
Third-Party Only 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.

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 Liability to other people

2a 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 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).

2b 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.

2c 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 3, or the accident happened while the vessel was being moved by road;
- 3 if one of the general exclusions in section 4 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.

2d 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.

2e 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.

3 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.

3a 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.

3b 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.

4 General exclusions

These exclusions apply to all sections of your policy.

4a 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 liability or costs:

- 1 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;
- 2 if you use the vessel or any of its boats for racing, speed trials or tests; or
- 3 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.

4b Exclusions for all vessels

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

- 1 removing the wreck of the vessel or any attempt to remove the wreck of the vessel; or
- 2 salvage services.

4c Events not covered by this policy

You are never insured for any 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.

4d Items not covered by this policy

You are never insured for any 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; or
- 4 moorings.

5 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.

5a 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.

5b Admitting liability

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

5c 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); and
- 3 help us find out what happened and allow any surveyor we appoint to inspect the vessel.

5d After you make a claim

- 1 We may:
 - take over and defend any claim made against 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.

6 Excess

Your insurance certificate shows the excess which applies to the policy.
We will reduce any claim you make by the amount of the excess.

7 General conditions

7a 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.

7b 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.

7c 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.

8 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: Third-Party Only Policy STP 01/08