



NAVIGATORS & GENERAL

A member of the  Zurich Financial Services Group

COMMERCIAL CRAFT POLICY

Please read your Policy carefully and if not correct return to the Company for alteration

Cancellation Rights – Assured

If you decide that you do not want to accept the policy (or any subsequent renewal of the policy by us), please return it to us (or your insurance intermediary) together with the Certificate of Insurance using the contact details provided on the covering letter within 14 days of receiving it (or for renewals, within 14 days of your policy renewal date). We will only charge you on a pro rata basis for the time we have been on cover subject to a minimum premium of £50 (plus insurance premium tax) or subject to the minimum retention referred to in the schedule. The balance of the premium will be returned to you.

If you cancel your policy later than 14 days from receiving it we will give you a refund in proportion to the time left until your current period of insurance is due to run out, subject to a minimum premium of £50 (plus insurance premium tax) or subject to the minimum retention referred to in the schedule.

Please note that no cancellation refund will be allowed if a Total Loss claim settlement has been paid or is in negotiation.

Cancellation Rights – Company

This insurance may be cancelled by the Company at any time subject to 30 days notice to the Assured or by mutual agreement, when a pro rata daily return of premium shall be made calculated on the annual premium charged.

Subject always to a minimum retained premium of £50 (plus insurance premium tax) or subject to the minimum retention referred to in the schedule.

Contractual Right of Renewal

If you pay the premium to us using our Direct Debit instalment scheme we will have the right (which we may choose not to exercise) to renew the policy each year and continue to collect premiums using this method. We may vary the terms of the policy (including the premium) at renewal. If you decide that you do not want us to renew the policy, provided you tell us before the next renewal date, we will not renew it.

Our right to renew this policy does not affect your cancellation rights detailed above.

Definitions

(having the same meaning wherever they may appear in this Policy)

1. Vessel means the vessel described in the schedule, her hull, machinery, boat(s), gear, equipment and ships tools such as would normally be sold with the vessel if she changed hands.
2. "The subject matter insured" is the vessel as defined above; together with any additional items referred to in the schedule.
3. In commission. When the vessel is fitted out and ready for use.
4. Laid up out of commission. When the vessel is not fitted out or available for use.
5. Commencement of cover. Cover commences at 0001 hours on the attachment date shown in the schedule or any renewal notice.

The subject matter insured is covered subject to the provisions of this insurance:

Whilst in commission at sea or on inland waters or in port, dock, marina, on slipway or gridiron or on the hard or mud or at place of storage ashore, including hauling out and launching including trial trips, and with leave to assist or tow vessels or craft in distress or as is customary, but IT IS WARRANTED that the vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by Owners or Managers or Charterers

The Assured named in the schedule hereto having made to Zurich Insurance plc a written proposal and declaration for the insurance of the vessel (as defined hereunder) together with any additional items referred to in the schedule, (which together with the vessel are referred to as "the subject matter insured") and in consideration of the payment to the Company of the premium for the period of the insurance mentioned in the schedule or any subsequent renewal, the Company binds itself to indemnify the Assured in respect of loss, damage, expense or liability subject to the exceptions, conditions, claims conditions, limitations, warranties and definitions contained in or affixed to this Policy or any renewal thereof, subject always to due compliance therewith by the Assured.

Whilst laid up out of commission as provided for in the schedule, including lifting out or hauling out and launching, whilst being moved in shipyard or marina, dismantling, fitting out, overhauling or whilst under survey (also to include docking and undocking and periods laid up afloat incidental to laying up or fitting out and with leave to shift in tow or otherwise to or from her lay up berth but not outside the limits of the port or place in which the vessel is laid up) and whilst at premises of repairers or manufacturers or whilst in store ashore.

Navigating and Charter Hire Warranties

Warranted not navigating outside the limits stated in the Schedule or, provided previous notice be given to the Company held covered on terms to be agreed. Warranted to be used solely for purposes shown in the schedule and not for hire charter or reward, unless specially agreed by the Company.

Speed Warranty

Warranted that the maximum designed speed of the Vessel, or the parent Vessel in the case of a Vessel with boat(s), does not exceed 17 knots. Where the Company has agreed to delete this warranty, the conditions of the Speedboat Clause shall apply.

Section A – Loss or damage to the subject matter insured

In the event of partial **loss or damage** recoverable under this insurance the Company will indemnify the Assured for the reasonable cost of replacing or repairing the damaged or lost part of the subject matter insured and the necessary expenses connected therewith. Reasonable replacement or repair to be considered sufficient notwithstanding that the former appearance and condition of the property may not be precisely restored.

The Company may at its option replace or repair any part of the subject matter insured damaged or destroyed instead of paying the amount of the loss or damage in money, or may join with other Insurers in so doing.

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

Notwithstanding the above in the event of loss of or damage to outboard motors and unspecified boats, the maximum amount payable shall be the secondhand market value of the item at the time of loss or damage.

The amount payable in respect of claims **for unrepaid damage or loss** shall be the reasonable depreciation in the market value of the vessel at the time this Insurance terminates arising from such damage or loss, but not exceeding the reasonable cost of repair or replacement. The Company shall not be liable in respect of unrepaid damage for more than the insured value at the time this Insurance terminates. In no case shall the company be liable for unrepaid damage in the event of a subsequent Total Loss, (whether or not covered under this Insurance), sustained during the period covered by this Insurance or any extension thereof.

In the event of an **Actual Total Loss** of the vessel, or at the Assured's option, where the reasonable costs of recovery and/or repair are expected to exceed the sum insured specified in the Schedule, the Company will pay the agreed value of the vessel.

The Company may at its option replace the subject matter insured instead of paying the amount of loss in money, or may join in with other Insurers in so doing.

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Reasonable replacement of the vessel to be considered sufficient notwithstanding that the former appearance and condition of the property may not be precisely replaced.

In no case shall the Company be liable to pay under this section more than the sum appearing as the Sum Insured as specified against the item in the schedule.

This insurance covers loss of or damage to the subject matter insured directly caused by:

1. External accidental means, fire and explosion, malicious acts, piracy and barratry.
2. Accidents in loading, discharging and handling cargo, stores, gear, equipment, machinery or fuel.
3. Latent defects in the subject matter insured, **but excluding** the cost and expense of replacing, repairing or renewing the defective part.
4. The negligence of any person whatsoever **but excluding**:
 - (i) The cost of making good any defect in repair, maintenance or alteration work carried out for the account of the Assured resulting from either negligence or breach of contract.
 - (ii) The cost and expense of remedying a fault or error in design or construction or attributable to betterment or alteration in design or construction.
5. Theft of the entire vessel or her boats, or any trailer if insured hereunder, provided that any trailer has been immobilised or fitted with an anti-theft device whilst left unattended.
6. Theft of any outboard motor if attached to the vessel or her boat(s) providing it is securely locked by an anti-theft device in addition to its normal method of attachment.
7. Theft of machinery including outboard motors, gear and equipment following forcible entry into the vessel or place of storage or following forcible removal of fixed gear and equipment from the exterior of the vessel.

The expense of sighting the bottom after stranding will also be paid, if reasonably incurred specially for that purpose, even if no damage be found.

No claim will be allowed under Section A for any

1. Motors, electrical machinery and equipment, batteries and their connections, (but not shaft and propeller) **unless caused** by malicious acts, sudden accidental incursion of water into the vessel, dropping off and falling overboard of outboard motor(s), fire in store ashore, theft as in 5, 6 and 7 above, handling accidents as in 2 above, stranding, sinking from a peril insured against, fire on board the vessel, collision or the vessel being in contact with any external substance (ice included) other than water.
2. Sails, protective covers, canopies and side screens split by the wind or blown away **unless as a result** of the vessel stranding or being in contact with any external substance (ice included) other than water or as a result of damage to spars to which sails are bent.
3. Loss or damage to consumable stores, the vessel's own moorings or fishing gear, or cargo.
4. Wear and tear, (deterioration from use or gradual deterioration).
5. Depreciation, or loss in value following repair.
6. Ships boat(s) not permanently marked with the name of the parent vessel.

Pollution hazard clause

Subject to the terms and conditions of this Policy, this insurance covers loss of or damage to the vessel directly caused by any governmental authority acting under the powers vested in them to prevent or mitigate a pollution hazard, or threat thereof, resulting directly from damage to the vessel for which the Company is liable under this Policy, provided such act of governmental authority has not resulted from want of due diligence by the Assured, the Owners or Managers of the vessel or any of them to prevent or mitigate such hazard or threat, Masters, Officers, Crew or Pilots not to be considered Owners within the meaning of this clause should they hold shares in the vessel.

Section B – claims by third parties, and by passengers

The Company will indemnify the Assured up to the limit of indemnity stated under section B in the Schedule in respect of any one accident (which shall be deemed to include a series of accidents arising from a single event) but unlimited in the aggregate, against payments made to Third Parties in respect of legal liability incurred by reason of the Assured's interest in the subject matter insured and arising out of accidents which gave rise to claims for:

- (a) Loss of or damage to any vessel or property.
- (b) Bodily injury to or death of any person.

- (c) Any attempted or actual raising, removal or destruction of the wreck of the vessel or any failure to do so.

The provisions of Section B shall extend to cover the Assured's liability to any person being conveyed as a passenger aboard the vessel or embarking thereon or disembarking therefrom for that purpose.

No claim shall be allowed under Section B in respect of:

1. Accidents to or illness of Workmen or any other persons employed in any capacity whatsoever by the Assured or by persons to whom the protection of this policy is afforded by reason of the provisions thereof in, on or about or in connection with the vessel hereby insured or her cargo, materials or repairs.
2. Accidents occurring whilst the subject matter insured is in transit by road (if covered by this insurance).
3. Loss of or damage to property belonging to the Assured or held in trust by or borrowed, rented, leased or hired for use by the Assured.
4.
 - (a) Personal Injury or Bodily Injury or loss of or damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this Paragraph (a) shall not apply to liability for Personal Injury or Bodily Injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.
 - (b) The cost of removing, nullifying or cleaning up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.
 - (c) Fines, penalties, punitive or exemplary damages arising directly or indirectly out of seepage, pollution or contamination.

Persons navigating or in charge with permission of the assured

The cover given by Section B of this Policy extends to employees of the Assured and any person (other than a person operating or employed by the operator of commercial vessels, a shipyard, repair yard, slipway, marina, yacht club, sales agency or similar organisation) navigating or in charge of the vessel with the permission of the Assured and who, whilst so navigating or in charge of the vessel, shall in consequence of any occurrence for which the Assured is covered under Section B hereof become liable to pay any sum or sums by way of damage to any person or persons other than the Assured named in this Policy.

The benefit of this extension shall be subject to the limitations of the Company's liability imposed by this Policy and to all other terms, conditions, exceptions and warranties thereof and nothing in this clause shall override the provisions of the Charter Hire Warranty.

Law costs

The Company will be responsible for all expenses properly incurred by the Assured in connection with Official Inquiries, Coroners' Inquests and also Law Costs incurred with the consent in writing of the Company in settling or defending any claim.

Salvage charges

Subject to any express provision in this insurance, salvage charges incurred in preventing a loss by perils insured against may be recovered as a loss by those perils.

Duty of Assured

In the event of any loss or misfortune it is the duty of the Assured to take such measures as may be reasonable for the purpose of averting or minimising a loss which would be recoverable under this insurance.

Subject to the policy excess the Company will contribute to charges properly and reasonably incurred by the Assured for such measures. Measures taken by the Assured or the Company with the object of saving, protecting or recovering the subject matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.

The sums recoverable under this clause are in addition to the indemnity otherwise payable under this insurance but in no circumstances shall the sum recoverable under these conditions exceed the sum insured in respect of the vessel.

Sistership clause

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

Continuation clause

Should the vessel at the expiry of this Policy be at sea or in distress or at a port or place of refuge or of call, she shall, provided notice be given to the Company, be held covered at a premium to be arranged until anchored or moored at her port of place of destination in good safety.

Excess clause

The Assured has agreed to bear the first loss up to the amount appearing in the schedule hereto in respect of each claim except in the case of Total Loss of the vessel insured.

Change of ownership

This clause shall prevail notwithstanding any provision whether written, typed or printed in this Insurance inconsistent therewith.

Should the vessel be sold or transferred to new ownership, or, where the vessel is owned by a company, should there be a change in the controlling interest(s) of the company, then, unless the Company agrees in writing to continue the insurance this insurance shall become cancelled from the time of such sale transfer or change and a pro rata daily return of premium will be made calculated on the premium charged for the in commission and/or laid up period.

Instalment premium clause

Reference to the payment of premium includes payment by monthly instalments. If the Assured pays by this method the policy remains an annual contract and the date of payment and the amount of instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then subject to the Consumer Credit Act 1974 (if applicable) the credit agreement and the policy will be cancelled giving 7 days notice.

Law and jurisdiction clause

Unless otherwise agreed between the Company and the Assured when this contract of insurance was made, this insurance and any dispute arising under it, is subject to law of England & Wales, and to the exclusive jurisdiction of the English Courts. Unless agreed otherwise, we will communicate to you in English.

Data recognition clause

It is understood and agreed that in no case shall this insurance cover loss or damage to any item of equipment where such loss or damage is due to the item (or the relevant part of the item) not recognising the date correctly. However, subsequent loss or damage which is otherwise insured under this policy is nevertheless covered.

General conditions

1. The Assured shall maintain and keep the vessel, her machinery, tackle, sails, boats and equipment, including any trailer, in a proper state of repair and seaworthiness or roadworthiness.
2. The Assured shall at all times exercise due care and diligence in safe-guarding the subject matter insured.
3. It is important that you should disclose all material facts; that is, those facts that would influence an insurer in the acceptance or assessment of your proposal. Failure to disclose such facts may result in claims not being met. If you are in any doubt about whether a fact is material, you should disclose it.

You should keep a record (including copies of letters) of all information supplied to us for the purposes of entering into this contract.

4. It is agreed that no assignment of or interest in this Policy or in any monies which may be or become payable thereunder is to be binding on or recognised by the Company unless a dated notice of such assignment or interest signed by the Assured and (in the case of subsequent assignment) by the assignor be endorsed on this Policy and the Policy with such endorsement be produced before payment of any claim or return of premium thereunder. But nothing in this clause is to have effect as an agreement by the Company to a sale or transfer to new management.

THE FOLLOWING CLAUSES SHALL BE PARAMOUNT AND SHALL OVERRIDE ANYTHING CONTAINED IN THIS POLICY INCONSISTENT THEREWITH.

War exclusion

In no case shall this insurance cover loss damage liability or expense caused by: War, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, terrorists or persons acting from a political motive. Capture seizure arrest restraint or detention (barratry and piracy excepted), and the consequences thereof or any attempt thereof, derelict mines, torpedoes, bombs or other derelict weapons of war.

Strikes exclusion

In no case shall this insurance cover loss damage liability or expense caused by strikes, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions.

Nuclear exclusion

In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from: ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof, any weapon of war employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter.

Wilful misconduct exclusion

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or arising from acts of recklessness or wilful misconduct by the Assured or other persons in control of the vessel including, but not limited to, conduct when under the influence of alcohol or drugs.

Contract (Rights of Third Parties) Act 1999

A person or company who was not a party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy but this does not affect any right or remedy of a third party which exists or is available apart from the Act.

Speedboat clauses

WHERE THESE CLAUSES APPLY THEY SHALL OVERRIDE ANY CONFLICTING PROVISIONS IN THIS POLICY.

1. **It is a condition of these Clauses that when the vessel concerned is under way the Assured named in the Policy or other competent person(s) shall be on board and in control of the vessel.**
2. No claim shall be allowed in respect of:-
 - (a) loss of or damage to the vessel or liability to any Third Party or any salvage services
 - (i) caused by or arising from the vessel being stranded, sunk, swamped or breaking adrift while left moored or anchored unattended otherwise than in a Marina or sheltered anchorage.
 - (ii) arising while the vessel is participating in racing or speed tests, or any trials in connection therewith.
 - (b) Loss of or damage to any rudder, propeller, strut, shaft and outdrive unit/outboard lower unit whilst the vessel is under way unless caused by the vessel stranding, sinking from a peril insured against, being in collision with any other vessel or by impact with a pier or jetty.
 - (c) Any liability to or incurred by any person engaged in water ski-ing, aquaplaning, hang glide ski-ing or similar sport, whilst being towed by the vessel or preparing to be towed or after being towed until safely on board the vessel.
3. If the vessel is fitted with inboard machinery no liability shall attach to this Policy in respect of any claim caused by or arising through fire or explosion unless the vessel is equipped with fire extinguishing apparatus to the Company's requirements properly installed and maintained in efficient working order.

Conditions relating to accidents and claims

1. When you contact us about a claim, you will need to tell us:
 - your name and address
 - the place where the loss or damage occurred
 - a description of the incident
2. Notice shall be given to the Company, or your insurance intermediary, as soon as reasonably possible in the event of any occurrence which may give rise to a claim under this insurance, our claims department telephone number is 01273 863450. Any theft or malicious damage shall also be reported promptly to the Police.
3. Where loss or damage has occurred, notice shall be given to the Company prior to survey and, if the vessel is abroad and the Company cannot be contacted to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Company should it so desire.
4. The Company shall be entitled to decide the port to which the vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Company's requirements being refunded to the Assured) and the Company shall have a right of veto concerning a place of repair or a repairing firm.
5. The Company may require a number of quotations to be obtained for the repair of the vessel.

6. The Assured shall give full information to the Company as to the circumstances of the accident and of all claims made, with names and addresses of claimants and all witnesses of the accident, as soon as possible after occurrence of the accident or receipt of claim or notice of claim.
7. The Assured also undertakes to send to the Company as soon as possible, all claims, letters, summonses, writs, etc., relating to any accident addressed to the Assured or to the Assured's servants by the authorities or by Third Parties.
8. No liability of any sort shall be admitted nor any offer, promise or payment made by the Assured to claimants nor legal expenses incurred without the written consent of the Company who shall be entitled, if it so desires, to take over and conduct in the name of the Assured the defence of any action.
9. The Assured shall render to the Company all possible aid in obtaining information and evidence should the Company desire to take proceedings at its own expense and for its own benefit in the name of the Assured to recover compensation or to secure an indemnity from any Third Party in respect of anything covered by this insurance.

Complaints procedure

We value the opportunity to investigate any concerns you may have about any aspect of our service and are committed to handling all complaints fairly, thoroughly and promptly.

Who to contact in the first instance

In the first instance, if you have a complaint about your policy or claim, you should contact the insurance advisor acting for you, or you can contact us directly.

If your complaint is about:

- your policy, please call us on 01273 863400
- a claim, please call us on 01273 863450

Or if you prefer, you may write to us.

The address to use is:

PO Box 848
Brighton
BN1 3GQ

Next steps if you are not happy with the response provided

We are dedicated to our customers and seek to do what is right, however, sometimes we may not be able to reach an agreement with you. If this is the case, and you remain dissatisfied once you have received our response to your complaint, we will refer your complaint to our Customer Relations Team for a separate review.

The Customer Relations Team will contact you to let you know they have received your complaint and when their review is complete, they will provide you with a final response on behalf of Zurich.

Complaints procedure leaflet

A leaflet containing full details of our complaint procedure will be provided during the complaint handling process and is available on request.

The Financial Ombudsman Service (FOS)

If we are unable to resolve your complaint to your satisfaction within eight weeks, or if you remain dissatisfied following receipt of our final response letter, you can ask the FOS to formally review your case. You must contact the FOS within six months of our final response. The FOS contact details are as follows:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR

You can telephone on: 0845 080 1800

Or e-mail:

complaint.info@financial-ombudsman.org.uk

This is a free and impartial service and will not affect your legal rights. You are entitled to contact the FOS at any stage of your complaint.

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Tel: 0845 0801800 or
e-mail: enquiries@financial-ombudsman.org.uk

The FOS will only consider your complaint if, at the time of notification, you are a business with a group annual turnover of less than £1 million, a charity with an annual income of less than £1 million or a trustee of a trust with a net asset value of less than £1 million.

You may contact the FOS at any stage of your complaint. Your legal rights will not be affected.

Compensation scheme

We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Further information is available at www.fscs.org.uk or by contacting the FSCS directly on 020 7892 7300.

for and on behalf of

ZURICH INSURANCE PLC



GUY MUNNOCH

Chief Executive



NAVIGATORS
& GENERAL

A member of the  Zurich Financial Services Group

NAVIGATORS AND GENERAL

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Authorised by the Irish Financial Regulator and subject to limited regulation by the Financial Services Authority. Details about the extent of our regulation by the Financial Services Authority are available from us on request. FSA registration number 203093. These details can be checked on the FSA's register by visiting their website www.fsa.gov.uk/register or by contacting them on 0845 606 1234.

Communications may be monitored or recorded to improve our service and for security and regulatory purposes.

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