

## Pantaenius Yacht Third Party Liability Clauses

### Definitions

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<b>Combined Single Limit</b>	The maximum liability of the Insurers under this policy in respect of any one incident. This may be either a payment to a single claimant, or the aggregate of claims from two or more claimants arising out of the same incident.
<b>Insured</b>	The owner(s) of the <b>Vessel</b> , and/or the person(s) named in the Schedule, and/or any person involved in the operation of the <b>Vessel</b> , her tender/dinghy, liferafts or any watercraft used in connection with the <b>Vessel</b> , with his express permission.
<b>Legal Liability</b>	Any act or omission for which an <b>Insured</b> may be held legally liable, which may be determined and quantified by judgement of a court or agreed with an insurable interest in the <b>Vessel</b> .
<b>Natural Person</b>	For the purposes of the Skipper's Liability Insurance/Use of other Vessels, a <b>Natural Person</b> means a private individual human being, and specifically excludes any <b>Policyholder</b> which is a Company, Club or any other organisation or corporate entity.
<b>Recklessness</b>	A reckless disregard for the safety of property and/or human life.
<b>Third Party</b>	Any person other than the <b>Policyholder</b> .
<b>Vessel</b>	The <b>Vessel</b> named in the Schedule.
<b>Wilful Act</b>	A deliberate act, or the deliberate failure to act, in circumstances where there is a risk of loss, damage or liability.

### A. Insured Perils

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This policy indemnifies the **Insured** against **Legal Liabilities** to **Third Parties** incurred as a result of the ownership, operation or control of the **Vessel**, her tender/dinghy, liferafts or any watercraft used in connection with the **Vessel**, arising out of accidents which occur during the policy period and which result in:

1. Loss of life.
2. Personal Injury.
3. Damage to any other vessel or property.
4. Financial losses of **Third Parties**, not arising from bodily injury or property damage.

Cover under this policy includes loss, injury or death:

- a) of independent contractors working on the **Vessel**
- b) resulting from the towing of waterskiers, parasailors, and those engaged in similar activities, including the liability of those being towed
- c) resulting from water pollution

#### Additional Cover

1. Skipper's Liability Insurance/Use of other Vessels
  - a) The benefit of this insurance is extended to cover the **Policyholder**, being a **natural person**, for the

**legal liabilities** covered by this policy when arising out of the use of a vessel and her tender which he has borrowed or chartered and which is under his control as skipper.

- b) This extension also covers the **Policyholder's** crew as insured persons.
  - c) This skipper's liability insurance also extends to cover **legal liability** for damage to the chartered or borrowed vessel, its equipment, inventory and accessories, where it results from the **recklessness** of the **Policyholder** or insured persons. The excess in this respect is £2,500.
  - d) This Skipper's Liability clause will only provide compensation to the extent that the loss, damage or liability is not covered by any other insurance, and in particular any insurance attaching to the chartered or borrowed vessel.
2. Unintentional activation of EPIRB
 

The Insurers will pay the reasonable search and rescue costs which accrue as a result of the unintentional activation of emergency rescue devices, such as EPIRB or GMDSS, when there is no emergency situation, provided these costs cannot be recovered from any other source.
  3. Security

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If the insured **Vessel** is arrested as a result of a liability insured under this policy, the Insurers will provide a security deposit, officially or judicially determined, up to an amount of £100,000.

Any liability that falls on the **Insured** as a result of signing an agreement with another party to accept any liabilities that should legally belong to the **Third Party**.

## 4. Uninsured Boater

- a) If any person insured under this policy suffers personal injury or property damage of a nature Insured under this policy for which a third party is legally liable, the Insurers of this policy will pay judicially agreed damages that cannot be recovered from the other party, as if the third party were an insured person under this policy.
- b) For the purposes of this clause, a third party is the person causing injury or damage, against whom a claim has been brought by the **Policyholder** or **Insured**, and in respect of which a legally enforceable judgement has been obtained in a Court of Law.
- c) The **Insured** must establish that the execution of judgement has failed, or appears to have no prospect of success, by reason of the insolvency or bankruptcy of the third party.
- d) The third party may not derive any benefits from this policy.
- e) The **Insured** is obliged to assign all his rights against the third party, and to surrender the original judgement and/or execution documents and all other relevant documents, to the Insurers.
- f) There is no cover under this clause for intentional damage or injury, or for any award less than £1,000, or if any other Insurer, or welfare authority is under a duty to provide benefits.

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## B. Exclusions

1. Claims of the **Policyholder** against any other person.
2. Claims for damage to property of any **Insured**.
3. Claims covered under any other policy.
4. Claims arising out of the use of diving equipment, if the person using such equipment does not hold an appropriate and valid licence, or if the equipment is not serviceable.
5. Claims for water pollution caused by accidental spillage during the process of fuelling or transferring lubricating oil to the **Vessel**, the deliberate act of discharging or throwing overboard for any reason any object or substances, or the intentional contravention of statutory regulations or official directions concerning the prevention of water pollution.
6. Liability assumed under contract.

## 7. Liability arising out of the **wilful act** of an **Insured**

8. Liability incurred whilst participating in, training or testing for, motor boat races or speed trials.
9. Liability towards any person employed by an **Insured** in connection with the **Vessel**, including the master and crew.
10. Liability arising whilst the **Vessel**, her tender/dinghy, liferafts or any watercraft used in connection with the **Vessel** are being transported on a trailer connected to a motor vehicle.
11. Fines, criminal penalties or multiple, exemplary or punitive damages.

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## C. Amount of Indemnity

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

### ❖ *There is no deductible on claims settlements.*

1. Liabilities arising from a single incident  
Including any series of claims arising out of any one incident, the determined liability, up to the **Combined Single Limit** stated in the Schedule.
2. Several occurrences within the policy period  
In respect of all claim incidents during the policy period, the determined liabilities, up to twice the **Combined Single Limit**.
3. Personal Injury/Death  
The determined liability up to the maximum per injured person as stated for this purpose in the Schedule, and subject to the **Combined Single Limit** per incident.
4. Financial losses  
The determined liability up to the maximum stated for this purpose in the Schedule, subject to the **Combined Single Limit** per incident.
5. Salvage, Wreck Removal & Other Expenses  
The Insurers will pay the reasonable costs of the **Insured** reasonably incurred in an attempt to avoid or reduce any liability, whether successful or not, including the costs of salvage and wreck removal, if ordered by authorities or determined necessary by the Insurers.

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## 6. Defence Costs & Legal Representation Expenses

The Insurers will also pay legal costs and expenses incurred in defending any legal action for which a claim has been accepted under this policy, and any costs of legal representation at Official Inquiries or Coroners' Inquests, provided that the instruction of lawyers has the Insurers' prior written approval.

## 7. Costs and Expenses in Excess of the Amount of Indemnity

- a) In respect of each incident giving rise to a claim under this policy, except water pollution and/or claims settled under American/Canadian law, the Insurers' liability under **C.5 & C.6** is in addition to their liability under **C.1 to C.4** even if, when added to the cost of any payment they make for **legal liability** under **C.1 to C.4**, the total exceeds the **Combined Single Limit**, provided that the Insurers' have given their prior agreement to the **Insured** incurring such costs.
- b) In the case of water pollution, the Insurers' total liability for payments made for **legal liability** and for costs under **C.5** is the **Combined Single Limit**.
- c) Costs under **C.6** are subject to a maximum of £250,000 (or the equivalent in the currency stated in the Schedule) in excess of the payment for **legal liability**, and subject always to the Insurers' maximum liability under this policy of twice the **Combined Single Limit** in the policy period.

## 8. Claims settled under American/Canadian law

In the case of claims settled under American/Canadian law, unless specific limits are agreed and noted on the policy schedule for this purpose, the maximum liability of the Insurers under this policy for all payments made for **legal liability** and costs under **C1 to C6** is the **Combined Single Limit**.

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## D. Use of the Vessel

### 1. In commission/Laid up

The Insured Liabilities are 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. Private and Pleasure Use

Unless otherwise stated in the Schedule, the Insured Liabilities are covered only whilst the **Vessel** is used for the private and pleasure purposes of the **Insured**, including corporate entertainment.

### 3. Charter

If stated in the Schedule, and any additional premium paid, the Insured Liabilities are covered whilst the **Vessel** is being used for bare-boat or skipper charter.

## 4. Other Users

The Insured Liabilities are covered whilst any other person has control of the operation of the **Vessel** with the express permission of the **Insured**, provided that person complies with the conditions of the policy including the emergency responsibilities of the **Insured** under **Section E Obligations in the event of an incident giving rise to Legal Liability**.

## 5. Cruising Area

Unless stated to the contrary in the Schedule, the cover is effective world-wide.

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## E. Obligations in the event of an incident giving rise to Legal Liability

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 **Legal Liability**, and the names and addresses of any claimants and witnesses.
2. It is the duty of the **Insured** to take all reasonable measures to reduce any loss, damage or liability which would be recoverable under this policy, and the Insurers will reimburse the reasonable costs of such measures under **Amount of Indemnity C.5**.
3. The **Insured** must retain all evidence and must not destroy or dispose of anything likely to assist in the defence of a claim.
4. The **Insured** must carry out the instructions of the Insurers, and co-operate fully with the Insurers, to assess any potential claim under this policy.
5. The **Insured** must not make any admission of liability without the prior written consent of the Insurers.
6. The **Insured** must immediately forward to the Insurers any written demand notice or court document in connection with any liability potentially giving rise to a claim under this policy.
7. The **Insured** must disclose to the Insurers any other insurance cover in respect of any liability for which a claim is made under this policy.
8. The **Insured** must await the express approval of the Insurers before instructing any lawyers or agreeing any settlement or compromise, or making any payment of any claim by a **Third Party** for which a claim may be made under this policy.

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9. The Insurers have the absolute right at their own expense to:

- a) take over and conduct the defence of any claim against an **Insured** arising out of any incident which might give rise to a **legal liability** which is covered by this policy.
- b) 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.*

## F. General Conditions

### I. 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 the **Policyholder**, and any information subsequently provided by the **Policyholder**.
- 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 **Policyholder** 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. 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 **Policyholder's** residence as stated in the policy Schedule.

### 3. 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 **Policyholder** 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.
- c) Upon settlement of a claim for **Actual** or **Constructive Total Loss** under an associated policy for Hull Insurance, this insurance will automatically terminate.

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

- 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 **Policyholder** 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 (d) or (e) above the full annual premium is due, including any outstanding instalments..*

### 4. Notices

- a) Any notices from the Insurers to the **Policyholder** 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 **Policyholder** is obliged to give to the Insurers in connection with the policy are legally effective when given to *Pantaenius UK Limited*.

### 5. 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.