

Velos Plain Language Boat Insurance Policy (09/2015)

Welcome to Velos Insurance Services Limited. We are dedicated to the quality and clarity of Our customer relationship. Please read the important notes below.

IMPORTANT NOTES

Your policy is a legally binding contract set out in the following pages; Your Certificate of Insurance, Your underwriting information and Your proposal form (if one was requested). You should carefully read these documents to make sure it suits Your needs.

This insurance has been arranged on the basis of information supplied by You. We may not cover You unless all statements made to Us are entirely correct.

If any of the information in the Certificate of Insurance or policy is not correct then You must contact Us immediately to get this amended. If there is any information relating to this insurance which We have not been given or there is a change in circumstance during the Period of Insurance You must tell Us.

In consideration of You having paid Us the premium required We will provide the insurance cover explained in this policy and will indemnify You against loss during the Period of Insurance.

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Section I: Definitions

The words or phrases set out below have the definitions given below when used in the policy.

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|---------------------------|--|
| Agreed Value | This is the sum(s) noted as such in the Certificate of Insurance and this is the Agreed Value of the Boat in the event of a Total Loss. |
| Boat | The Boat named in the Certificate of Insurance including her Machinery, gear, sails, masts, spars, rigging, trailer, tender/dinghies (including jet skis and jet bikes but not stand up models and only if shown separately on the Certificate of Insurance), equipment and accessories which are normally bought or sold with the Boat. |
| Certificate of Insurance | The document providing evidence that insurance has been purchased. |
| Consumer Credit Agreement | The agreement between You (the debtor) and the creditor by which the creditor provides You with credit of any amount. |
| Excess | The amount(s) noted in the Certificate of Insurance to be deducted from each and every claim. |
| Immediate Family | Means either: Your children (including wards and foster children); or those members of Your family (persons related to You by blood, marriage or adoption) who reside permanently with You. |
| Machinery | Includes main or auxiliary engines, outdrives, electrical equipment, cables and fittings and hydraulic equipment, piping and fittings, boilers and shafts. |
| Period of Insurance | The period noted as such in the Certificate of Insurance or in any endorsement and noted for any subsequent renewal period. |
| Personal Effects | Includes items of clothing and articles of a personal or nautical nature which are kept or used on board the Boat whilst in use, but which would not normally be sold with the Boat. |
| Total Loss | When the Boat is, following an insured loss, destroyed or the insured is irretrievably deprived of the Boat. |
| We, Us or Our | The insurer shown in Your Certificate of Insurance represented by its coverholder Velos Insurance Services Ltd. |
| Wheel Clamp | A device sold and marketed as a secure method of preventing theft by avoiding road wheels turning or such other device approved by Us. |

Section II: Cover for the Boat

1) What is covered

Subject to the terms and conditions of this policy, Your Boat is covered in respect of all risks of physical loss of or damage except as provided in this Section II and as stated in Section VII (Policy Exclusions). The amounts payable under this Section II will be subject to deduction of the Excess noted on the Certificate of Insurance. In the event of a claim in more than one section the highest Excess will apply.

2) Amount payable in respect to loss or damage to the Boat

- a) Reasonable costs of repair for loss or damage.
 - i) Where repairs are undertaken, the reasonable cost of repair of the Boat or other insured items; or
 - ii) Where repairs are not undertaken by the end of the Period of Insurance (or such later time as We agree in writing) the depreciation in market value or the cost of repair, whichever is the lesser figure.
 - iii) However, We will not pay for unrepaired damage if, after the damage occurs, a further loss occurs and payment of the Agreed Value is made under a Total Loss payment.
- b) We shall pay the Agreed Value of the Boat as set out in the Certificate of Insurance if:
 - i) the Boat is totally lost or destroyed; or
 - ii) the cost of recovering and/or repairing the Boat will exceed the Agreed Value; or
 - iii) You have been deprived of the free use and disposal of the Boat by theft depending upon the facts of each individual case.

3) Amount not payable in respect to loss or damage to the Boat

- a) The Excess shown in the Certificate of Insurance except in the event of a Total Loss.
- b) We shall be entitled to deduct:
 - i) from the cost of replacement new for old to take account of depreciation of: used sails, spars, running rigging, standing rigging, canopies, canvas, Machinery, propellers, batteries, electronic navigation equipment, tenders/dinghies and outboards; subject to a maximum one third deduction but 50% of the declared amount as shown in the Certificate of Insurance in respect of outboard motors.
 - ii) a reasonable amount from the cost of repairs or replacement to take account of any betterment or increase in value to the Boat arising out of repairs or replacement.
- c) For Boats with a maximum design speed of 46 knots (52.9 MPH) or more only; the Excess for hull and Machinery specified in the Certificate of Insurance shall be doubled for all claims for loss or damage to rudder, strut, shaft, propeller, outboard or outdrive caused by contact with any external substance, including, but not limited to, water.

4) Additional amounts payable in relation to the Boat

We shall also pay:

- a) the expenses incurred for the purpose of averting or minimising loss of or damage to the Boat, provided that in each case the expense:
 - i) is both reasonably incurred and reasonable in amount; and
 - ii) results from an event (or the possibility of such) for which there is or would be cover under this policy.
- b) the reasonable cost of inspecting the bottom of the Boat after grounding even if no damage is found.
- c) the costs of averting or avoiding pollution or clearing and cleaning pollution providing that We are liable under this policy to pay You for physical loss or damage to the Boat.

The total amount recoverable under this clause and arising out of any one event is limited to the Agreed Value of the Boat.

5) Jet skis

In respect of cover for physical loss or damage to any jet ski or jet bike, or cover for liability of or to the driver of any jet ski or jet bike, We will only provide insurance cover if:

- a) the driver of the jet ski or jet bike at the time of loss was 16 years or over; and
- b) the driver at the time of loss is experienced and competent in handling jet skis or jet bikes; and
- c) at the time of the loss the dead man's handle was in operation.

This policy does not cover physical loss of or damage to jet skis or jet bikes caused by:

- d) launching or beaching of the jet ski or jet bike.
- e) the use of the jet ski or jet bike in surf racing, stunt or white water use.
- f) the ingestion of foreign substances into the mechanics of the jet ski or jet bike.
- g) theft unless the theft follows forcible entry to a locked store or forcible removal of the jet ski or jet bike from the Boat.

Section III: Cover for Personal Effects

1) What is covered

If an insured value for Your Personal Effects is set out in the Certificate of Insurance then, subject to the terms and conditions of the policy, We shall cover You in respect of physical loss or damage, however caused, to Your Personal Effects and the Personal Effects of Your Immediate Family provided that the property at the time of loss or damage is:

- a) on board the Boat; or
- b) being used in connection with the Boat; or
- c) in transit (but not as part of a contract of carriage) between Your normal place of residence and the Boat (including the property being in a locked motor vehicle for the purposes of such transit).

2) Exclusions for Personal Effects

- a) This policy does not cover loss of or damage to:
 - i) money, cash, travellers cheques, credit/debit cards;
 - ii) jewellery, spectacles, contact lenses;
 - iii) diving, fishing or sports equipment;
 - iv) laptops, personal digital assistants, photographic equipment, mobile phones;
 - v) computer equipment or software;
 - vi) items above £250 unless declared and agreed by Us.
- b) This policy does not cover loss of or damage to Personal Effects caused by:
 - i) theft, unless the Personal Effects was inside a locked compartment on board the Boat or in a locked building ashore or in a locked motor vehicle and there is evidence of forcible and violent entry into the compartment, building or vehicle;
 - ii) mechanical or electrical breakdown;
 - iii) damp, mould, mildew, vermin and moth;
 - iv) wear, tear, depreciation or gradual deterioration;
 - v) breakage of items of fragile nature.
- c) The Excess shown in the Certificate of Insurance.

Section IV: Cover for Liabilities

1) What is covered

We will indemnify You against claims which You shall by reason of Your interest in the insured Boat become legally liable to pay for:

- a) death or bodily injury to any person.
- b) loss of or damage to property not belonging to You or Your Immediate Family.
- c) any action taken by You in an attempt to avoid or reduce any insured liability.
- d) salvage and salvage charges, reduced proportionately if the Agreed Value is less than the Boat's actual value.
- e) the costs of removal of any wreck of the Boat from any place, subject to receipt of wreck removal order, providing We have agreed to pay for the damage to the Boat.

In addition to any claim for which coverage is provided under this section and with prior written consent and agreement We will pay:

- f) the reasonable costs of an insured person in defending/contesting any claim brought against the insured person, provided that such costs are incurred with Our prior written consent.
- g) the reasonable costs of an insured person attending any inquest, inquiry or similar proceeding, provided that such costs are incurred with Our prior written consent.

2) Amount payable in respect of Your liabilities

The maximum amount recoverable under this Section IV is shown on the Certificate of Insurance and is limited to any one accident or series of accidents arising from the same event.

3) Persons this policy does not cover the liability to or of

- a) Any person employed under a contract in connection with the Boat.
- b) An employee of or an operator of a marina, slipway, shipyard, repair yard, yacht club, yacht delivery company, sales agency or similar organisation or crane or travel hoist.
- c) Unless specified on the Certificate of Insurance, any person while engaged in any sport involving being towed by the Boat or its Boats.

If liability for any sport involving being towed by the Boat or its Boats is noted on the Certificate of Insurance this will be limited to water skiers and persons being towed on "donuts" or "bananas".

The liability of water skiers and persons being towed on "donuts" or "bananas" will be limited to the amount stated in the Certificate of Insurance, and such liability will only be covered if:

- i) no more than two items are towed at any one time; and

- ii) at all times whilst towing “donuts” and “bananas” the insured persons comply with the manufacturers’ recommendations for use.
 - d) Any person while engaged in snorkelling, aqualung diving or other underwater sport from the Boat or Boat(s) including whilst disembarking or boarding.
 - e) Any paying passenger, except:
 - i) under Section VI 1), when the exception of owner or skipper charter for a period of up to 10 days applies; or
 - ii) if the Certificate of Insurance specifies that charter is covered.
- 4) Exclusions to cover for Liability
- a) This Policy does not cover liability assumed under contract.
 - b) This Policy does not cover liability caused or contributed to by recklessness or wilful misconduct on Your part.
 - c) Any third party loss or damage caused during land, road, rail or ferry transit.
 - d) Punitive, exemplary damages, fines or penalties imposed under any statutory code or law.

Section V: Personal Accident Cover & Medical Expenses

1) Definitions

The words or phrases set out below have the definitions given below when used in this section.

Insured: This means You, or any person whilst aboard the Boat (including embarkation and disembarkation) with Your permission, including captain or crew employed by You but excluding any other person employed by You in connection with the Boat.

Loss of a Limb: Means loss by physical separation of an arm at or above the wrist or a leg at or above the ankle.

Loss of Use of a Limb: Means irrecoverable loss of use of an arm at or above the wrist or a leg at or above the ankle.

Permanent Total Disablement: Means disablement which prevents the Insured from engaging in his usual occupation for more than 12 months and a medical expert appointed by the Insurer advises them that the condition will not improve after this time.

2) What is covered

Subject to the terms and conditions of the policy, in particular the exclusions set out in Section VII, We will pay £10,000 if an Insured (during the Period of Insurance and whilst aboard the Boat including disembarking and boarding) suffers death or injury as set out in the schedule below.

3) Schedule

- a) Death (or disappearance in circumstances where accidental death may reasonably be presumed).
- b) Loss of one or more limbs.
- c) Loss of Use of one or more limbs.
- d) Loss of sight of both eyes.
- e) Permanent Total Disablement.

4) Exclusions

- a) This cover will not be payable unless a loss as detailed in schedule 3 above occurs within twelve months of the date of the event giving rise to the Loss, disablement or death.
- b) This cover will not be payable under more than one of the events defined above in respect of the same event giving rise to different kinds of loss or disablement to one individual.

- c) Where a claim is made for disappearance of the Insured in circumstances where accidental death may reasonably be presumed, no payment will be made until at least one year from the date of disappearance. The Insured's personal representatives will furnish such security as We may reasonably require guaranteeing the repayment to Us of the total amount paid should it transpire that accidental death did not occur.
- d) Our total liability in respect of any one accident or series of accidents arising out of one event shall not exceed £50,000.

There will be no payment under this Section V:

- e) unless the person suffering death or injury is under 70 years of age at the commencement of any Period of Insurance.
- f) as a result of sports, water/ aerial activities and similar kinds, including disembarkation and boarding the Boat for that purpose.
- g) to any person being or becoming insane.
- h) to any person being under the influence of alcohol or prohibited drugs.
- i) to any person contracting a sexually transmitted disease or acquired immune deficiency syndrome.
- j) to any person committing or attempting to commit suicide or any act of intentional self-injury.
- k) to any person being or having been pregnant, suffering a miscarriage or undergoing an abortion or childbirth.
- l) to any person who wilfully exposes themselves to needless risk.
- m) for disablement to any person employed by You in any capacity whatsoever.
- n) for disablement to any person whilst the Boat is being used for purposes other than private and pleasure unless the cover has been extended to include charter

5) Medical Expenses

We will pay medical expenses incurred by You as a direct result of accidentally suffering injury while on, or getting on or off the Boat, to a maximum of £1,000.

Section VI: Additional Benefits

1) Skipper Charter

We shall cover the Boat whilst being used for the carriage of fare paying passengers for up to a maximum period of 10 days during the Period of Insurance, provided that:

- a) either You, or Your skipper, either of whom must be certificated to an appropriate standard to operate the Boat for the stated purpose, will be on board and in control of the Boat at all times whilst the Boat is underway; and
- b) the Boat does not take part in racing during the carriage of fare paying passengers; and
- c) We are given prior notification; and
- d) the Boat is compliant with applicable MCA regulations or any other local regulation or licensing conditions when on charter; and
- e) the number of passengers is restricted to the MCA coding or any other local regulation or licensing conditions, but never exceeding 12.

2) No Claims Bonus

If You renew this Policy, and:

- a) the policy has been in force for 12 consecutive months; and
- b) You renew for a further period of 12 consecutive months; and
- c) no claim has been made under this policy.

The amount of the reduction is:

- 5% for the first claim-free year.
- 10% for the second consecutive claim-free year.
- 15% for the third consecutive claim-free year.
- 20% for the fourth consecutive claim-free year.
- 25% for the fifth consecutive and subsequent claim free years.

Nothing in this Clause shall imply any obligation on Us to offer renewal or for You to renew.

3) Protected No Claims Bonus

If at the inception date of the current Period of Insurance You were entitled to a maximum no claims bonus of 25% (having 5 or more years, consecutively, claims free) You will continue to be eligible for that same bonus at next renewal provided no more than one claim has been made by You during that current Period of Insurance.

This protection will apply only to the Period of Insurance following that Period of Insurance in which the claim was made. If a further claim is made during that subsequent Period of Insurance then the protection is forfeited and the no claims bonus is lost.

Nothing in this clause shall imply any obligation on Us to offer renewal or on You to renew.

4) Marina Benefits

If a claim occurs for loss or damage to the Boat whilst moored on a pontoon berth or ashore at a marina, We shall not deduct any applicable Excess from the agreed claim settlement and for the purposes of the no claims bonus clause, if applicable, the Period of Insurance shall be considered a claim free year in respect of such a claim.

5) Road Transit

The Boat is covered whilst in transit by road and as part of a road transit, passenger ferry or train, provided that:

- a) if the Boat is carried on a trailer You ensure that both the trailer and the towing vehicle are suitable for the purpose.
- b) if the Boat is carried on the roof rack of a road vehicle You ensure that:
 - i) the Boat, the roof rack and the road vehicle are suitable for the purpose; and
 - ii) all lashings and other fastenings are secure.
- c) if the Boat exceeds thirty foot in length it is carried by professional road hauliers.

This policy does not cover loss of or damage, or liability to a third party.

Scratching, denting, bruising and chafing are excluded from this cover.

The following additional benefits are only applicable if formally agreed in writing and shown on the Certificate of Insurance or an endorsement and any relevant premium has been paid.

6) Racing Risks

Subject to the terms and conditions of this policy, including in particular all exclusions in Section VII, We shall cover two thirds of the new for old cost, loss of or damage to the Boat's sails, masts, spars and rigging while the Boat is racing. The exclusion from cover contained in Section VII 9) is hereby deleted.

The replacement cost of all sails carried, whether set or not, masts, spars and standing and running rigging is the amount stated in the Certificate of Insurance. In the event of the replacement cost exceeding the amount stated in the Certificate of Insurance the claim will be reduced proportionately.

You agree that no other contract of insurance relating to the sails, masts, spars or standing or running rigging for the Period of Insurance or any part thereof has been or will be entered into.

7) War, Strikes, Terrorism and Associated Risks

Subject to any applicable current London Market Exclusions and subject to the exclusions indicated below, insurers will insure the Boat for the sum insured indicated in the Certificate of Insurance against physical loss or damage caused by:

- a) war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power.
- b) capture, seizure, arrest, restraint or detainment and the consequences thereof or any attempt thereat.
- c) derelict mines, torpedoes, bombs or other derelict weapons of war.
- d) strikers, locked out workmen, or persons taking part in labour disturbances, riots or civil commotions.
- e) any terrorist or any person acting from a political motive.
- f) confiscation or appropriation.

Detainment

In the event of the Boat being the subject of capture, seizure, arrest, restraint, detainment, confiscation or appropriation and You have been deprived of the Boat for a continuous period of 12 months and without the likelihood of recovery insurers will pay the Boat's value as indicated in the Certificate of Insurance.

Insurers have no liability under this section for loss or damage arising from:

- g) any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- h) any outbreak of war between any of the following countries:
 - United Kingdom, United States of America, France, The Russian Federation and the People's Republic of China
- i) requisition or pre-emption.
- j) capture, seizure, arrest, restraint, detainment, confiscation or expropriation by or under the authority of the government or any public authority of the country in which the Boat is owned or registered.
- k) arrest, restraint, detainment, confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations.
- l) the operation of any ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause.
- m) any claim for any sum recoverable under any other insurance on the Boat or which would be recoverable under such insurance but for the existence of this Policy.
- n) any claim or expense arising from delay.

8) Skipper Charter (other than already covered by this insurance)

Subject to the terms and conditions of this policy, including in particular all exclusions in Section VII, We shall cover the Boat whilst being used for the carriage of fare paying passengers on the agreement that:

- a) either You, or Your skipper who must be certificated to an appropriate standard to operate the Boat for the stated purposes, will be on board and in control of the Boat at all times whilst the Boat is underway; and
- b) the Boat is compliant with applicable Maritime & Coastguard Agency (MCA) regulations or any other local regulation or licensing conditions when on charter; and
- c) the number of passengers is restricted to the MCA coding or any other local regulation or licensing conditions, but never exceeding 12.

Our liability shall be in accordance with Section IV of this Policy.

9) Bareboat Charter

Subject to the terms and conditions of this policy, including in particular all exclusions in Section VII, We shall cover the Boat whilst on charter including whilst carrying fare paying passengers, including for the risk of misappropriation (meaning theft or other unlawful taking) by the hirer or charterer and We shall cover the liabilities to any fare paying passenger in accordance with Section IV of the policy.

You warrant that prior to the hiring out or chartering of the Boat You will ensure that such hirer or charterer is suitably experienced and qualified to skipper the Boat, and suitably qualified for carriage of fare paying passengers (if that is the purpose of the charter), and that You will not hire or charter the Boat to a person whom You know or have reason to suspect has criminal convictions, criminal intentions for use of the Boat, or is bankrupt.

We do not cover You for any loss or damage arising directly or indirectly from the failure of hirers or charterers to comply with any express or implied terms of the charter.

We do not cover You for any contractual liability that might attach because of express or implied terms of the charter.

You agree that prior to hiring or chartering out of the Boat You will take and retain a copy of either the hirer's current passport or the hirer's current driving licence and retain a copy for Your files.

You agree that if the hirer or charterer pays cash, either credit card or bank details will also be obtained and checked.

10) Live Aboard Use

Cover is granted for live aboard use providing this is agreed and shown on the Certificate of Insurance.

11) Contents Endorsement

Contents are insured for live aboard Boats only providing a value has been declared and approved with any one item in excess of £500 being declared.

It is hereby noted and agreed that Section III is amended to include Your contents. As such the following amendments are applicable:

- a) Section 1
Cover includes coverage within the cruising warranty as defined in the Certificate of Insurance.
- b) Section 2 a):
 - i) amended to read “with a limit in excess of £250.00”.
 - iv) amended to read “with a limit in excess of £500.00”.
 - vi) amended to read “with a limit in excess of £500.00”.
- c) Section 2b)i) replaced with the following:
Theft is not covered unless the valuable contents declared are locked in a secure and locked compartment with money and jewellery in a locked safe on board the Boat or in a locked building ashore or in a locked motor vehicle and there is evidence of forcible and violent entry into the locked compartment, safe, building or vehicle.

All other terms and conditions remain unaltered.

Section VII: Policy Exclusions

Applicable to the whole of this policy

We will not pay for any claims arising directly or indirectly from:

- 1) the use of gas on board the Boat unless:
 - a) the installation and tubing is to the approved European Standard; and
 - b) all gas containers are secured against movement; and
 - c) all gas lockers are properly vented to the exterior of the Boat.
- 2) the unseaworthiness of the Boat.
- 3) wear, tear, depreciation, deterioration, lack of reasonable maintenance or the ordinary action of the wind and waves.
- 4) failure to take reasonable precautions to prevent further deterioration.
- 5) the Boat operating outside the cruising area set out in the Certificate of Insurance or agreed by endorsement.
- 6) any accident or claim occurring outside the Period of Insurance.
- 7) damage to the Boat's canopies split by the wind or blown away.
- 8) loss of or damage to the Boat or tender whilst unattended or unsighted except when left on a recognised mooring or anchorage.
- 9) the Boat's sails, masts, spars and rigging while the Boat is racing (unless caused by fire, stranding, sinking or collision with any fixed or floating object).
- 10) loss of outboard motor/s by theft when fitted to the Boat or any Boat unless they are secured by an outboard motor lock (a device marketed and sold as a secure method of preventing theft of outboard motors when fitted to the Boat) in addition to its normal method of attachment.
- 11) theft of outboard motor unless the serial number can be provided.
- 12) theft or attempted theft of trailer whilst left unattended unless the trailer has been secured by a recognised Wheel Clamp or hitch lock and left in a safe place or locked storage.
- 13) accidental loss or damage caused solely to Machinery (see definition on page 2) which is **five years old or more** unless as a result of an external accidental cause covered under the policy. This exclusion does not apply to shaft, propeller, rudder and P-bracket.
- 14) accidental loss or damage caused solely to Machinery which is **less than five years old** unless the Boat manufacturers warranty and servicing schedules have been fully complied with. This exclusion does not apply to shaft, propeller, rudder and P-bracket.
- 15) loss or damage to tenders unless permanently marked with name of parent Boat or agreed alternative.
- 16) theft:
 - a) unless violence and force are used to break into the Boat or place of storage

- b) from Boat's exterior unless violence or force are used.
- 17) the cost and expense of rectifying, repairing or replacing:
- a) any fault or damage arising from fault or error in design or construction.
 - b) any part (i.e. the defective part itself including the whole or any part of the hull) which is subject to a fault in design or construction or to a latent defect.
- 18) any cost resulting from defective workmanship carried out or materials provided by an independent contractor employed to carry out maintenance, repairs or alterations to the Boat.
- 19) loss of use of the Boat or any indirect costs of any description.
- 20) insects, marine borers, barnacles, marine growth, corrosion, rot, rust, mildew, mould, bacterial action, dampness or weathering.
- 21) frost unless all manufacturer's recommended precautions have been taken.
- 22) water, unless resulting from accidental damage to the hull or rare and extreme weather conditions.
- 23) electrolysis, osmosis or galvanic corrosion or like conditions.
- 24) wilful misconduct or acts of recklessness by the insured or those in control of the Boat, including but not limited to under the influence of alcohol or drugs.
- 25) the Boat being used as a houseboat during any lay-up periods unless agreed by Us in writing in advance.
- 26) any structural alteration or additions to the Boat during the Period of Insurance without first obtaining Our prior written consent.
- 27) installation of any Machinery, running gear or equipment that exceeds the specification and tolerances of the Boat.
- 28) Your failure or that of the captain/skipper to ensure that the Boat is properly manned when underway with appropriate experience.
- 29) the Boat towing another Boat or being towed by another Boat except in an emergency or when it is customary.
- 30) failure to carry out all survey requirements, either within the time specified by Us or by the surveyor.
- 31) the Boat undergoing major repair/refit (including removal, replacement or overhaul of Machinery or running gear or through hull fittings, except where servicing is required) unless We give permission in writing and issue an endorsement to this effect.
- 32) fire or explosion unless:
- a) the fire extinguishing equipment on board the Boat is kept in good working order at all times, which must include regular maintenance and servicing by a reputable and fully qualified service company/agent in accordance with manufacturers' instructions.
 - b) the galley is equipped with a fire blanket.
 - c) fire extinguishers are fitted as per manufacturer's recommendations.

- d) Boats with a maximum design speed of over 17 knots and fitted with inboard Machinery, are equipped with a suitable fire extinguishing system automatically operated or remotely controlled from the steering position or outside and next to the engine space or room.
- 33) loss, damage or liabilities whilst racing unless previously agreed by Us and noted on Your Certificate of Insurance or endorsement.
- 34) pollution or contamination unless directly caused by a sudden and accidental discharge, spillage or escape of oil, fuel, waste material, chemicals or other pollutants from the Boat.
- 35) the failure or inability of any equipment or any computer programme to recognise or correctly to interpret or process any date as the true or correct date, or to continue to function correctly beyond that date.
- 36) the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic system.
- 37) capture, seizure, arrest, restraint, detainment, confiscation or expropriation by any government power or authority, or supranational authority, lawful or otherwise, including as a result of civil, criminal or administrative proceedings, action by customs officers or executive actions of a Government or Government Department.
- 38) war, invasion, civil war, conflict, commotion, terrorism.
- 39) fines, penalties or punitive damages.
- 40) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
- 41) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof.
- 42) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- 43) 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 similar peaceful purposes.
- 44) any chemical, biological, bi-chemical or electromagnetic weapon.
- 45) the single-handed use of the Boat on any passage which might last 24 hours or more, and in the event there are less than three people on board for such a passage, each person is qualified or has experience appropriate for them to take charge of the Boat.

Part VIII: General Conditions

1) Payment of Premium

If You have elected to pay Your policy annually, but failed to pay Your premium:

- a) We may refuse Your claim or take the balance of any outstanding premium due to Us from any claim payment We make to You. This may mean that We fulfil Our obligations to any claim against Your policy by a third party, but seek full recovery of any sum made under Your policy directly from You. This may include the instruction of solicitors or other recovery agents; and
- b) We may cancel Your policy by sending You seven days' written notice to Your last known address. This does not affect Our right to collect any outstanding premium from You.

If You have elected to pay Your policy monthly, but You have defaulted on a monthly payment, We further reserve the right to cancel Your policy in the event that there is a default in instalment payments due under any associated Consumer Credit Agreement.

However, We will send a letter to Your last known address and give You 14 days' from the date of the letter to pay the premium. If You fail to pay or choose to cancel Your policy Your refund will be used to pay any sums due under any associated Consumer Credit Agreement.

2) Disclosure of Information

You must tell Us if any of the information on which this insurance is based changes. Failure to do so may result in Your insurance no longer being valid and claims not met. If in doubt about any change You should disclose it. If Your policy is amended as a result of any change, We will be entitled to vary the premium and terms for the rest of the Period of Insurance. You should keep a record (including copies of letters) of all information supplied to Us in connection with this insurance.

If a claim is fraudulent or false in any way We will not make any payment and the policy will be void. There will be no refund of premium.

3) Sale or Change of Interest

Unless We agree in writing, if during the Period of Insurance the ownership of the Boat is sold or otherwise transferred, or in the case of a Boat owned by a company limited by shares the ownership of more than 50% of the shares is sold or otherwise transferred in any one transaction or series of transactions to the same person, this policy will automatically be cancelled with effect from the date of the transfer and We shall return to You the premium paid in respect of the unexpired Period of Insurance, subject to a minimum of 25%, or £50 (whichever is the greater) of the premium being retained by Us unless otherwise agreed in writing.

4) Cancellation

This policy may be cancelled, or cover for specific risks may be cancelled:

- a) by Us in writing at any time, without giving any reason, by giving 30 days from the date of the letter (7 days in respect of Civil disturbance and terrorism risks) sent by post or agreed method to either the address shown in the schedule or to Your agent;
or
- b) by mutual agreement; or
- c) by You.

If the policy is cancelled by Us or by mutual agreement, providing no claim has been made during the current Period of Insurance, We shall return to You a pro-rata proportion of the premium paid in respect of the unexpired Period of Insurance.

If the policy is cancelled by You, providing no claim has been made during the current Period of Insurance, We shall return to You a pro-rata proportion of the premium paid in respect of the unexpired Period of Insurance subject to a minimum of £50 or 25% of the premium, whichever is less, being retained by Us unless otherwise agreed in writing.

5) Renewal

If You wish to renew the policy at the end of the Period of Insurance You must, before the renewal is agreed, disclose to Us any change which is a material fact. If You fail to do so We shall be entitled to cancel the renewed policy with effect from the date of its commencement.

6) Assignment of the Policy

We shall not recognise any assignment of or interest in this insurance or any money which may become payable under this insurance, nor will any assignment be binding upon Us unless a dated notice of such notice of assignment or interest in the policy, signed by You and by any assignor in the case of subsequent assignment, is produced to Us and such notice of assignment is produced before payment of any claim or return of premium there under.

7) Other Insurances

We shall not pay for any loss or damage or provide any indemnity if at the time when the loss or damage occurred the Boat, the trailer, the Personal Effects or the liability of the insured person is or would, but for this insurance, be covered by any other insurance.

If, however, the Agreed/insured (whichever applies) Value of the property covered by this policy or the indemnity provided by this policy is greater than the Agreed or insured Value or indemnity provided by such other insurance We shall, subject to the terms of the policy, pay the difference.

Section IX: Claims

1) You, or the skipper on Your behalf if no insured person is on board, must:

- a) notify Us directly:
 - i) by telephone to +44207 3753273; or
 - ii) by e-mail to insurance@velosgroup.co.uk

of any event or occurrence which might give rise to a claim under the policy as soon as possible and

- b) provide Us with a written report by filling in the claim form which We have supplied attached to this policy:
 - i) in writing to New Broad Street House, 35 New Broad Street, London, EC2M 1NH, or
 - ii) by fax to +44207 330 6179; or
 - iii) by email to insurance@velosgroup.co.uk; or
 - iv) as instructed by Us in response to the original notification of the event or occurrence
- c) notify the police as soon as possible of any theft, malicious damage or other crime involving the insured property; and
- d) in the unlikely event of court action involving a third party, sign and return to Us (with any comments) any statement of truth that We, or Our representative, may request You to sign; and
- e) search for and provide to Us all documents that We, or Our representative, may require from You in relation to any claim under this policy and return to Us (with any comments) any statement of disclosure that We, or Our representative, may request.

2) We shall have the absolute right at Our discretion to decide where the insured property is to be repaired.

3) We shall have the absolute right (but no obligation) at Our discretion and at Our expense:

- a) to commence or take over and conduct the defence of any claim against or prosecution of an insured person arising out of an occurrence which might give rise to a claim under the policy;
- b) to commence or take over and conduct any claim brought in Your name to recover sums which are or which might be payable under the policy;
- c) to commence or take over and conduct the representation of You at any inquest, inquiry or similar proceeding which might give rise to a claim under the policy.

4) You shall give Us such assistance as We may reasonably request for the purpose of exercising Our rights under 3 above.

5) You must pass onto Us as soon as possible communications from third parties relating to any matter which might give rise to a claim under the policy.

- 6) You must not without Our prior written consent:
 - a) admit liability;
 - b) make any offer to settle, or compromise or pay a claim by a third party which might give rise to a claim under the policy;
 - c) give up any right to recover damages in respect of the loss from another party. If such right is given up, We can reduce the amount payable in respect of the claim by the value of the right given up.
- 7) You will provide an exhaustive list of all items damaged as soon as possible after the incident giving rise to the damage.
- 8) You will give Us access on demand to the Boat and/or all damaged items, and You will preserve the Boat and/or all damaged items prior to Our inspection.
- 9) Once We are in receipt of a fully documented claim which is covered by this policy, and which is agreed with You, We will settle the claim promptly.

Section X: Data Protection

All personal information about You will be treated as private and confidential (even when You are no longer a customer), except where the disclosure is made at Your request, with Your consent, in relation to administering Your insurance or where law requires Us. As part of the Financial Conduct Authority's duties, We may be asked to provide them with access to Our customer records in order that they may carry out a review of Our activities. Some or all of the information You supply to Us in connection with Your insurance proposal will be held on computer and may be passed to other insurance companies for underwriting and claims purposes. Under the Data Protection Act 1998 You have the right to see personal information about You which We hold in Our records, which You are at liberty to see at any time.

Section XI: Complaints and Law & Jurisdiction

COMPLAINTS

1. Any complaint relating to the handling of this insurance or any claim should be forwarded to:

Velos Insurance Services Ltd
52-54 Gracechurch Street
London
EC3V 0EH
Tel: 0207 929 4058
Fax: 0207 933 9350

2. If Velos are unable to resolve your complaint, you can write to Lloyds at:

Lloyd's Market Services,
One Lime Street,
London EC3M 7HA
Tel: +44 20 7327 5693
Fax: +44 20 7327 5225
E-Mail: complaints@lloyds.com

3. The Financial Ombudsman Service

If you have received a final response or 8 weeks have elapsed since raising your complaint and you are still unhappy you may be eligible to refer your complaint to the Financial Ombudsman Service. The FOS can provide help with complaints regarding your insurance but only after Lloyds has had a chance to consider it first. Then you have six months in which to refer your complaint to the Ombudsman. Further details are contained in the leaflet "Your Complaint and the Ombudsman", a copy of which will be provided with a final response letter. Please note the Ombudsman will only consider complaints from individuals and small businesses. A reference to the Ombudsman is without prejudice to your right to take legal proceedings. If you are not eligible to refer your case to the FOS and we are unable to reach agreement, you should seek professional legal advice.

APPLICABLE LAW AND JURISDICTION

Unless specifically agreed in writing this insurance shall be subject to English law and the English courts shall have exclusive jurisdiction.