles by any contract or common carrier. The **insured vessel** may not be transported overland outside of the Continental United States by any contract or common carrier. Any contract or common carrier must be licensed and must provide a certificate of insurance covering the **insured vessel**. This policy is then excess to the coverage provided by the licensed contract or common carrier.
- c. Coverage is not provided anytime the **insured vessel** is being transported as waterborne cargo.
- d. If 'Lay-Up' is shown on the **policy schedule**, during the lay-up period shown:
  - i. If the **policy schedule** indicates that lay-up is afloat, then the **insured vessel** must be in a safe berth for storage and the **insured vessel** may not be operated except as required to change berths within the immediate berthing location. However, if you are required to move the **insured vessel** for the purpose of safety, repairs, and alterations or for betterments and improvements, coverage will not be suspended.
  - ii. If the Declarations Page indicates that lay-up is ashore, then the **insured vessel** may not be afloat. An **insured vessel** on a permanent lift or hoist will be considered laid up ashore if it is out of commission and properly winterized.
- e. Laid up Ashore as part of your windstorm provisions. If stored ashore it is required that vessels have the mast and rigging removed and safely stored with sufficient space between the vessels to prevent contact, should they topple over.

### 2. Policy Period/**Geographical Limits**

This policy applies only to loss which occurs during the policy period as shown on the **policy schedule**, and:

- a. on land within the United States of America and Canada; or
- b. on land or water within the **geographical limits** shown on the **policy schedule**.

### 3. Misrepresentation or Fraud

All insurance provided by this policy will be null and void if you, at any time, either intentionally conceal or misrepresent any fact, regardless of materiality, or if you misrepresent or conceal any material fact regardless of intent. No action or inaction by us will be deemed a waiver of this provision.

### 4. Notice of Cancellation

You may cancel this policy by returning it to us or our authorized agent, or by advising us or our authorized agent in writing, stating the future date you want the

policy to be cancelled. We may cancel this policy by delivering or mailing notice of cancellation to the first named 'Insured' at the last address/email shown in our records at least:

- a. ten (10) days before the cancellation takes effect if:
  - i. the cancellation is for non-payment of premium; or
  - ii. this policy has been in effect for less than sixty (60) days and is not a renewal policy.
- b. thirty (30) days before the cancellation takes effect in all other cases.

After this policy has been in effect for sixty (60) days, or if this is a renewal policy, we will cancel only:

- a. for non-payment of premium due.
- b. for misrepresentation or fraud.
- c. for substantial breach of your duties under this policy.
- d. if the risk changed substantially since the policy was issued; or
- e. for failure to comply with our underwriting requirements within 60 days of the term effective date. Proof of mailing of this notice to the first named 'Insured' will be sufficient proof that notice of cancellation was given. The date of the cancellation stated in the notice will become the end of the policy period. This policy will terminate without any written notice and all premiums will be deemed fully earned by us when we pay for a total loss or a **constructive total loss** or within the first year of the policy period unless notice is given within seven (7) days of inception of the policy in which case a full refund of the net premium will be given.

#### 5. Return Premium

If this policy is cancelled, you may be entitled to a premium refund. If we cancel the policy, any return premium will be computed on a pro-rata basis. If you cancel the policy or if the policy is cancelled for non-payment of premium, any return premium will be subject to our time on risk charges whereby we will retain a portion of the net premium after expenses as follows:

- 1 – 3 Months 40% of the premium
- 4 – 6 Months 60% of the premium
- 7 – 9 Months 80% of the premium
- over 9 months Full Premium.

All premiums will be deemed fully earned by us when we pay for a total loss or a constructive total loss or within the first year of the policy period unless notice is given within seven (7) days of inception of the policy in which case a full refund of the net premium will be given.

#### 6. Law and Jurisdiction

Your policy shall be governed by and construed in accordance with the law of American Samoa and the courts of American Samoa shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with your policy, or its subject matter or formation (including non-contractual disputes or claims) unless specifically agreed to the contrary.

#### 7. Policy Changes

No change or waiver may be effected in this policy except by endorsement issued by us. If a premium adjustment is necessary, we will make the adjustment as of the effective date of the change. When we broaden coverage during the policy period, without charge, the policy will automatically provide the broadened coverage. It is not



possible to change the windstorm cover during the policy period. This can however be changed at the renewal stage of the policy.

#### 8. Legal Action Against Us

- a. No suit or action may be brought against us unless there has been full compliance with all terms of this policy.
- b. With respect to coverage provided under **Accidental Loss or Damage to Your Vessel**, no suit or action may be brought against us unless the action is brought within 6 months after the date you first have knowledge of the loss.
- c. With respect to all other coverage under this policy, no suit or action may be brought against us until the amount of a claim against you has been determined or agreed upon.
- d. Nothing in this policy gives any person or organization the right to join us as defendants in a suit brought against you.
- e. Acceptance of this policy and payment of the premium constitutes an acceptance by you of all legal costs incurred by you or any other party in the event of a dispute with us.

#### 9. No Benefits to Others

No person or organization which has custody of the **insured vessel** and is to be paid for services, will benefit from this insurance. Unless agreed by us and shown on your **policy schedule**

#### 10. Transfer of Interest

We do not provide any coverage under this policy if you sell, assign, transfer, or pledge the insured property unless prior written consent has been obtained from us and a proposal form has been completed by the new owners. In the event of your death, this policy will remain in effect until the end of the policy period for:

- a. persons covered under this policy at the time of your death.
- b. your legal representative while acting within the scope of duties of a legal representative; or
- c. any person having proper custody of the **insured vessel** until a legal representative is appointed.

#### 11. Right of Recovery

You may have the right to recover from another party who is responsible for your loss. If we pay your loss under this policy, this right of recovery will belong to us up to the amount that we have paid you. If you, or anyone acting on your behalf, take any action that impairs our right to recover, we may consider this policy void and without effect as to such loss. However, signing written contracts for storage or slip rental or registration forms for sailboat races that include a waiver of subrogation provision will not void this policy.

#### 12. Claim or Suit Against You

You must immediately notify us and send us every demand notice, summons or other legal papers received by you or your representative, if a claim is made or a suit is brought against you for liability that is covered under this policy. We will pay the ensuing cost of the suit and have the sole right to control the defence of the suit. We also have the option of naming attorneys to represent you in the suit.

### 13. General Duties in the event of a claim

You must report immediately (within twenty-one (21) days) to us or our authorized agent any accident, loss, damage, or expense which may be covered under this policy. This report should give full details about when and where the loss occurred, how it happened and the name and address of all the people involved including all witnesses. You are required to immediately notify the authorities and produce a crime reference number and copy of the statement provided to the authorities of any theft, vandalism, or malicious damage to your insured property, if any injury is involved, or if required by law. You must also permit us to inspect any damage before repairs are made. After requested by us, you must file within ninety (90) days thereof, with us or our authorized agent, a written statement and completed claim form giving full details of the loss. This statement must be signed and sworn by you. As often as we may reasonably require, **you** will:

- a. show to any person we designate all that remains of any property that may be covered under this policy.
- b. submit and subscribe to examinations under oath by any person named by us. If more than one person is examined, we have the right to examine and receive statements separately from each person and not in the presence of the others.
- c. produce for examination and permit extracts and copies of all books of account, bills, invoices, other vouchers, including relevant ownership and vessel purchase documentation, and any other tangible items related to the claimed loss, or certified copies thereof if the originals are lost, at such reasonable time and place as may be designated by us or our representative. You must cooperate with us in the investigation, defence, or settlement of any loss. If you do not comply with these general duties, then no coverage for the loss will be provided.
- d. Not admit fault, guilt, or liability, negotiate, or make any offer of settlement or payment, authorise repairs or replacements or defend any claim without our approval. Failure to comply with these requirements may result in your claim being refused.
- e. Take all possible steps to prevent further loss or damage to your vessel. Steps include but are not limited to:
  - Dry the engine
  - Drain oil and fuel
  - flush out the engine with hose or dewatering fluid
  - Drain again
  - fill with oil and dewatering fluid
  - take to repairer or mechanic as soon as possible
  - Act as a prudent uninsured.
- f. Where you make a claim for loss or damage to your vessel, we may in some circumstances, require you to:
  - Dismantle your vessel; or
  - Authorise us to dismantle your vessel, so we can assess your claim for the relevant loss or damage and /or decide if it is valid. If you do not agree we may refuse to assess and/or pay your claim. Where we determine that the claim for loss or damage to your vessel is not covered by your policy, you will be responsible for the costs of the above dismantling as well as any costs associated with the dismantling (including but not limited to any diagnosis, reassembly, repair and /or replacement costs).
- g. We may replace the vessel or any insured item with one of similar age, type, or condition even if the appearance is not the same.

- h. We will not pay the cost of replacing any undamaged item or parts to match parts that have been repaired or replaced because of a claim under the policy.
- h. We will not pay more than the **sum insured** for any item listed in the schedule of insurance less any applicable deductible or other deduction as stated within this policy.
- i. You must send two repair estimates and we may request that you take your vessel to another repairer. You must get a written agreement from us to start repairs before we will consider them. You must make vessel available to us for our inspection. It is your responsibility to ensure that you are satisfied with the repairs to your vessel.
- j. If we make a total loss payment for your vessel, the vessel becomes our property, and we will keep the proceeds of any salvage sale.
- k. You are required to pay any applicable excess shown on the policy schedule, for every claim made under your policy, including total loss claims. Third party claims will not be dealt with until the relevant policy excess is received by us.
- l. Make any payments necessary once approved by us and forward final settled invoices for reimbursement within the terms and conditions of your policy.
- m. In the event of abandonment whereby you abandon the vessel and make no attempt to mitigate the loss, any claim can be repudiated and/or the policy can be voided from inception.

#### 14. Other Insurance

In accordance with legislation covering dual insurance, we will only provide cover to the extent that the amount of the claim is more than any payment that may be made from any other insurance.

#### 15. Non-renewal

If we decide not to renew your policy, we or our authorized representative will mail to the first named 'Insured', at the address / email shown on the **policy schedule**, written notice of non-renewal. The written notice will be mailed/emailed to the first named 'Insured' at least thirty (30) days before the end of the policy term. A copy of the notice will also be sent to any lienholder named on the **policy schedule**. If we decide not to renew your policy, our mailing/emailing of notice to the address/email of the first named 'Insured' shown on the **policy schedule** will constitute proof of notice as of the date we mail/email it.

### GENERAL EXCLUSIONS

No coverage is provided under this policy for loss or damage, liabilities incurred by any person, injury or damages or expenses of any type for loss caused by, resulting from, or arising out of:

#### 1. Extended Radioactive Contamination

- a. ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear material.
- b. the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
- c. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

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

However, if while the **insured yacht** is within the policy territory, a fire arises directly or indirectly from one or more of the above causes in items a., b., and d., then any loss or damage arising directly from that fire will, subject to the provisions of this policy, be covered. No coverage is provided for any loss or damage, liabilities incurred by any person, injury or damages or expenses of any type for loss caused by, resulting from, or arising out of nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

2. War or any warlike operation. This includes declared and undeclared wars, civil wars, revolutions, any civil unrest, or electronic / cyber-attacks.

3. The lawful or unlawful capture, seizure, requisition, or detainment of your **insured vessel** by a civil authority or any attempt at any of these.

4. An actual or threatened act involving a chemical, biological, bio-chemical, or electromagnetic weapon, device, agent, or material when used in an intentionally hostile manner.

5. Preparation for or participation in any race, speed, or stunting contest. This does not apply to sailboats where racing is included if agreed by us and is shown on your **policy schedule**.

6. Wilful or intentional misconduct or criminal act on the part of any **insured** or during any illegal activity on the part of any **insured**.

7. The vessel being outside of the cruising range shown in the schedule of insurance, unless required to safeguard the vessel, you, or your guests.

8. The vessel being used for charter, hire, or any commercial purposes unless agreed in advance by us.

9. Any claim arising from an incident involving your vessel or any vessel covered by this policy when the vessel is under the control of:

- An unlicensed person when a license is necessary
- A person without adequate experience to reasonably control the vessel.
- A person under the influence of alcohol or drugs.
- A person who has been refused boat or motor vehicle insurance within the last five years unless we have been notified of the refusal and we have subsequently agreed to cover such a person under this policy.

10. Any damage caused by wear and tear, mould, deterioration, vermin, corrosion, electrolysis, electrolytic / Galvanic action or inherent vice.

11. Your vessel or any vessel covered by this policy being fitted with a motor more powerful than that recommended by the manufacturer of its hull.
12. Any motor vessel that exceeds 17 knots unless this is agreed by us and shown on your insurance policy schedule. If this is agreed, then the following exclusions apply:
  - fire or explosion on the vessel unless the vessel is equipped in the engine room with a fire extinguishing system automatically operated, or
  - has controls at the steering position, or
  - controls next to the engine room and
  - all are professionally installed and maintained.
  - sinking or swamping whilst the vessel is unattended afloat off an exposed beach or shore.
  - Rudder, strut, shaft, propeller, or any part of an outboard motor unless this has been agreed by us and is shown on your policy schedule.
13. Any claim caused by or arising because of the unseaworthiness, lack of repair or maintenance of your vessel or any vessel covered by this policy.
14. Any claim caused by or arising because of the use of your vessel or any vessel covered by this policy for water-skiing, wake boarding or towing of any toys, unless you have advised us, and we agree to extend cover in writing on your **policy schedule**.
15. Any claim for loss or damage caused by or arising because of the lack of reasonable care, protection and/or security of your vessel or any vessel covered by this policy or other insured property.
16. Any claim for loss or damage caused by or arising because of the mooring used by your vessel or any vessel covered by this policy not being:
  - of a suitable design and weighting for your vessel or any vessel being covered by this policy.
  - Appropriately sited.
  - Regularly maintained and inspected on at least an annual basis and being kept in good order.
17. Any claim caused by or arising because of your vessel or any vessel covered by this policy exceeding the speed declared on your proposal form.
18. Any claim for loss or damage to any appliance, machinery, equipment, or other property which is a computer, or which contains or comprises any computer technology and which:
  - Fails to perform or function in the precise manner for which it was designed for any reason arising from the performance or functionality of such computer technology or,
  - arises directly or indirectly from the importation of any software virus whether the importation was malicious, negligent, or accidental.
19. Any loss of use of the vessel, loss of profits or loss of value.
20. The cost of travel expenses and temporary accommodation.

21. Indirect losses unless specifically covered elsewhere in the policy.
22. Any punitive or exemplary charges or any costs resulting from any criminal proceedings.
23. Any loss or damage to your moorings.
24. Any incident that may give rise to a claim whilst your vessel is left anchored in open mooring or off of a beach or offshore without shelter, and without the presence on board of a person who can take care of navigation, unless underwriters have been informed and such provision is given on the **policy schedule**.
25. any incident that may give rise to a claim whilst navigating between the hours of sun set and sun rise unless we have been informed and such provision is shown on the **policy schedule** as night navigation.
26. Any incident arising from the negligence of you or any representative in charge of the vessel by order and with the knowledge of you.
27. Any salvage charges unless agreed with us and stated on the **policy schedule**.
28. Any action brought in a court of law outside of American Samoa or a court that applies law that is not American Samoan law.
29. Contact with a charted reef and/or grounding during the hours of darkness or when the sun is below 5 degrees from the horizon.
30. Contact with a charted reef and/or grounding where a forward lookout and appropriate navigation equipment has not been utilized.
31. Piracy which will be excluded in any areas highlighted by the IMB (International Marine Bureau) as risk areas.

### **Accidental Loss or Damage**

#### Coverage

Unless otherwise stated in your **policy schedule** this policy is one of **indemnity**.

A. Hull Coverage (Including Tenders) We will cover sudden accidental direct physical loss or damage to the insured vessel. Under 'Hull' Coverage, we do not cover:

- i) dock boxes, moorings, cradles, lifts or shore stations.
- ii) personal watercraft.
- iii) items which are covered elsewhere under this policy; or
- iv) fuel.

#### What We Pay

- i). In the event of a total loss or constructive total loss, we will pay the applicable limit on the **policy schedule**. However, if there is a total loss or constructive total loss to

a tender or outboard motor that is not described on the Policy schedule and a separate limit for 'Tender Coverage' and 'Outboard Motor Coverage' is not shown on the policy schedule for it, then the loss to such a tender or outboard motor will be adjusted as a partial loss to the insured yacht.

ii) The most we will pay for loss or damage to such a tender and outboard motor will be 5% of the 'Hull' limit, subject to a maximum of \$20,000.00.

iii) In the event of a partial loss, we will pay for damage on a replacement cost basis, except as described in the Actual Cash Value provision.

iv) Actual Cash Value. We will pay for repairs to or replacement of the following lost or damaged property on an actual cash value basis:

a) sails and protective covers of any type.

b) outdrive units and outboard motors starting with the 5th year from the date of manufacture.

c) a tender that is not described on the **policy schedule** and a separate limit for 'Tender Coverage' is not shown on the **policy schedule** for it.

d) carpeting, upholstery, cushions, and any fabric; and

e) bottom paint.

We will pay for resulting direct physical loss to the insured yacht for a dismasting if a professional rig inspection was completed within the last two years and any deficiencies that were identified with the standing rigging or chain plates were remedied as recommended and the work was completed by a professional rigger.

We pay for repairs that are made in accordance with the manufacturer's specifications or accepted repair practices, including spot repair.

If the insured yacht was damaged before the loss, we will not pay to repair the prior damage. In the event of a total loss or constructive total loss, the amount we will pay will be reduced by the cost that would have been incurred had the prior damage been repaired.

## Exclusions

We will not pay for loss, damage or expense caused by or resulting from:

1) failure to maintain the insured yacht (including its machinery and equipment) in good condition so that the insured yacht cannot be damaged by ordinary weather or water conditions or the rigors of normal use. However, we will pay for loss, damage or expense caused by ice and freezing, provided you contracted with a commercial marina or repair facility for necessary winterization maintenance.

2) loss or damage caused by wear and tear, gradual deterioration, vermin, corrosion, electrolysis, mould, osmosis, inherent vice and/or lack of maintenance.

3) manufacturer's defects or design defects,

4) windstorm for any Vessel unless agreed by us and such cover is shown on the **policy schedule**.

5) marring, electrolysis, osmosis, blistering, mould, mildew, wet or dry rot.

6) any reduction in the value of the vessel because of damage and/or repair.

7) latent defects, however, any resulting direct physical loss to the insured vessel will be covered.

8) previously unrepaired damage to the vessel (except where required to prevent or minimize a loss)

- 9) the cost of making good any defect arising from any repair, alteration or maintenance work carried out on the vessel
- 10) theft of a tender that does not have an identifiable mark
- 11) theft by persons to whom your vessel is entrusted
- 12) gradual accumulation of rainwater or snow in or on the vessel unless resulting from sudden, rare, and extreme weather conditions
- 13) incursion of water into the vessel unless sudden and unforeseen, or accidental.
- 14) any water damage caused by partial or total immersion unless the vessel is fitted with a fully functional and working automatic bilge pump.
- 15) loss or damage to sails caused by the wind or water whilst in use unless the spars they are attached to are damaged at the same time.
- 16) damage to mast, spars, sails and rigging whilst the vessel is racing unless this has been agreed by us and is shown on the schedule of insurance in which case cover is extended.
- 17) loss or damage to consumables, which are goods used by you that must be replaced regularly because they wear out or are used up including, but not limited to, food, drink, paint, varnish, lubricants, and fuel.
- 18) malicious damage caused by any person/s named in the schedule or their immediate families.
- 19) loss or damage to mechanical parts, fittings and appliances that are not in accordance with manufacturers original specifications.
- 20) loss or damage to a motor caused by or resulting from seizure and/or overheating unless caused by an external blockage.
- 21) loss or damage which is a secondary financial loss sustained by you because of loss or damage to your vessel or other insured property or associated loss or damage.
- 22) the cost of repairing or replacing any part of your vessel due to mechanical and/or electrical breakdown or failure.
- 23) the cost of improving or altering your vessel.
- 24) any damage resulting from scratching or gouging to any part of the vessel whilst the vessel is being lifted from or returned to the water and whilst on a trailer or any other mode of transportation whilst in transit.
- 25) loss or damage to an outboard motor when secured to your vessel or the vessel tender in a manner other than that specified or recommended by the manufacturer of the motor, your vessel or your vessel's tender.
- 26) theft of any outboard motor whose serial number you do not provide us with or theft of the outboard motor unless from a locked cabin or locker, locked storage, locked vehicle or secured to the vessel or her tender by an anti-theft device specifically designed and marketed for the purpose in addition to the normal method of attachment.
- 27) emotional, psychological, or sentimental loss which occurs due to the loss or damage sustained to your vessel.

**B. Personal Effects Coverage.** We will cover sudden accidental direct physical loss or damage to your personal effects, and those of your guests and unpaid crew members, while on board the insured vessel or while being loaded on or unloaded from the insured vessel. Personal effects are items such as sports equipment, clothing, and other personal items. Under 'Personal Effects' Coverage, we do not cover:



- i) accounts, bills, money, traveller's checks, or any other valuable papers or documents.
- ii) jewellery, watches, or furs.
- iii) cameras, portable radios, mobile phones, moorings, provisions, and fuel unless you specify these items individually and we agree to extend the cover to them in writing
- iv) watercraft including personal watercraft.
- v) property which is covered under 'Hull' Coverage; or
- vi) dock boxes, moorings, or cradles.

### What We Pay

We will pay the actual cash value of the personal effects. Our liability for any one occurrence will not exceed the limit for 'Personal Effects' on the **Policy Schedule** and will not exceed a single article limit of \$500 unless documentary evidence of the item is sent to us and we have agreed to specify the item under this section of the policy.

### Exclusions

We will not pay for loss, damage or expense caused by or resulting from:

- 1) wear and tear, gradual deterioration, vermin, or inherent vice.
- 2) mechanical or electrical breakdown, unless caused by lightning where a lightning conductor has been fitted.
- 3) theft or unexplained disappearance unless there are visible marks of forcible entry or exit from the vessel.
- 4) windstorm.
- 5) diminution in value.
- 6) loss or damage to personal belongings in relation to any vessel under 15 feet in length overall.
- 7) loss or damage to any single item of personal effects, fishing gear, diving equipment, water ski equipment and tools more than US\$500.00 unless agreed by us.
- 8) breakage of articles of a fragile or brittle nature.
- 9) loss or damage to personal belongings insured under any other policy of insurance.
- 10) loss or damage to personal effects, fishing gear, diving equipment, water ski equipment and tools unless they were stored on or being used on your vessel at the time of loss or damage
- 11) theft by persons to whom your vessel is entrusted
- 12) any water damage caused by partial or total immersion unless the vessel is fitted with a fully functional and working automatic bilge pump.
- 13) loss or damage to consumables, which are goods used by you that must be replaced regularly because they wear out or are used up including, but not limited to, food, drink, paint, varnish, lubricants, and fuel.
- 14) malicious damage caused by any person/s named in the schedule or their immediate families.

C. Trailer coverage. We will cover sudden accidental direct physical loss or damage to your trailer, but only if used exclusively for transporting the insured yacht.

#### What We Pay

We will pay the actual cash value of the trailer. Our liability for any one occurrence will not exceed the limit for 'Trailer' on the **policy schedule**.

#### Exclusions

We will not pay for loss, damage or expense caused by or resulting from:

- 1) wear and tear, gradual deterioration, or inherent vice.
- 2) mechanical breakdown; or
- 3) diminution in value.
- 4) For theft of the trailer and any items attached to it, including the vessel, unless the trailer has been locked with a wheel clamp or is stolen from a locked building following forcible or violent entry to or exit from said building.
- 5) For damage to the tyres of your trailer.
- 6) For malicious damage caused by any person/s named in the schedule or their immediate families.
- 7) For mechanical parts, fittings and appliances that are not in accordance with manufacturers original specifications.
- 8) For theft by persons to whom your trailer is entrusted

D. Rental Reimbursement Coverage. If the insured yacht is damaged by a covered cause of loss, we will reimburse you for the reasonable expenses you incur to charter or rent a replacement yacht. We will only reimburse you if the replacement yacht is like the insured yacht and has a rated speed not more than 45 miles per hour. We will only reimburse you:

- 1) during the repair period,
- 2) if the repair period is longer than 14 days,
- 3) for expenses you incur after the first 14 days of the repair period.

Repair period as used in this coverage means the period that begins with the date of the commencement of the repairs to the insured yacht; and ends on the date when the insured yacht should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

#### Exclusions

We will not pay for hotels, motels, or any other lodging ashore, dockage, rental cars or other ground transportation, airfare, meals, groceries, or food. We will not reimburse you for costs when the replacement yacht was rented from any family member.

E. Emergency Towing and Assistance Coverage. We will reimburse the reasonable expenses you incur resulting from the following services to the insured yacht if help is not available and you must obtain commercial assistance:

- 1) towing to the nearest place where necessary repairs can be made.
  - 2) delivery of fuel, oil, parts, or loaned battery (excluding the cost of the items themselves) or emergency labour, while away from a safe harbour.
- If 'Trailer' coverage is shown on the **policy schedule**, this coverage also applies to such expenses incurred because the trailer is disabled. However, we will not pay for delivery of fuel to any conveyance transporting the insured yacht if the reason the trailer is disabled is because the conveyance is out of fuel.

#### What We Pay

The most we will pay for any one occurrence is the limit for 'Wreck removal and salvage' shown on the **policy schedule**.

F. Windstorm Extra Expense Coverage. If a premium is shown on the **policy schedule** for 'Hull' and if a windstorm watch or warning is issued for the area where your insured yacht is moored, we will share the costs that you incur to protect the insured yacht from loss or damage.

- 1) to have the insured yacht professionally hauled out of the water at the time the watch or warning is issued for your mooring area and to have the insured yacht launched after the watch or warning has ended, or
- 2) to hire a qualified individual, who is not an insured under this policy, to navigate the insured yacht to a safe harbour because of the watch or warning, or
- 3) to hire a marina or boat yard to remove and safely stow the covers or other equipment that is normally stored on the deck of the insured yacht. Expense for the acquisition of lines, anchors, and additional equipment to secure the insured yacht are not included in this coverage.

We will also share the reasonable costs described above that you incur within the twenty-four (24) hour period prior to the issuance of a watch or warning, provided that a watch or warning is subsequently issued for the area where your insured yacht is moored.

#### What We Pay

We will pay 50% of your actual incurred expenses, subject to a maximum of \$1000 for any one windstorm, and \$2,000 total in any single policy period.

## 2. Loss Conditions

### A. Deductibles and Deductions:

- i. We will not pay for loss, damage, or expense for any one occurrence until the amount of the loss, damage or expense exceeds the applicable deductible shown on the **policy schedule**.
- ii. The deductible for a tender is shown on the **policy schedule**.
- iii. The deductible applicable to marine electronics for insured vessels for all covered causes of loss except theft without evidence of forced removal or forced entry is \$500 or as shown on the **policy schedule**. If the above conditions are not met, the deductible shown for 'total sum insured' on the **policy schedule** applies.
- iv. If a loss occurs because of one occurrence and the loss would require the application of more than one deductible, only the highest deductible will be applied to the loss.

v. The policy deductible does not apply to the costs incurred under 'Windstorm Extra Expense'. However, if a Windstorm Deductible is shown on the Declarations Page, then the Windstorm Deductible will apply to all partial, total, or constructive total losses caused by or resulting from any windstorm.

vi. The deductible applicable under this policy is doubled when the vessel is moored, or at anchor, unless said mooring is on a secure pontoon or wall mooring in a recognized marina, or on a permanent riverside mooring.

vii. Prior to the deduction of the policy deductible we will reduce the amount we will pay for wear and tear if repairing or replacing the following items would restore them to a better condition than prior to the loss or damage.

- Protective covers and canopies
- Machinery (excluding outboard motors), batteries and tenders
- paintwork and surface finish
- upholstery and soft furnishings

viii. Claims for outboard motors will be paid based on the current market value at the time of the loss or the sum shown in the policy schedule whichever is the lower.

ix. Whilst the vessel is racing and cover for this has been agreed by us and is shown on the policy schedule the excess shown on the policy schedule will be doubled.

x. In the event of a claim to mast and spars the value will be calculated on a sliding deduction scale of 5% per annum from the date of manufacture or age of vessel.

xi. In the event of a claim to sails and rigging the value will be calculated on a sliding deduction scale of 10% per annum from the date of manufacture or age of vessel.

xii. In the event of any claim, accident, or loss against this policy in the first 90 days from inception the policy excess will be trebled.

xiii. The total policy excess will be doubled for any claim relating to fire.

## B. Salvage and Abandonment

If we pay the limit as shown on the Declarations Page for 'Hull' or 'Trailer', we reserve the right to take possession of the remains. At our request, you will transfer the title of the property to us or to a salvage buyer appointed by us. Any recovery or salvage on a loss will accrue entirely to our benefit until the sum paid by us has been made up. We are not obligated to accept any property you abandon, nor are we obligated to pay any storage fees incurred because you abandoned any property to any other person or organization.

## C. Payment of Loss

We will pay losses within 60 days after the earliest of the following:

- i. we reach agreement with you.
- ii. final judgment is rendered in a court of law.
- iii. an appraisal award is filed with us; or
- iv. a proof of loss is accepted by the company.

## D. Appraisal

If you dispute our evaluation of the amount of the loss, then you must submit a written request for appraisal within one year of the date of loss. You and we will then each appoint and pay for a competent and disinterested Loss Adjuster. If the two loss adjusters cannot agree on the amount of the loss, the loss adjusters or a judge of the local court of record will select an umpire who will decide any

differences. The expense of the umpire and all other expenses of the appraisal will be paid by you except for the loss adjuster appointed by us. An award in writing by any two such persons will determine the amount of your loss. You and we will be bound by that amount.

Appraisal is not available where there is a dispute as to the existence of coverage. Nothing herein will prejudice or in any way impact our right to contest coverage and to bring suit in a court within the legal jurisdiction of this policy.

#### E. Protect and Recover

In the event of a covered loss to the insured yacht, you must protect the insured yacht from further loss and make every effort to recover it. We will pay the reasonable costs you incur under this condition in addition to any other payments we make for loss or damage under Hull coverage, but not to exceed the limit for 'Hull' on the **policy wording**. We will not cover any further loss incurred due to your failure to protect the insured yacht.

#### F. Loss Payee

If a 'Loss Payee' is named on the **policy wording**, any loss will be paid to you and the 'Loss Payee' as your and their interests appear. If your interest in the insured yacht is terminated, any loss payment will only recognise the 'Loss Payee's' interest. No change in title or ownership of the insured yacht or any acts of yours will affect the 'Loss Payee's' interest in this policy except that the 'Loss Payee's' interest will not be protected in the event of fraud, misrepresentation, material omission, or wilful or intentional misconduct or criminal act on the part of any insured or during any illegal activity on the part of any insured.

You or the 'Loss Payee' must let us know of any change of ownership or any increase in hazard of which you or the 'Loss Payee' are aware.

If you fail to give us sworn proof of loss within 30 days when requested by us, the 'Loss Payee' will do so within sixty (60) days thereafter, in form and manner as provided by the policy, and further, shall be subject to the provisions of the policy relating to duties following a loss, appraisal, time of payment and of suing. Payment may be made to both jointly, and separately, at our discretion.

### PROTECTION AND INDEMNITY

#### 1. Coverage.

We will cover damages for bodily injury or property damage for which an insured becomes legally liable through ownership, maintenance, or use of the insured vessel. This includes:

- i) coverage for property damage to a non-owned yacht not under your control.
- ii) with respect to a paid captain or paid crew member, if this cover is shown on the policy schedule and only up to the limit shown in any one policy period.

## What We Pay

The legal liability to pay compensation in circumstances specified below, for you or anyone in charge of your vessel with your consent, up to the sums insured shown on the policy schedule, in respect of any one incident or series of incidents arising from the same event resulting from:

- i) damage to any other vessel or property that is not yours and that you are not in control of.
- ii) death or injury
- iii) Water-skiing (only applies when the **policy schedule** shows that you have selected this option).

You and/or any person using your boat with your permission and/or any person engaged in water-skiing, wakeboarding and/or aquaplaning activities (using only recognized and commercially manufactured water ski and/or wakeboarding equipment and/or barefoot water-skiing) while being towed by your boat within the geographical Limits during the period of your insurance cover for death or injury to any person caused by a water-skier who is being towed by your vessel.  
Property Damage caused by a water-skier being towed by your vessel.

Cover is not provided under this option unless the **policy schedule** shows that you have selected this option and a person is on board your vessel competently and in accordance with relevant legal requirements observing the water-skier and/or aquaplaning activities in addition to the person in control of your vessel at the time of the incident giving rise to a claim.

## Exclusions

We will not pay for:

- 1) Legal liabilities of anyone operating, managing, or working upon the vessel who is employed by a shipyard, repair yard, marina, yacht club, sales agency, delivery contractor, similar organization or self-employed who should have been covered by any compulsory compensation insurance
- 2) bodily injury or property damage while the insured yacht or a non-owned yacht is being transported on land.
- 3) any fine or penalty assessed by any government unit.
- 4) bodily injury or property damage sustained by any insured or resident.
- 5) bodily injury, illness, or any other payment or obligation to any person eligible to receive any benefits required to be provided by you. This includes, but is not limited to, any employment, unemployment, disability, worker's compensation, non-occupational disability, occupational disease law, Federal Longshoremen's and Harbour Worker's Compensation Act, or any state or federal workers' or workmen's compensation law or occupational disease law or migrant or seasonal worker's law.
- 6) any liability covered or excluded under the OIL POLLUTION LIABILITY section of this policy.
- 7) punitive or exemplary damages or associated interest.
- 8) Any liability to third parties admitted, accepted, or agreed without our consent.

9) Any liability to third parties whilst the vessel is being used for water-skiing, towing of water toys, aquaplaning or similar activity unless we have agreed to such activity and it is shown on your **policy schedule**, in which case refer to what we pay section iii page 21 above.

10) Any liability arising whilst the vessel is used for or in connection with parasailing or other similar activity unless we have agreed to such activity and it is shown on your **policy schedule**. If such activity is agreed cover will not extend to persons outside of the vessel taking part in said activity.

11) Any liability to third parties while the vessel is attached to, carried on or towed by a motor vehicle or has become unintentionally detached from a motor vehicle.

12) Any liability to any person if they or anyone else has paid for them to be on-board the vessel unless cover has been extended to include commercial use and passenger liability.

13) Any liability arising other than from the hull, motors, masts, spars, rigging, sails, equipment, and accessories being used on your vessel, vessels' tender or trailer.

14) Any liability for disease that is transmitted by you or anyone using your vessel.

15) Any liability for any relief or recovery other than monetary amounts.

16) Any liability from a contract that imposes on you a liability which you or a covered person would not otherwise have.

17) Any liability that is covered under any other policy. We will be liable under this section only for the amount your liability exceeds the limits of cover under any other policy.

18) Any liability that is in part covered in any way by any:

- Statutory or compulsory insurance policy or statutory or compulsory insurance, or
- Compensation scheme or fund even if the amount recoverable is nil.

19) Any liability arising directly or indirectly out of or in any way connected with the existence, at any time, of asbestos.

20) Any liability arising directly or indirectly from or in any way connected with, the existence, use, operation, or maintenance, at any time, of computer technology, electronic mail, a computer virus, an internet site or other internet-based service, intranet, or any web site.

21) Any claim directly or indirectly caused using diving equipment.

22) Any claim when the vessel is under tow or towing another vessel except for the vessels tender or unless agreed by us.

## Defence

We have the right and duty to defend any suit to which this insurance applies. However, we may investigate and settle any claim or suit at our discretion. Our duty to defend any claim or suit ends when the amount we pay, or tender to the Court of Jurisdiction for any pending litigation on your behalf, for damages resulting from the occurrence equals the limit for 'Protection and Indemnity' shown on the **policy schedule**. If a suit is brought against you for claims falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, we will afford a defence to such action, however, we will not have any obligation to pay for any costs, interest, or damages attributable to punitive or exemplary damages.

We will not pay for third party legal costs or for any legal costs and expenses relating to any criminal, maritime or traffic proceedings.

## OIL POLLUTION LIABILITY

### 1. Coverage

We will cover:

- 1) the sums which you are legally liable to pay because of property damage or bodily injury arising out of an oil pollution incident.
- 2) the reasonable costs directly associated with the actual clean-up of an oil pollution incident.
- 3) the reasonable costs or expenses legally imposed upon you by those government authorities assisting or monitoring an oil pollution incident.
- 4) administrative charges and civil expenses levied against you by a judiciary body because of an oil pollution incident.
- 5) the reasonable costs and expenses to defend you against legal action from an oil pollution incident.

Oil pollution incident means the sudden, accidental, and unexpected emission, discharge, release, leakage, escape, or spillage of a contaminant from an insured yacht or in an accident that is specific in place and time within the policy period.

### What We Pay

We will pay no more than the limit for 'Oil Pollution Liability' \$939,800 for all damages or expenses resulting from any occurrence. This is the most we will pay, regardless of the number of persons covered under this section, claims made, watercraft or premiums shown on the **policy Schedule** or the number of watercrafts involved.

### Exclusions

We will not pay for:

- 1) liability assumed under any contract or agreement.
- 2) any fine or penalty assessed by any governmental unit.
- 3) an oil pollution incident, if any insured knows, or has reason to know, of the incident and fails to report it as required by law(s).
- 4) property damage sustained by an insured or resident.
- 5) liability for natural resource damage unless legal action commences within one (1) year of the incident.
- 6) an oil pollution incident unless you provide all reasonable cooperation and assistance with containment and clean-up operations as is required by law or by someone acting under their legal authority; or
- 7) punitive or exemplary damages or associated interest.

### Defense

We have the right and duty to defend any suit to which this insurance applies.



However, we may investigate and settle any claim or suit at our discretion. Our duty to defend any claims or suit ends when the amount we pay, or tender to the Court of Jurisdiction for any pending litigation on your behalf, for damages resulting from the occurrence equals the limit for 'Oil Pollution Liability' shown in the policy. If a suit is brought against you for claims falling within the coverage provided under the policy, seeking both compensatory and punitive or exemplary damages, we will afford a defense to such action; however, we will not have any obligation to pay for any costs, interest, or damages attributable to punitive or exemplary damages nor shall we pay any third-party costs.

## CAPTAIN AND CREW LIABILITY

### Coverage

We Will Cover, Subject to our prior written agreement and your completion of a crew liability form damages (including if applicable, maintenance and cure, repatriation and other related expenses) for which you and / or any insured person are legally liable to pay an employed captain or crew member under the Federal Jones Act 46, U.S.C. Section 30104 as amended, or the general maritime law of the United States in respect of your legal liability to any employed crew which occurs whilst the crew member is in the service of your yacht.

### What We Pay

The maximum amount recoverable in respect of crew liability claims shall be the amount shown on the **policy Schedule**. The deductible shown on the **policy schedule** under this section will apply to each crew liability claim.

### Exclusions

#### We Will Not Pay For

- 1) legal liabilities of anyone operating, managing, or working upon the vessel who is employed by a shipyard, repair yard, marina, yacht club, sales agency, delivery contractor, similar organization or self-employed who should have been covered by any compulsory compensation insurance.
- 2) bodily injury while the insured yacht is being transported on land.
- 3) any liability covered or excluded under the OIL POLLUTION LIABILITY section of this policy.
- 4) punitive or exemplary damages or associated interest.
- 5) any liability admitted, accepted, or agreed without our consent.
- 6) any liability while the vessel is attached to, carried on or towed by a motor vehicle or has become unintentionally detached from a motor vehicle.
- 7) any liability for disease that is transmitted by you or anyone using your vessel.
  
- 8) any liability that is covered under any other policy. We will be liable under this section only for the amount your liability exceeds the limits of cover under any other policy.

9) any liability that is in part covered in any way by any:

- Statutory or compulsory insurance policy or statutory or compulsory insurance, or
- Compensation scheme or fund even if the amount recoverable is nil.

10) any liability arising directly or indirectly out of or in any way connected with the existence, at any time, of asbestos.

11) any claim directly or indirectly caused using diving equipment.

12) any claim when the vessel is under tow or towing another vessel except for the vessels tender or unless agreed by us.

13) any claim resulting from or because of Pre-existing medical conditions.

14) any claim where an employee is wholly or partially responsible for the incident leading to said claim.

## MEDICAL PAYMENTS

### Coverage

We will cover the reasonable charges for necessary medical, surgical, x-ray, dental, ambulance, hospital and professional nursing services and funeral service expenses incurred within one year from the date of an accident causing bodily injury to any person while in, upon, boarding or leaving an insured yacht. The injured person must submit to an examination by a physician selected by us when and as often as we reasonably require.

### What We Pay

We will pay no more per person than the limit for 'Medical Payments' shown on the **policy schedule** for any occurrence. This is the most we will pay, regardless of the number of claims made or vessels or premiums shown on the **policy schedule** or schedule of vessels if the policy covers more than one vessel, or the number of vessels involved.

Each person seeking payment under this coverage must:

- 1) provide us with written authorisation for release to us copies of pertinent medical reports and records.
- 2) submit a valid proof of loss within one year of the incurred expenses.

### Exclusions

Payments under this section will not be made to, or on behalf of, any person:

- 1) injured while trespassing.
- 2) for whom liability is assumed by you under contract or agreement.
- 3) injured while the insured yacht is being transported on land.
- 4) hired to work for or on behalf of any insured.
- 5) bodily injury or any other payment or obligation to any person eligible to receive any benefits required to be provided by you. This includes, but is not limited to, any employment, unemployment, disability, worker's compensation, non-occupational disability, occupational disease law, Jones Act, Federal Longshoremen's, and Harbor Worker's Compensation Act, or any state or federal workers' or workmen's compensation law or occupational disease law or migrant or seasonal workers' law.

## Admission of Liability

Any payment made under this section is not an admission of liability by you or us.

## UNINSURED BOATER

### Coverage

We will pay all sums you or a family member are legally entitled to recover as damages from the owner or operator of an uninsured watercraft or underinsured watercraft. The damages must result from bodily injury caused by an occurrence, sustained by you or a family member while on board the insured yacht. The owner's or operator's liability for these damages must result from the ownership, maintenance or use of the uninsured watercraft or underinsured watercraft. The injured person must submit to an examination by a physician selected by us when and as often as we reasonably require.

Uninsured watercraft means a waterborne vehicle of any type:

- 1) To which no bodily injury bond or policy applies at the time of the occurrence.
- 2) Which is a watercraft whose operator or owner cannot be identified and which hits:
  - a) you or any family member while on board the insured yacht; or
  - b) an insured yacht.

Underinsured watercraft means a waterborne vehicle of any type for which the sum of all liability bonds or policies at the time of the occurrence is less than the limit of this coverage.

An uninsured watercraft or underinsured watercraft does not include any watercraft:

- 1) owned, operated by or available for the regular use of you or any family member.
- 2) which is a non-owned yacht.
- 3) owned by any governmental unit or agency.

### What We Pay

We will pay no more than the limit for 'Uninsured and Underinsured Watercraft' shown on the **policy schedule** for all damages or losses resulting from any one occurrence. This is the most we will pay, regardless of the number of persons covered under this section, claims made, watercraft or premiums shown on the Declarations Page or the number of vessels involved.

If an underinsured watercraft causes the bodily injury, we will pay only after all other liability bonds or policies have been exhausted by judgments or payments.

Any amount payable under this coverage will be reduced by all sums paid by or for anyone who is legally responsible, including all sums paid under medical payments section of the policy. Any sums paid under this coverage will reduce any amount you or a family member are entitled to recover under the medical payments section of this policy.

Each person seeking payment under this coverage must:

- 1) provide us with written authorisation for release to us copies of pertinent medical reports and records; and

2) submit a valid proof of loss within one year of the incurred medical or funeral expense.

#### Exclusions

We will not pay for:

- 1) any claim settled without our consent.
- 2) bodily injury to any person on board the insured yacht without your permission.
- 3) the direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits law or any similar law.
- 4) damages where there is no evidence of physical contact between the insured yacht and either an unidentified or uninsured watercraft; or
- 5) bodily injury to any person arising out of the transportation of an uninsured watercraft or underinsured watercraft on land.

#### COMPLAINTS PROCEDURE

We take pride in the service provided to you, however if you are unhappy with any aspect of the handling of your insurance, please contact the Complaints representative dealing with complaints for your agent. If for any reason, they are unable to resolve your complaint immediately it will be referred to SOPAC complaints department and subsequently if you are still not satisfied you can refer your claim to a local ombudsman. Full details will be provided at each stage of the process.



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