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## Small-Craft Policy

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# 1 About your policy

Your policy is the contract of insurance between you (the policyholder named on your insurance certificate) and us (the insurers named on that certificate).

Your policy is made up of your insurance certificate and this document. It includes any 'additional conditions' and 'underwriting information' printed on your insurance certificate. The 'Claims advice' section in the booklet this document is printed in does not form part of your policy.

You can find a summary of the policy in the 'Key facts' section of the booklet this document is printed in.

## Important

We have asked for information about you and your vessel. This information is shown on the proposal form (if you filled in a proposal form) or your insurance certificate (in the 'Underwriting information' section). We have used this information to decide whether to insure you and your vessel and how much to charge you. If the information you have given us is wrong, your policy may not be valid and we may refuse to pay any claim you make.

The amount we have insured your vessel for is the agreed value of the vessel. If the information you have provided about the value of the vessel (including the price you bought it for) is false, your policy may not be valid and we may refuse to pay any claim you make.

## Vessel

The word 'vessel' in this policy means the vessel listed on your insurance certificate. It also means the machinery, boats, gear and equipment that would normally be sold with the vessel. It does not include moorings.

## **2 Cover if the vessel is lost or damaged**

**2a** We will pay you if the vessel or other property listed on the insurance certificate is lost or damaged as a result of:

- an accident;
- theft; or
- someone (not you) deliberately damaging the vessel.

We will also pay any reasonable costs that you pay in an emergency to prevent any loss or damage which would have been covered by this policy.

### **2b What we will pay**

- 1 The most we will pay you is the amount we insured the vessel for (the 'sum insured'), less your excess (the part of the claim you pay).
- 2 If the cost of repairing the vessel is more than the sum insured, we will pay you the sum insured, less both your excess and the value of the vessel in its damaged condition.
- 3 If your insurance certificate shows a separate sum insured for any item, the most we will pay is the amount printed on your insurance certificate for that item, less the excess.
- 4 The most we will pay for any loss or damage to any outboard motor is its market value at the time it was lost or damaged, less the excess. If the market value is more than the value shown on the insurance certificate, we will only pay the value on the certificate, less the excess.
- 5 Instead of paying to replace anything which is lost or damaged, we may repair it or replace it with a part of similar age, type and condition.
- 6 We may reduce the amount we pay you for loss or damage to:
  - protective covers and canopies;
  - machinery, batteries, outboard motors and boats;
  - paintwork, surface finishes, upholstery and soft furnishings; and

- masts, spars, sails, standing and running rigging.

However, we will only do this if we believe that repairing or replacing the part would restore the vessel to a better condition than it was before the loss or damage happened.

**2c We will not pay you:**

- 1 for loss or damage if the vessel is not used as set out in section 6;
- 2 for loss or damage if one of the general exclusions in section 7 applies;
- 3 for the cost of replacing any faulty parts, or the cost of putting right any fault in the way the vessel was designed, built, maintained or repaired;
- 4 for loss or damage caused by wear and tear, corrosion, osmosis or electrolysis;
- 5 for the condition of the vessel getting worse (for example, through wear and tear, the weather, rust, or damp);
- 6 if you fail to maintain the vessel, including its machinery and equipment;
- 7 for sails if they split or are blown away by the wind while the vessel is being used;
- 8 for outboard motors which fall into the water, unless they were attached to the vessel or the shore by a safety chain or rope;
- 9 for any losses you suffer from not being able to use the vessel, or any other indirect losses which you suffer as a result of the vessel being lost or damaged, such as travel costs or loss of earnings;
- 10 for the cost of any repairs or replacements which put the vessel in a better condition than before the accident;
- 11 for the cost of repairing or replacing any part of the vessel which cannot be replaced or repaired because it or a part of it is no longer made – in this case, we will pay you the amount we decide it was worth before it was damaged, taking into account:
  - any information you provide on the cost of the part when it was last available; and

- the cost of similar parts of similar age, type and condition;
- 12 for the cost of altering or replacing other parts of the vessel that are not damaged to be able to match parts that have been repaired or replaced (we will only pay to repair or replace parts that have been damaged);
  - 13 if the value to the vessel falls because it has been damaged and repaired;
  - 14 for any damage if the same part is damaged again or the vessel is destroyed before that part has been repaired;
  - 15 for loss or damage caused by insects, vermin or marine life;
  - 16 for loss or damage that happens because rainwater has collected in the vessel;
  - 17 for any delay in repairing or replacing the vessel (this includes any increase in costs after a delay);
  - 18 for loss of any boat which is part of the vessel's equipment, unless it is permanently marked with the name of the vessel;
  - 19 for repairing or repainting minor damage (such as scratches or dents) that happen when the vessel is moved by road; or
  - 20 for loss or damage that happens because any trailer the vessel is being carried on is not roadworthy or capable of carrying the vessel safely.

## **2d Theft**

We will not pay you if someone:

- 1 steals anything from inside the vessel or the place the vessel is stored if there are no signs that the person has used violence to force their way in;
- 2 steals anything from the outside of the vessel, unless it was fixed to the vessel and we can see that the person used violence and force to remove the item;
- 3 steals any boat which is part of the vessel's equipment, unless it is permanently marked with the name of the vessel;
- 4 steals any outboard motor if there is no sign the person used violence to force their way into the place where it was being

kept, or if it was not locked to the vessel with a lock designed and marketed as an outboard-motor lock;

- 5 steals the vessel's trailer and anything on it (including the vessel), unless it was locked with a wheel clamp while not being towed (the wheel clamp must be used even if the trailer and towing vehicle are only parked for a short time); or
- 6 acts in a fraudulent or dishonest way to steal the vessel or anything else we insure.

## **2e Machinery**

We will not pay you if the vessel's engines, gearboxes, electrical machinery, electrical equipment, batteries or connections are lost or damaged as a result of:

- 1 any part not working properly;
- 2 you or anyone else not using or maintaining the machinery properly;
- 3 any fault in the engine, gearbox, machinery, equipment, battery or connection even if you could not have known about it;
- 4 the fuel being contaminated or the quality of the fuel deteriorating or changing;
- 5 frost, if we believe you did not take all reasonable steps to prevent frost damage;
- 6 water, unless:
  - the hull of the vessel is accidentally damaged while afloat and water immediately floods into the vessel as a result; or
  - the water flooded into the vessel because of rare and extreme weather conditions;
- 7 water getting into the engine; or
- 8 you failing to prevent the condition of the equipment from getting worse after any accident.

## **2f Racing**

Motor vessels are never covered while racing.

We will not pay for loss or damage to the vessel's masts, spars, sails, standing and running rigging which happens while racing, unless:

- 1 the vessel accidentally sinks, runs aground, catches fire or collides with any object other than water; or
- 2 we have agreed to insure the vessel while racing and the 'type of racing' is shown on the insurance certificate. In this case, masts, spars, sails, standing and running rigging are covered while racing, but:
  - we will not pay for sails if they are split by the wind or blown away;
  - any claim will be reduced by one third;
  - we will not apply the excess set out in section 9; and
  - our total liability for masts, spars, sails, standing and running rigging which are lost or damaged will be limited to 50% of the sum insured for the hull, machinery and equipment, as shown on the insurance certificate.

## **2g Marina benefits**

- 1 Marina benefits apply if the word 'marina' is part of the description your insurance certificate gives for the place your vessel is moored at.
- 2 If the vessel is damaged while moored or stored ashore at that marina, we will not:
  - take any excess away from the amount we pay you; or
  - reduce your no-claims bonus.

### **3 Personal belongings**

If your personal belongings are insured, your insurance certificate will show this under 'Interest' as well as the value of the belongings you have insured. If the certificate does not mention your personal belongings or there is no amount shown, your personal belongings are not insured.

#### **3a If you have insured your personal belongings**

- 1 We will pay you if your or your family's personal clothing and belongings are accidentally lost or damaged:
  - while they are on-board the vessel; or
  - while you are taking them to or from the vessel.
- 2 We will also pay if any belongings covered by this section are stolen or deliberately damaged (though not by you).

#### **3b What we will pay**

- 1 The most we will pay is the amount shown on your insurance certificate for personal belongings, less your excess.
- 2 We will reduce the amount we pay you if the total value of the belongings covered by this section at the time of the accident is more than this amount.
- 3 We may repair or replace any personal belongings instead of paying for the loss or damage.
- 4 We may also reduce the amount we pay to take account of the cost to replace used items with new ones.

#### **3c We will not pay you:**

- 1 for loss or damage caused while the vessel is not being used as set out in section 6;
- 2 for loss or damage if one of the exclusions in section 7 applies;
- 3 for loss or damage caused by wear and tear, damp, insects, vermin or marine life, or the cost of replacing or repairing anything which is obsolete (something which used to be generally available but no longer is);

- 4 if anything is stolen from a vehicle or the vessel if there is no sign that the person used violence to force their way into the vehicle or vessel;
- 5 for any brittle (hard and fragile) items which are broken;
- 6 for any item which is worth more than £250, unless you have declared it to us separately and we have agreed to insure it;
- 7 for money, traveller's cheques, securities (such as share or Premium Bond certificates) or credit, debit or charge cards;
- 8 for fine art, jewellery, watches, spectacles, sunglasses or contact lenses;
- 9 for electronic equipment, including computers, games machines, personal digital assistants (PDAs), software, mobile phones, cameras (including video cameras and associated equipment) or personal entertainment devices, including MP3 players and similar;
- 10 for tools, diving equipment, sports equipment, fishing equipment or bicycles; or
- 11 for any belongings insured under any other policy.

## **4 Liability to other people**

### **4a What is covered**

- 1 We insure you for accidents, involving the vessel, which you are responsible for (known as 'liability') and in which:
  - someone is killed or injured; or
  - someone else's property is damaged.
- 2 We also insure, in the same way, anyone who you have allowed to take charge of the vessel, unless you or someone else is paying them to be on the vessel.
- 3 We also insure the costs you are responsible for paying to remove the wreck of the vessel after it sinks, as long as we have to pay, under this policy, your claim for the damage to the vessel.
- 4 We will also pay any legal costs involved in defending a claim someone has made against you (but only if you have our written permission to make that defence).

### **4b What we will pay**

- 1 The most we will pay is the amount shown on your insurance certificate for 'third-party liability', less any excess, for:
  - any accident; or
  - any series of accidents caused by the same event;even if more than one person makes a claim.
- 2 If your insurance certificate does not show an amount for third-party liability, the most we will pay is the agreed value of the vessel, less any excess.

### **4c We will not pay for any liability:**

- 1 if you admit you were responsible for the accident without us agreeing to it in writing;
- 2 if the vessel was not being used as set out in section 6, or the accident happened while the vessel was being moved by road;
- 3 if one of the general exclusions in section 7 applies;

- 4 to you or to anyone who owns, leases, charters or pays a mortgage on the vessel or who has any other rights in the vessel;
- 5 to any person owning any part of a company the vessel is owned by, whether directly or indirectly;
- 6 to anyone in charge of the vessel;
- 7 as a result of any contract;
- 8 to your employees or to anyone else who is being paid to be on-board or to work on the vessel;
- 9 to any person if they or someone else were paying for that person to be on-board the vessel;
- 10 relating to any diver from the vessel who is using underwater breathing equipment;
- 11 to pay fines, penalties or any damages that are more than the amount needed for simple compensation (these damages are sometimes called 'punitive' or 'exemplary' damages but other names are also used); or
- 12 for any costs you have to pay as a result of criminal proceedings against you.

#### **4d Security**

We will not pay or take any steps to prevent the vessel being arrested (in other words, when any court, government or other authority or anyone else making a claim against you or the vessel takes possession of the vessel) or to get it released from arrest.

#### **4e Sports activities**

We will not pay if the accident happens while the vessel is being used for paragliding, parascending, waterskiing or aquaplaning or while the vessel is towing anything.

- 1 If your insurance certificate lists 'waterskiing' under 'liability' and shows the limit insured for these activities, we will pay if an accident happens while the vessel is being used for waterskiing or aquaplaning.
- 2 If your insurance certificate lists 'toys' under 'liability' and shows the limit insured for these activities, we will pay if an accident happens while the vessel is towing a professionally designed

water toy. We will not pay if you did not follow all the manufacturer's instructions (including those relating to speed and the number, size and weight of passengers).

- 3 We will only pay up to the limit printed on your insurance certificate for 'waterskiing' or 'toys'. If there is no amount shown on the certificate, you are not insured for any accidents which happen while you are using the vessel for these activities.

## **5 Medical costs and personal accident cover**

### **5a Medical costs**

We will pay doctor's or surgeon's fees you pay as a direct result of you, any member of your family, or a member of your crew accidentally suffering an injury while on the vessel.

### **5b Personal accidents**

We will pay anyone who has an accident on the vessel, or while they are getting on or off the vessel, which leads to them:

- 1 dying (in which case, we will make the payment to their estate);
- 2 losing the sight in one or both of their eyes;
- 3 losing one or more of their arms or legs (including any part above the wrist or ankle);
- 4 permanently losing the use of one or more of their hands, arms or legs; or
- 5 suffering an injury that makes them unable to work for a year, and after which time medical experts we appoint advise us that the condition will not improve.

### **5c What we will pay**

The most we will pay is:

- 1 £500 to each injured person for medical costs;
- 2 £5,000 to each person for each accident; but
- 3 £30,000 in total for each accident. (If more than six people are entitled to claim for any one accident, we will divide this £30,000 equally between them.)

### **5d People who are not covered**

We will not pay the injured person if:

- 1 they did not have permission to be on the vessel;
- 2 you employed them or they were being paid to be on the vessel;  
or
- 3 they or anyone else was paying for them to be on the vessel.

**5e We will not pay if:**

- 1 the vessel is not used as set out in section 6;
- 2 one of the exclusions in section 7 applies; or
- 3 you do not give us a copy of the doctor's (or surgeon's) invoice and their report confirming the treatment was necessary.

## 6 Using the vessel

We will not pay you for any loss, damage, liability or costs if you do not keep to the conditions of this section.

### 6a You must:

- 1 keep the vessel seaworthy and fit for using in the cruising range printed on your insurance certificate;
- 2 make sure that all equipment and machinery is serviced in line with the manufacturer's recommendations;
- 3 make sure that any swinging mooring identified on the insurance certificate as a location for your vessel to moor is suitable for the vessel to use, professionally laid, and inspected by a professional mooring contractor at least once every 12 months;
- 4 make sure that any other swinging moorings your vessel uses are suitable;
- 5 keep the vessel at one of the mooring locations printed on your insurance certificate when you are not using it, making sure you:
  - bring the vessel ashore or place it in a marina on a pontoon berth during any period shown against 'ashore/marina pontoon berth' on the insurance certificate; and
  - at other times, use the vessel in the cruising range described on the insurance certificate or leave it with a reputable boatyard which is carrying out work on the vessel;
- 6 get our permission in writing before changing the mooring location where you usually keep the vessel when you are not using it;
- 7 only use the vessel for your own pleasure, or the pleasure of your guests (you must not charge them to use the vessel);
- 8 make sure that at least two people are on-board throughout any passage which might last more than 12 hours, or cover more than 50 nautical miles (each person must have qualifications or experience appropriate for them to take charge of the vessel);
- 9 only use the vessel legally (however, simple mistakes in navigating or handling the boat which break the Collision

Regulations (The International Regulations for the Prevention of Collisions at Sea) will not be treated as breaking this condition);

- 10 make sure that the vessel keeps to all relevant safety regulations; and
- 11 if you store the vessel ashore for any period:
  - keep it in a professionally made cradle built for the purpose of storing vessels and either adjusted to suit the vessel or designed specifically for the vessel; and
  - remove all sails not fully stowed within the mast or boom, boom covers, dodgers, and any other removable equipment which is at deck level or above.

**6b You must not:**

- 1 use the vessel outside the cruising range printed on your insurance certificate;
- 2 allow anyone to live on the vessel other than you with your husband, wife or civil partner and your children;
- 3 use the vessel on your own, unless the vessel is suitably prepared and equipped for being used by one person and you have qualifications or experience appropriate for the conditions you are likely to sail in (this insurance does not insure you to use the vessel, on your own, for journeys which might be longer than 12 hours or 50 nautical miles);
- 4 allow anyone else to be in charge of the vessel unless they have qualifications or experience appropriate for the conditions they are likely to sail in; or
- 5 tow another vessel or have the vessel towed by another vessel, except in an emergency.

## **7 General exclusions**

These exclusions apply to all sections of your policy.

### **7a Exclusions for fast motor vessels**

If the vessel or any of its boats is designed to travel at a maximum speed of more than 17 knots (20 miles per hour), you are never insured for any loss, damage, liability or costs:

- 1 if you use the vessel or any of its boats for racing, speed trials or tests; or
- 2 as a result of a fire if the vessel has inboard engines, unless the vessel is equipped with properly installed and maintained fire extinguishers in the galley and engine space. If the extinguishers in the engine space do not work automatically, you must be able to control them from the steering positions or from just outside the engine space.

### **7b Exclusion for all vessels**

You are never insured for any loss, damage, liability or costs if you leave the vessel or boat off any exposed beach or shore, unless you can see it clearly at all times and can return onto the vessel within 15 minutes.

### **7c Events not covered by this policy**

You are never insured for any loss, damage, liability or costs directly or indirectly caused by:

- 1 war, including a revolution, a rebellion, an invasion or a similar event;
- 2 a riot;
- 3 strikes or any other industrial action;
- 4 terrorism (except where not covering the risk of terrorism in the policy is banned by law);
- 5 being captured, arrested or held in custody;
- 6 any chemical, biological, biochemical or electromagnetic weapon; or
- 7 radioactivity, including:

- any nuclear explosion, contamination or radiation;
- radiation or radioactive contamination from any nuclear fuel or waste; or
- the radioactive, toxic, explosive or other dangerous properties of any radioactive matter or nuclear device.

**7d Items not covered by this policy**

You are never insured for any loss, damage, liability or costs relating to:

- 1 fuel, lubricants, paints, polishes, spares or other stores;
- 2 food, drink, cleaning materials or other consumable items (items that are replaced once they are used up);
- 3 fishing gear, waterskis or diving equipment;
- 4 moorings; or
- 5 any life raft which does not have a valid current inspection certificate.

## **8 Claims**

You must follow the conditions of this section if you have to make a claim. If you do not, we will not pay you.

### **8a Emergency repairs**

If the vessel is damaged, you must take appropriate action to prevent further damage. For example, if the engine and machinery might have been damaged by water, you must make sure that they are treated urgently to prevent them from deteriorating further. You must do this even if the vessel is only partly flooded.

### **8b Providing false information**

Any information you give us when making a claim must be true. If you tell us something false by mistake, you must tell us as soon as you realise. If you mislead us about what happened or about the amount of the claim, we will not pay anything. We may also cancel the policy and we will not refund any premium you may have paid.

### **8c Admitting liability**

You must get our permission before you admit liability for any claim made against you.

### **8d Making a claim**

#### **You must:**

- 1 tell us as soon as anything happens which might mean you have to make a claim (you must do this even if you are not sure if the vessel has been damaged or if someone else is going to make a claim against you);
- 2 send us a copy of any claim that someone makes against you as soon as you receive it (we may have to respond to the claim very quickly);
- 3 report any crime (including theft and deliberate damage) to the police immediately;
- 4 tell us the hull identification number of the vessel and the serial number of any outboard motor or outdrive leg which is lost or stolen (if the equipment is lost and you cannot provide accurate serial numbers, we will not pay your claim); and
- 5 help us find out what happened and allow any surveyor we appoint to inspect the vessel.

## **8e After you make a claim**

1 We may:

- take over and defend any claim made against you;
- make any claim in your name to recover anything we have paid you;
- appoint solicitors to deal with any claim; and
- settle any claim made against you.

2 You must give us all the help and information we need. This may include being interviewed by and providing statements to anyone we appoint.

## 9 Excess

- 1 Your insurance certificate shows the excess which applies to each section of the policy and each item we insure. We will reduce any claim you make by the amount of any excess which applies.
- 2 If more than one excess applies, we will reduce the claim by only the highest amount of excess that applies.
- 3 We will reduce your claim by double your excess if:
  - the maximum speed of the vessel or any of its boats is more than 30 knots (35 miles per hour); and
  - you are making the claim because the rudder, strut, shaft, propeller, outboard or outdrive has been lost or damaged as a result of coming into contact with any substance (including water).

## **10 General conditions**

### **10a Cancelling your insurance**

- 1 You can cancel your insurance by phoning us or by writing to us.
- 2 If you cancel your insurance:
  - within 14 days of the beginning of the period of insurance shown on your insurance certificate, we will return the premium you have paid, less £30;
  - more than 14 days after the beginning of the period of insurance, we will return the premium for the rest of the period of insurance, less £30, as long as this is more than £10. If it is less than £10, we will not return any premium.
- 3 If you have made a claim, you will not be entitled to receive a refund of any premium you paid. If you later make a claim for something which happened before you cancelled your policy, you must pay us the premium we refunded you, before we deal with the claim.
- 4 We may cancel your insurance at any time by writing to you. We will cancel your insurance on the 15th day after we send our letter to you.

### **10b Change of ownership**

Your insurance ends as soon as you sell, give up or transfer any interest in the vessel or there is a change in the controlling interest of the company that owns the vessel.

### **10c Law**

You and we can choose the law which applies to this contract. Unless you and we have agreed something else, English law will apply and the English courts will have the authority to deal with any disputes.

## 11 Complaints

If you have a complaint, please contact the General Manager at our address shown on the insurance certificate.

If you are not satisfied with how we have handled your complaint, you can refer the matter to the Complaints Department at Lloyd's. Their address is:

Complaints Department  
Lloyd's  
One Lime Street  
London  
EC3M 7HA.

Phone: 020 7327 5693  
Fax: 020 7327 5225  
E-mail : complaints@lloyds.com

If the Complaints Department cannot sort out your complaint, the Financial Ombudsman Service might be able to help. We will give you more details when you need them or if you ask.

**Reference: Small-Craft Policy SSP 01/08**