

**YACHT INSURANCE  
TERMS & CONDITIONS**



## Definitions

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<b>Actual Total Loss</b>	When the <b>Vessel</b> is irrecoverable, completely destroyed or so damaged that it ceases to have the characteristics of a yacht.
<b>Agreed Fixed Value</b>	The value of the <b>Insured Property</b> , as agreed upon between the Insurers and the <b>Insured</b> , and stated in the Schedule.
<b>Constructive Total Loss</b>	When the cost of recovery and/or repair of the <b>Vessel</b> would exceed the <b>Agreed Fixed Value</b> .
<b>Deductible</b>	The amount which must be contributed by the <b>Insured</b> to any claim settlement.
<b>Europe</b>	The continent of Europe, not east of 30° East.
<b>External Accident</b>	An accident which is caused by the unpredictable intervention of any external force, or of any person other than the <b>Insured</b> or the crew, or any person using the <b>Vessel</b> with the express permission of the <b>Insured</b> .
<b>Flooding</b>	Sudden and accidental inrush of water, excluding rainwater, from outside the <b>Vessel</b> whilst the <b>Vessel</b> is afloat.
<b>Insured</b>	The owner(s) of the <b>Vessel</b> and/or the person(s) named in the Schedule provided that person has an insurable interest in the <b>Vessel</b> .
<b>Insured Property</b>	The <b>Vessel</b> , her <b>tender/dinghy</b> , outboard motor, <b>cradle</b> , and <b>Personal Effects</b> .  <b>Vessel</b> The hull, its built-in fittings and component parts, including machinery, gear and equipment such as would normally be sold with the <b>Vessel</b> .  <b>Machinery</b> Engines including fuel systems, gear boxes and gear box controls, couplings, shafts and shaft supports, stern gear and propellers, exhaust systems, auxiliary engines, generators, water makers, pumps and deck machinery. Also electrical and electro-hydraulic systems including furling and winch systems, control panels and cables, switch boards, electrical cables, stabilisers, pipe systems, tanks and their associated equipment.  <b>Gear and Equipment</b> This includes masts, spars, standing and running rigging, sails, navigational aids (both hand-held and built in, including computers, if previously agreed by the Insurers and separately noted in the Schedule). Televisions, entertainment systems, etc. if permanently attached to the <b>Vessel</b> .  <b>Tender/dinghy</b> A small boat used in connection with the <b>Vessel</b> .  <b>Cradle</b> A cradle owned by the Insured, suitable for use with the Insured <b>Vessel</b> .  <b>Personal Effects</b> Items of a personal nature which would not normally be sold with the <b>Vessel</b> , but which are taken onboard as personal items or for use in connection with the <b>Vessel</b> , including cameras, binoculars, bicycles, sports equipment, clothing, wet-weather gear, portable electrical equipment, including personal computers. <i>This definition of <b>Personal Effects</b> specifically excludes items of jewellery, valuables (items which have a market value significantly in excess of the cost of manufacture), money, credit cards, travellers' cheques, consumable stores.</i>

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# Pantaenius Yacht Hull Clauses

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## Definitions (continued)

<b>Latent Defect</b>	A defect of design, manufacture or material which is not apparent by normal inspection, and which is not the result of wear and tear or lack of maintenance.
<b>Negligence</b>	A failure to take reasonable care, which results in loss or damage which could reasonably have been foreseen.
<b>Partial Loss</b>	Any loss or damage covered by this policy which does not give rise to an <b>Actual</b> or <b>Constructive Total Loss</b> .
<b>Permanent Distortion of masts and spars</b>	Permanent distortion caused by a single, sudden event, and which affects the structural integrity of the part. Distortion occurring over a period of time, or due to over-tensioning, is excluded.
<b>Recklessness</b>	A reckless disregard for the safety of property and/or human life.
<b>Wilful Act</b>	A deliberate act, or the deliberate failure to act, in circumstances where there is a risk of loss or damage.

## A. Insured Perils

Subject to the terms, conditions and exclusions of this policy, the Insurers will cover the **Insured Property** against loss or damage directly caused by the operation of any Insured Peril.

**Personal Effects** are covered only for damage as a result of an Insured Peril that damages the **Vessel**, and under A 16.

The Insurers are not liable for any claims if an Insured Peril has not occurred.

The Insured Perils are:

1. **External Accident** to the **Vessel**, or her **tender/dinghy**.
2. Fire  
Including heat damage resulting from the malfunction of on-board electrical equipment which would, if unchecked, ultimately have led to fire.
3. Lightning
4. Explosion
5. Heavy Weather
6. Stranding
7. Grounding
8. Sinking/**Flooding**
9. Collision  
Including collision with any fixed or floating object
10. Malicious damage  
Caused by the **wilful act** of any person other than an **Insured** or the crew, or any person using the **Vessel** with the express permission of the **Insured**.
11. Rodents
12. Piracy
13. Theft of the entire **Vessel**  
Misappropriation of the **Vessel** is also covered provided that it is noted in the policy Schedule.
14. Theft of the **Vessel's tender/dinghy**  
Provided the make, model (and serial number if applicable) are noted in the Schedule.
15. Theft of outboard motors  
Provided they are securely locked to the **Vessel** or its tender by a proprietary anti-theft device in addition to their normal method of attachment, or are stolen by violent and forcible entry into a locked cabin or locked storage onboard or ashore, and provided the make, model and serial number are noted in the Schedule.
16. Theft of **gear, equipment** and **Personal Effects**  
Provided they are secured to or locked in the **Vessel**, or in locked storage ashore, or stolen from a locked personal vehicle in transit between the **Vessel** and place of storage, and provided there is evidence of violent and forcible entry.

### The Policy also covers:

17. Frost/Freezing of motors and batteries  
Provided the **Insured** can verify that the maintenance recommendations of the manufacturer have been carried out and/or reasonable preventive steps have been taken, and the items are protected by anti-freeze where appropriate.
18. Breakage and **permanent distortion of masts and spars** and loss or damage caused by breakage of masts and spars.
19. Breakage of standing and running rigging and loss or damage caused by breakage of standing and running rigging.
20. Breakage of shafts, struts and propellers and loss or damage caused by breakage of shafts, struts and propellers.
21. Physical damage to main engines and attached gear boxes  
Due to the breakdown of any component, otherwise than as a result of misuse. Provided the main engines and gear boxes are less than 5 years old and professionally installed, and provided the **Insured** can verify that the maintenance recommendations of the manufacturer have been carried out.
22. Dropping off/falling overboard of outboard motors.

# Pantaenius Yacht Hull Clauses

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## B. Exclusions

1. Splitting and blowing away of sails and/or canvas.  
Due to heavy weather is excluded unless another Insured Peril has also occurred.
2. Theft whilst on a trailer of any **Vessel** unless the trailer is disabled, wheel clamped or secured to a locked motor vehicle.
3. **Flooding**  
**Flooding** of main engine(s) and/or inbuilt generators as a result of water ingress through the exhaust system is excluded.
4. Electrolysis, Wear and Tear, Faulty Materials, Faulty Design and Construction, **Latent Defect**  
  
The cost of repairing or replacing any part which is defective by reason of electrolysis, wear and tear, faulty material, design, construction or **latent defect**.  
  
*Consequential damage to any other part of the **Insured Property** caused by the failure of any part due to any defect named in this paragraph is covered provided an Insured Peril has also occurred.*
5. Hostilities and Weaponry  
Loss or damage caused by
  - a) war, civil war or similar occurrences, or the presence of weapons of war brought about by any such occurrence.
  - b) hostile use of any weapons of war, irrespective of the nature of the situation in which they are used.
  - c) the use, either as weapons or for inflicting harm, of chemical, biological, or bio-chemical substances, electromagnetic waves or any type of electronic systems.
  - d) acts of terrorist or political violence, irrespective of the number of persons involved.
  - e) riot, civil commotions, strike, lockout and labour disturbances.
  - f) seizure, restraint or any other intervention by or under the order of any government.
6. Nuclear Energy  
Loss or damage caused by nuclear energy inclusive of the radio-active radiation resulting from nuclear fission and/or fusion, irrespective of whether the purpose is peaceable or hostile.
7. Consequential Loss  
Loss of the use of the **Vessel**, loss of performance, diminution in value, diminution in aesthetic appearance as a result of patch-painting, loss of income, loss of manufacturer or supplier warranty coverage, or any other loss or expense not directly related to the cost of repair or replacement.
8. Expenses  
No expenses of the **Insured** will be reimbursed except those stated in (2) of **Section H Obligations in the event of loss or damage**.
9. Claims covered under any other policy.
10. The cost of replacing any item(s) not damaged by an Insured Peril under this policy, but which require(s) replacement as a result of the obsolescence or upgrading of any item that is replaced as a result of damage covered by this policy.
11. The cost of replacing any part of a pair or set which is not damaged, even if this cannot be matched.
12. Sinking resulting from gradual water ingress when the **Vessel** is left unattended and un-inspected for a period exceeding 28 days.
13. Loss of or damage to the **cradle** when not in use with the Insured **Vessel**.

## C. Amount of Indemnity

In the event of loss or damage which is covered by this policy, the Insurers will reimburse the **Insured** on the basis set out below. The Insurers have no obligation to make any payments to any person other than the **Insured**.

### 1. Total Loss

In the event of **Actual** or **Constructive Total Loss** of the **Vessel**, the **Agreed Fixed Value** will be paid. The Insurers are entitled to deduct from this payment the realisable value of the **Vessel** and/or any **gear** and/or **equipment** recovered from the **Vessel**.

### 2. Partial Loss

- a) Claims for **Partial Loss**, other than claims under Section A 22, will be settled on the basis of the necessary and reasonable cost of repair or replacement of the damaged item, less the appropriate **deductible**.
- b) Claims under Section A 22 will be settled on the basis of the market value of the outboard motor at the time of the loss, less the appropriate **deductible**.
- c) The most the Insurers will pay for loss of or damage to the **Vessel's tender**/outboard whilst being towed is 50% of the market value at the time of the incident without application of the policy **deductible**.
- d) The most the insurers will pay under Section A 21 is £20,000, subject always to the reasonable cost of repair or replacement less the appropriate **deductible**, and subject also to a maximum of the **Agreed Fixed Value**.

### 3. New For Old Deduction

In the event of **Partial Loss**, a deduction of 30% will be made from the claim settlement in respect of the cost of parts or materials where the part which is repaired or replaced was, at the time of the claim incident, more than the number of years old as shown below:

Tenders/Outboard Motors	5 years
Sails, covers and canopies	5 years
Other	10 years

The deduction will not be applied to labour costs.

No such deduction shall apply to the basic hull and deck structures of the main **Vessel**.

### 4. Deductible

A **deductible** will apply to each claim, except claims for **Actual** or **Constructive Total Loss** of the **Vessel**, for loss or damage to **Personal Effects**, for loss or damage caused by lightning, fire or theft by violent and forcible entry to the **Vessel**, and for damage caused by a third party vessel, which is underway, colliding with the insured **Vessel** when it is correctly moored or berthed.

- a) The **deductible** on the **Vessel's tender/dinghy**, outboard motor and/or trailer is £150 each claim, or the equivalent in the currency stated in the Schedule.
- b) All other **Partial Loss** claims are subject to the **deductible** stated in the Schedule.

### 5. Personal Effects

**Personal Effects** are automatically included up to a total value of up to 2% of the sum insured for the main **Vessel** or £2,500, whichever is the lower.

If the total value of **Personal Effects** exceeds the above, the value of **Personal Effects** must be noted on the policy Schedule. **Personal Effects** are subject to a maximum value of £600 per single item, unless separately notified to, and agreed by, the Insurers.

### 6. Costs and Expenses

In addition to any payment for loss or damage under this policy, the Insurers will pay:

- a) reasonable costs of the **Insured**, reasonably incurred in an attempt to avoid or reduce any loss or damage, whether successful or not.
- b) reasonable costs of salvage.
- c) reasonable costs of wreck removal and disposal.
- d) reasonable costs and expenses, up to a maximum of £4,500, for assistance in emergency situations, where the **Vessel** is not in immediate danger, and where other assistance cannot be obtained, for:
  - i) towage to the nearest place of repair
  - ii) delivery of fuel, oil, batteries or spare parts (excluding the cost of supplies themselves)
- e) the reasonable costs of inspecting the bottom of the **Vessel** following a grounding incident covered by this policy.
- f) up to £500 towards emergency accommodation expenses or towards repatriation of the **Insured** immediately following a casualty rendering the **Vessel** uninhabitable in a country other than the country of the normal domicile of the **Insured** or that stated in the Schedule, and if the **Vessel** is left unattended with the agreement of the Insurers. These costs do not include visits to the **Vessel** following damage abroad, or accommodation whilst the **Vessel** is undergoing repair.

Costs and expenses under this clause are paid without the application of the policy **deductible**.

7. The Insurers will not pay for unrepaired damage or for unsettled theft claims in addition to a **Total** or **Constructive Total Loss** of the affected **Insured Property**.

The following clauses D, E & F apply only if specified in the schedule.

### D. No Claims Bonus Clause

1. Where the Schedule states that the **No Claims Bonus Clause** is incorporated into the policy, the No Claims Bonus will be applied to the gross premium shown in the Schedule at the percentage shown on the invoice on the following basis:

- a) 20% of the gross premium after one full claim free insurance year (including periods from previous Insurers).
- b) 40% of the gross premium after two full consecutive claim free insurance years.

2. If a claim(s) has been settled, or is outstanding at renewal, the No Claims Bonus will be reduced, by 20% of the gross premium for each claim, at the next annual policy renewal date.

3. After two years' continuous claim free insurance the No Claims Bonus will be protected, so that the first claim in any insurance year will not result in a reduction in No Claims Bonus.

In the insurance year immediately following a single claim, the No Claims Bonus, whilst remaining at 40%, will not be protected.

Protection will be reapplied in the second year following a single claim, provided no further claims have been submitted.

4. The No Claims Bonus does not apply to any one-off additional premiums charged for extensions to the terms of the policy.

5. Where the policy is interrupted for a period exceeding twelve months the No Claims Bonus Clause will automatically lapse.

*The Insurers reserve the right to request confirmation of claim free periods from previous Insurers.*

### E. Trailer Clause

Where the Schedule states that the **Trailer Clause** is incorporated into the policy, and where separately listed in the **Agreed Fixed Value**, the trailer owned by the **Insured** and suitable for use with the Insured **Vessel**, is covered for the following Insured Perils only:

- a) **Total Loss** resulting from fire, lightning, explosion, theft, or accident whilst being towed.
- b) **Partial Loss** or damage due to theft only.

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### F. Yacht Reconstruction and/or Fitting Out Risk Clause (Restricted Cover)

1. Where the Schedule states that the **Yacht Reconstruction and/or Fitting Out Clause** is incorporated into the policy, the **Insured Property** is covered only for:

**Total** or **Partial Loss** resulting from fire, lightning, explosion, theft of the **Vessel**, burglary and theft of parts securely attached to the **Vessel**.

2. The **Agreed Fixed Value** shall be the estimated final value. However, claims will be settled on the basis of the building costs at the time of loss.

3. Any loss or damage resulting directly from the work being done on the **Insured Property**, other than from fire or explosion, is excluded.

4. Any amount included as **Personal Effects** in the **Agreed Fixed Value** stated in the Schedule, shall be deemed to refer to tools, appliances and machinery necessary for the fitting-out and/or reconstruction of the **Vessel**, which are covered for the Insured Perils under this clause except whilst they are in use.

## G. Use of the Vessel

1. In commission/Laid up  
The **Insured Property** is covered whilst the **Vessel** is in commission or laid up either ashore or afloat, including hauling out and launching and whilst under repair, refit or construction.
2. 12 months in commission  
Unless otherwise stated in the Schedule, there are no seasonal sailing restrictions and no requirements for seasonal lay-up.
3. Private and Pleasure Use  
Unless otherwise stated in the Schedule, the **Vessel** is covered only whilst used for the private and pleasure purposes of the **Insured**, including corporate entertainment.
4. Charter  
If stated in the Schedule, and any additional premium paid, the **Insured Property** is covered whilst the **Vessel** is being used for bare-boat or skipper charter.
5. Other Users  
The **Insured Property** is covered whilst the **Vessel** is being used by any person having the express permission of the **Insured**. Provided that the person in charge of the **Vessel** complies with the conditions of the policy including the emergency responsibilities of the **Insured** under **Section H Obligations in the event of loss or damage**.
6. Use as a home  
The **Insured Property** is covered for the Insured Perils whilst the **Vessel** is used as a home. Household contents may be included as **Personal Effects** with the agreement of the Insurers.
7. Cruising Area  
The **Insured Property** is covered whilst the **Vessel** is within the cruising area stated in the Schedule. Unplanned departures from the cruising area, not exceeding 72 hours, are held covered, but must be notified to the Insurers as soon as possible.
8. Negligence  
**Negligence** in the operation of the **Vessel** which results in loss or damage by an Insured Peril is covered, but **recklessness** and **wilful acts** of an **Insured** or the crew, or any person using the **Vessel** with the express permission of the **Insured** are not covered.
9. Racing  
Unless otherwise stated in the Schedule, loss or damage caused by any Insured Peril occurring whilst the **Vessel** is being raced is subject to normal policy conditions.
10. Single-handed sailing  
Unless otherwise stated in the Schedule, there are no minimum crew restrictions.
11. 24-hour sailing  
Unless otherwise stated in the Schedule, there are no restrictions on hours or distance sailed in a twenty-four hour period.
12. Transportation  
Whilst in transit by road, river or ferry within **Europe**, or to a maximum of 20 statute miles in any other cruising area stated in the Schedule, the **Vessel** is covered for the Insured Perils. Provided that the method of conveyance, including any towing vehicle and trailer, is suitable for the purpose.  
  
Transportation of **Insured Property**, excluding the hull and **Personal Effects**, by air or sea is covered worldwide.

## H. Obligations in the event of loss or damage

1. The **Insured** must report to the Insurers, as soon as reasonably possible, and in any event within 60 days, any incident which may give rise to a claim under this policy, with full details of the nature, extent and cause of the loss or damage and the names and addresses of any witnesses. Fire, explosion, theft and/or vandalism must also be reported promptly to the local police or other relevant authorities, and written confirmation of the incident report number, or a copy of the entry, obtained.  

The Insurers have no liability for any incident not reported within 60 days.
2. It is the duty of the **Insured** to take all reasonable measures to reduce any loss or damage which would be recoverable under this policy, and the Insurers will reimburse the reasonable costs of such measures.
3. The **Insured** must disclose to the Insurers any other insurance cover in respect of the **Insured Property**.
4. The **Insured** must give the Insurers the opportunity to examine the damage and to inquire into the incident and must co-operate fully with the Insurers and their representatives.
5. The **Insured** must await the express approval of the Insurers before authorising any repairs or reinstatement for which a claim is made under the policy. The Insurers will not indemnify the **Insured** for any costs and expenses authorised by the **Insured** without their prior approval, other than costs incurred under (2) above.
6. The **Insured** is required to re-take possession of any stolen property which is recovered within two months of a theft. Where damage has resulted from the theft, the Insurers will reimburse the cost of repair as stated under **Amount of Indemnity C 2**.
7. If, as a result of any occurrence giving rise to a claim under this policy, a prosecution is brought against the **Insured**, or the police or any other authority make any investigation with a view to instigating a prosecution, the Insurers are entitled to await the result of such prosecution or investigation before agreeing to settle any claim.
8. The Insurers have the absolute right at their own expense to commence, take over and conduct, in their own or the **Insured's** name, proceedings to recover an indemnity from any third party in respect of any sum paid under this policy.  

*The Insurers will determine their liability and process valid claims without any unreasonable delay, making prompt payment in the currency stated in the Schedule. In respect of claims for theft, the Insurers are not obliged to pay the claim until two months after notification of the theft.*

## I. General Conditions

### 1. Basis of Contract

- a) This contract of insurance is entered into on the basis of the information provided in the *Application for Yacht Insurance* and signed by a person named in the Schedule, and any information subsequently provided by the **Insured**.
- b) This policy is for a period of one year commencing at 12.00 noon (GMT) on the date stated in the Schedule, and will be automatically renewed annually, on the same terms, unless notice of cancellation or alteration is given in writing by either party at least one month prior to the renewal date.
- c) The premium and any applicable taxes and fees must be paid within 30 days of the start or renewal date. In the event of non-payment within that time, the Insurers are entitled to cancel this policy retrospectively from the start or renewal date.
- d) If the Insurers agree to accept payment of the annual premium by instalments, each instalment must be paid by the due date, and the **Insured** is liable to pay the full annual premium. In the event that an instalment is not paid by the due date the Insurers may demand immediate payment of the remainder of the annual premium, or cancel the policy from the date of the last received instalment.
- e) Neither this policy nor the benefits under this policy may be assigned, mortgaged or otherwise transferred by the **Insured** without the Insurers' written agreement.

### 2. Modifications

The **Insured** has a duty to inform the Insurers as soon as possible of any modification to the **Vessel** or other change in the information provided on the *Application for Yacht Insurance* that occurs during the period of insurance, and the Insurers are entitled, on receipt of such information, to reassess the risk and apply an increased premium and/or restrict the cover under the policy.

### 3. Safety Legislation

It is a condition of this policy that anyone in control of the **Vessel** complies with any relevant laws, and ensures that the **Vessel** conforms with any applicable safety regulations, and obtains permits, certificates or licences required under law in the country in which the **Vessel** is registered, or, if not registered, the country of the **Insured's** residence as stated in the policy Schedule.

### 4. Cancellation of Cover

- a) Upon sale or transfer of ownership of the **Vessel**, or change in the controlling interest of an owning company, this insurance will automatically terminate.
- b) In the event of a claim under this policy, both the **Insured** and the Insurers have the right to give notice of cancellation of this insurance. Such notice must be given in writing within fourteen days of the settlement or rejection of the claim, and will become effective fourteen days after the date of the notice.

*In the case of (a) or (b) above, a pro-rata return of premium will be paid to the **Insured** calculated to the date of the notice of cancellation taking effect, or from the date of sale or the date of written notification of sale, whichever is the later.*

- c) Upon settlement of a claim for **Actual or Constructive Total Loss**, this insurance will automatically terminate.
- d) The Insurers may cancel this insurance on seven days notice if there is any serious breach of any term or condition of the policy.
- e) If the **Insured** has withheld any material fact, or made any misdeclaration prior to the commencement or renewal of this policy, the Insurers may avoid this insurance from start or renewal.

*In the case of (c) (d) or (e) above, the full annual premium is due, including any outstanding instalments.*

### 5. Notices

- a) Any notices from the Insurers to the **Insured** will be sent by ordinary first class post to the address stated in the *Application for Yacht Insurance*, or any other address subsequently agreed.
- b) All statements and notices which the **Insured** is obliged to give to the Insurers in connection with the policy are legally effective when given to *Pantaenius UK Limited*.

### 6. Jurisdiction

Unless otherwise stated in the Schedule, this contract of insurance shall be governed by English law and subject to the exclusive jurisdiction of the courts of England and Wales.

### How to make a complaint

Any dispute arising from this Insurance should be addressed, in the first instance, to Pantaenius UK Limited, who will refer the matter to the nominated executive of the leading Insurer. If we are unable to resolve your complaint, you have a right to ask the Financial Ombudsman Service to review your case.

If you are not satisfied with the ruling of the Insurance Ombudsman, you may bring legal proceedings against the leading Insurer only, and only to the extent of its participation in this Insurance. All other Insurers underwriting this Insurance accept as legally binding on them any decisions binding on the leading Insurer, including any settlements agreed between the **Policyholder** and the leading Insurer.

### Cancellation rights

We hope you are happy with the cover this policy provides. However, you have the right to cancel it within 14 days of receiving the policy, without giving any reasons. If you wish to exercise your right to cancel the insurance, you should return the policy schedule, marked "cancelled", within 14 days of receipt. We will cancel your policy and return the unused portion of your premium payment – you will be charged for the number of days from the date of issue until the date we receive your notice of cancellation. If you do not exercise your right of cancellation within 14 days, you will be bound by the contractual terms for the 12 months period of insurance.

### Making a claim

If you wish to make a claim under this policy, please contact Pantaenius UK Limited

In writing... Marine Building, Victoria Wharf, Plymouth, PL4 0RF, or  
By phone... +44 (0) 1752 22 66 12, or  
In emergencies out of hours only ... +44 (0) 1752 60 11 66

### Compensation Scheme

We are informed that the Financial Services Compensation Scheme excludes all contracts of insurance for yachts and their liabilities.