



Yacht P&I

Yacht Marine Liability, Protection and
Legal Expenses Terms & Conditions

2026 Edition

British Marine

Yacht Marine Liability, Protection and Legal Expenses

Terms and Conditions

In consideration of the premium payable in respect of this insurance, British Marine undertakes to indemnify the Insured for all liabilities, losses, costs or expenses that the Insured, in the capacity agreed in respect of the Insured Yacht(s) named in this policy, is liable to pay, in respect of the liabilities, risks or events referred to in Section A of this policy, subject to the provisions in Sections B and C.

This insurance covers only liabilities, losses, costs or expenses which arise out of events which occur during the policy period, in respect of the Insured's interest in the Insured Yacht(s) and only in connection with the operation of the Insured Yacht(s)

2026 Edition

British Marine is a trading name of QBE Europe SA/NV ('QBE Europe'), QBE UK Limited ('QBE UK'), and QBE Underwriting Limited ('QUL'). QBE Europe SA/NV is authorised by the National Bank of Belgium under licence number 3093. QBE UK and QUL are both authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. QUL is a Lloyd's managing agent. QBE UK Limited, trading as QBE Insurance, Middle East, is registered as a Recognised Company at the Dubai International Financial Centre, registered no. 0806, and is regulated by the Dubai Financial Services Authority. British Marine is a branding of QBE Insurance (Singapore) Pte Ltd, QBE Hongkong & Shanghai Insurance Limited, QBE Insurance (Malaysia) Berhad, and QBE Insurance (Vietnam) Company Limited.

Table of Contents

Section A

Risks Covered
Clauses 1 – 26
Optional Cover
Clauses 27- 29

Section B

Exclusions
Clauses 1 - 35

Section C

General Conditions
Clauses 1 - 21

Appendix A

Section A

Risks Covered

1. Loss of life, personal injury or illness

Liability for loss of life, personal injury or illness of a Crew Member, a Dayworker or a Third Party.

2. Medical, hospital, repatriation and funeral expenses

Liability for medical, hospital, repatriation and funeral expenses necessarily and reasonably incurred by the Insured in relation to any injury, illness or death of a Third Party on board the Yacht, a Crew Member or a Dayworker.

3. Other liability to a Crew Member

- (a) Liability for the expense of maintenance and repatriation necessarily and reasonably incurred by the Insured in respect of a Crew Member under a statutory obligation (including, but not limited to, the relevant provisions of the Maritime Labour Convention (MLC) or equivalent legislation of the Yacht's Flag State);
- (b) Liability for compensation in respect of loss of wages up to a maximum of 60 days (or as otherwise specified in the employment contract signed by the Crew Member and approved in advance by British Marine) following a casualty sustained by the Yacht which results in an actual or constructive total loss of the Yacht which necessitates the termination of the employment of the Crew Member;
- (c) Liability for expenses necessarily and reasonably incurred by the Insured under a statutory obligation in respect of a Crew Member who goes absent without leave from the Yacht (where such expenses cannot be recovered from the Crew Member);
- (d) Liability arising from a claim against the Insured by a Crew Member for discrimination or harassment by reason of their sex, sexual orientation, race or ethnic origin including costs and expenses necessarily and reasonably incurred in providing a substitute, if the Crew Member making the claim goes absent from the Yacht without leave; and
- (e) Liability for loss of or damage to a Crew Member's personal effects (other than Valuables, which are excluded) onboard the Yacht up to a maximum of USD 10,000 any one item.

4. Crew Member Substitution

Costs and expenses (other than costs of diversion) necessarily and reasonably incurred to substitute a Crew Member when the Insured is deprived of the services of that Crew Member by reason of death of that Crew Member or repatriation of that Crew Member by reason of illness, injury or desertion by that Crew Member.

5. Uninsured Boater

Medical costs and expenses necessarily and reasonably incurred by reason of bodily injury sustained on board the Yacht by the Insured, a Crew Member or any Third Party on board the Yacht caused by a Third Party vessel which is not insured or is underinsured, except where such costs and expenses are recoverable from such uninsured or underinsured Third Party vessel, its owner or operator, or where excluded under this Policy.

6. Loss of or damage to a Third Party's property

Liability for loss of, or damage to, a Third Party's vessel or fixed property or movable property.

7. Watersports

Liability to a Third Party or Crew Member arising from the use of the Yacht's Tender(s), Toy(s) or Diving Equipment used in conjunction with the Yacht.

There shall also be cover under this Clause 7 where the Yacht is validly licenced as a Royal Yachting Association (RYA) Training Centre (or such other training centre as approved in advance in writing by British Marine) solely for the purpose of training the Yacht's guests to use the Yacht's Tender(s) or Toy(s).

8. Pollution

Liability and expenses necessarily and reasonably incurred by reason of or in consequence of the actual or threatened accidental release or escape of fuel, oil, chemicals or any other polluting substance from the Yacht or arising from the operation of the Yacht.

There is also cover for the expense of measures reasonably taken to:

- (a) avert or minimise pollution from the Yacht or arising from the operation of the Yacht in order to minimise any resulting loss, damage or contamination; and
- (b) comply with any order made by any governmental agency or authority to avert or minimise the threat of pollution or following an accidental release or escape;

except where such costs would be incurred in the course of the ordinary operation of the Yacht or in the ordinary course of the performance of repair work or salvage services.

9. Marine Environmental Damage

Liability for damage to sensitive marine environments, such as coral reefs, arising from an identifiable accident or occurrence.

10. Special compensation for salvors

Liability to pay special compensation to a salvor of the Yacht to prevent damage to the environment under Article 14 of the International Convention on Salvage 1989 when incorporated into a Lloyd's Open Form or any standard form salvage agreement or under the Special Compensation P&I Clause except where payable by any Third Party also interested in the property and excluded by the provisions of this document.

11. Piracy

Liability to a Third Party arising from acts of piracy against the Yacht provided the Yacht is not, at the time of piracy in any listed areas set out in the latest Joint War Committee Hull, War, Strikes, Terrorism and Related Perils – Listed Areas.

12. Stowaways, refugees and people rescued at sea

Costs and expenses (other than the costs of diversion) necessarily and reasonably incurred by the Insured in meeting its legal obligations in respect of stowaways, persons rescued at sea or refugees, including the cost of maintaining, landing and where necessary repatriating such persons, provided that such costs and expenses incurred cannot be recovered from any other party.

13. Diversion expenses

Costs and expenses necessarily and reasonably incurred by reason of diversion or delay of the Yacht solely in:

- (a) order to obtain necessary medical treatment for an injured or sick Crew Member or Third Party on board the Yacht;
- (b) awaiting a substitute for a Crew Member who has died or when ill or for an injured Crew Member who has been landed for medical treatment or repatriated; and
- (c) searching for, rescuing and landing stowaways, refugees or persons rescued at sea.

14. Life salvage

Liability to a Third Party for life salvage for saving or attempting to save any Crew Member or other Third Party on or from the Yacht, save to the extent that payment in respect of such a liability is recoverable under the Insured Vessel(s)'s Hull and Machinery insurance.

15. Quarantine

Costs and expenses necessarily, reasonably and solely incurred by the Insured in discharging its legal liability in the disinfection, fumigation or quarantine in respect of the Yacht, stores, people or animals on board the Yacht following an outbreak of an infectious human or animal disease or any measures taken to control or eliminate such disease.

16. Obstruction

Liability to any Third Party (in respect of their interest in harbours, wharves, canals and similar structures or vessels) arising from the Yacht causing an obstruction as a result of a casualty.

17. Helicopters, Airborne Craft and UAVs

17.1 Liability arising from an accident on board the Yacht in connection with any helicopter or any other airborne craft (including drones) but only where such accident occurs between the time that:

- (a) the helicopter or airborne craft's engines and/or motors have been switched off; and
- (b) all of the helicopter or airborne craft's rotors and/or other propulsion mechanisms have come to a complete stop; and
- (c) the helicopter or airborne craft, along with any necessary coverings, are fully and properly secured to the deck of the Yacht (whichever is the later)

until the earlier time of when:

- (d) any of its engines and/or motors have been switched on;
- (e) any of its rotors or other propulsion mechanisms have begun to rotate; and
- (f) any of its securings holding the helicopter or other airborne craft to the deck of the Yacht have been (or are in the process of being) released (whichever is earlier).

17.2 Recreations Drones (UAVs)

- (a) Liability to any Third Party arising out of the recreational use of unmanned aerial vehicles (drones) on-board the Yacht.

Subject to a limit of liability of USD 5,000,000 any one accident or occurrence or series of accidents or occurrences arising out of one event.

For the avoidance of doubt, and notwithstanding any provision in the Policy to the contrary, there shall in no circumstances be cover under this Policy for any liability, loss, expense or cost incurred as a result of accidents occurring in connection with the use of any helicopter or other airborne craft (including drones) when such helicopter or other airborne craft (including drones) are airborne or preparing for (or being prepared for), or are attempting, take-off or landing.

18. Wreck removal and liabilities

- (a) Liability for expenses necessarily and reasonably incurred by the Insured in respect of the raising, removal, disposal, lighting or marking of the Wreck of the Yacht or its equipment and property carried on board the Yacht (other than oil or any other polluting substance) and the Wreck of any vessel damaged by the Yacht, by collision or otherwise, or cargo on board such a Wreck, where required by law or by any order issued by any governmental agency or authority; where such expense is legally recoverable from the Insured; or where performed under the terms of a contract which British Marine (in its absolute discretion) has agreed to in writing; and
- (b) Liabilities incurred by the Insured by reason of the attempted or actual removal or disposal of the Wreck of the Yacht or property or equipment on board the Yacht and in respect of the Wreck of the Yacht including in respect of the release or escape of oil or any other polluting substance, or any failure to remove or dispose of, or light or mark the said Wreck,

provided that:

- (c) there shall be no claim under this Clause 18 if the Insured has divested itself of its interest in the Wreck and other property (other than by way of abandonment to any underwriters) before the raising, removal, disposal, lighting or marking takes place; and
- (d) the salvaged value of the Wreck, cargo, property, equipment and goods shall be deducted from any claim under this Clause 18.

19. Fines and penalties

Liability for a fine or monetary penalty levied by a court, tribunal or government authority or agency in respect of the Yacht or any Crew Member for which the Insured is legally liable (or in respect of which British Marine agrees in writing that reimbursement for such fine or monetary penalty should be given) for:

- (a) the accidental release or escape of fuel, oil or any other polluting substance from the Yacht;
- (b) the accidental damage to a sensitive marine environment provided it is caused by a single identifiable accident or occurrence;
- (c) smuggling or breach of any customs laws or regulations (other than in relation to tax or VAT in respect of the operation or use of the Yacht);
- (d) breach of any immigration laws or regulations; or
- (e) any act or omission by any Crew Member acting pursuant to their obligations to the Insured under a contract of employment or service, or under any collective agreement, in respect of the Yacht, which attracts a fine or monetary penalty.

There shall however be no cover under this policy for a fine or monetary penalty levied in respect of:

- (f) any overloading of the Insured Vessel(s), or the presence on board the Insured Vessel(s) of a greater number of passengers than is legally permitted.
- (g) criminal activity embarked on with the knowledge, connivance, complicity or reckless disregard of the Assured.
- (h) any breach or infringement of the requirements and provisions relating either to the configuration and equipping of the Insured Vessel(s) or the maintaining of proper records or documents under or in connection with the International Convention for the Prevention of Pollution from Ships 1973, as amended or any statutory re-enactment of such requirements and provisions.

20. Towing by the Yacht

Liability incurred by the Insured by reason of the Yacht towing:

- (a) the Yacht's Tender(s) and Toy(s); or
- (b) any other vessel or craft in circumstances where such other vessel is in an emergency situation and requests an immediate tow by the Yacht provided that the tow is either terminated or handed over to a more appropriate towing vessel as soon as reasonably possible.

21. Towing of the Yacht

Liability incurred by the Insured by reason of the Yacht being towed under the terms of a written agreement (except in respect of payment for the tow itself):

- (a) in an emergency situation;
- (b) entering and leaving port, shifting the Yacht in port or between berths in port, and securing the Yacht in port for the purpose of the Yacht's ordinary usage; or
- (c) under a written agreement for towing of the Yacht on the standard unamended Towcon or Towhire BIMCO forms (or any other standard form towage contract which affords the Insured equivalent or better protection) or where the terms and conditions of the tow have been agreed in writing in advance by British Marine.

22. Refit and repair liability risks in respect of a Crew Member and any other employee of the Insured

Liability arising from an accident in connection with a Crew Member or any other shore based employee of the Insured being stationed at a yard or on board the Yacht at a yard for the purpose of supervision of a refit or repair of the Yacht, drydocking work, inspection, familiarisation or hand-over of the Yacht (where the Insured and the yard have entered into a written contract).

23. Legal, inquiry, investigative and other costs and expenses

Costs and expenses necessarily and reasonably incurred by the Insured:

- (a) in respect of legal costs to avoid or minimise liability, costs and expenses in respect of risks covered by this Policy;
- (b) following a casualty suffered by the Yacht to protect the interests of the Insured or any Crew Member before any inquiry or tribunal constituted to investigate that casualty;
- (c) following a casualty suffered by the Yacht, or an event likely to give rise to a claim under the Policy, for the purpose of conducting an investigation into the circumstances of such a casualty or event; and
- (d) at the request or direction of British Marine for the purpose of protecting or advancing the interests of British Marine.

provided that such expenses have been incurred with the prior written approval of British Marine.

24. Mitigation expenses (Sue and labour costs)

Expenses (other than those which would be incurred in the course of the ordinary operation or use of the Yacht) necessarily and reasonably incurred by the Insured after an event likely to give rise to a claim under the Policy, solely to avoid or limit liability, costs or expenses in respect of risks which are covered by the Policy, provided that British Marine has given its prior written approval.

25. Contractual Indemnities

Liability, costs and expenses up to the limit of the Contractual Indemnities Limit set out in the Policy arising solely under written indemnity or a contract entered into by the Insured or by the captain of the Yacht on the Insured's behalf in connection with the operation of the Yacht provided that such contract has the prior approval in writing of British Marine as evidenced in the Policy.

26. Liability arising from the Yacht's submarine(s) and ROV's

Liabilities covered under the Policy which arise directly from the use or operation of the Yacht's submarine(s) and or remotely operated vehicles (ROVs) which are specified in the Policy, provided that:

- (a) the Yacht's submarine(s) are constructed, surveyed, certificated and operated in conformity with the applicable requirements, rules and regulations of the Yacht's classification society and her flag state; and
- (b) British Marine has given its prior written approval.

Additional cover in the event that the policy expressly provides for such cover:

27. Legal Costs not covered by Section A Clause 23 (Legal, inquiry, investigative and other costs and expenses)

The Policy is extended to cover legal costs and expenses necessarily incurred by the Insured (including the costs of an opposing party where such costs are ordered to be paid by a court or tribunal, or are to be paid pursuant to the terms of any settlement concluded with the prior approval in writing of British Marine and always subject to the provisions at Section C Clause 14 (Claims Handling) and Section C Clause 17 (Recoveries and Subrogation) in pursuing or defending claims, or in seeking to resolve disputes, on such terms as British Marine may agree in writing, arising in respect of the following:

- 27.1 any contract for the building of the Yacht, which has the prior approval in writing of British Marine;
- 27.2 any contract for the purchase or sale of the Yacht, which has the prior approval in writing of British Marine;
- 27.3 any contract for the conversion, alteration, repair, refit, drydocking or maintenance of the Yacht;
- 27.4 any charterparty to which the Insured is party in respect of the Yacht and disputes as to the conclusion or legal effect of such charterparty;
- 27.5 any contract for operational services provided to or in respect of the Yacht, including but not limited to agency, towage or salvage or harbour authority services;

- 27.6 any contract for administrative services provided to or in respect of the Yacht for insurance broking or ship broking services, management services or the provision of technical advice;
- 27.7 any contract in respect of goods or materials, necessaries and stores including bunkers and lubricating oil provided to the Yacht;
- 27.8 the employment of Crew Members or Third Parties;
- 27.9 any contract of marine insurance in respect of the Yacht, or which the Insured contends covers the Yacht, other than that evidenced by the Policy;
- 27.10 any damage to the Yacht, detention of the Yacht(s), or the impairment of any right of the Insured in respect of the Yacht, caused by any Third Party;
- 27.11 general average contributions; or
- 27.12 the presence on board the Yacht of stowaways, refugees or persons rescued at sea.

Provided that the Insured has reasonable prospects of successfully pursuing or defending any such claim, or resolving any such dispute, through the incurring of legal costs and expenses, and provided that such costs and expenses are incurred with the prior written approval of British Marine.

Prior approval in writing by British Marine of a contract under Clause 27.1 or 27.2 shall not connote acceptance or approval of the terms and conditions of such a contract. There shall be no cover under this Clause in respect of any claim by a Joint-Insured against another Joint-Insured, nor in respect of disputes between Joint-Insured.

The following shall be taken into account in assessing the prospects of successfully pursuing or defending any such claim or resolving any such dispute:

- 27.13 the applicable law and jurisdiction;
- 27.14 the value of the claim or sum in issue or the significance of the dispute;
- 27.15 the level of the legal costs and expenses likely to be incurred;
- 27.16 the legal merit of the Insured's position;
- 27.17 any alternative means for pursuing or defending the claim or resolving the dispute;
- 27.18 the prospect of enforcement of any claim by or against the Insured;
- 27.19 the conduct of the Insured; and
- 27.20 the importance of any issues that arise to the shipping community generally.

Subject always to the provisions at Section C Clause 14 (Claims Handling), if it is proposed that a claim is to be settled or compromised in respect of which legal costs and expenses falling within the scope of this Clause 27 have been or will be incurred, the Insured shall, before agreeing to such a compromised settlement, obtain the prior written consent of British Marine to do so. The Insured shall provide to British Marine such information as British Marine shall reasonably require to facilitate such agreement. Subject to the provisions of Section C Clause 17 (Recoveries and Subrogation), British Marine shall be entitled to any legal costs and expenses which the Insured recovers pursuant to an award, judgment or compromised settlement. If the compromised settlement does not include provision for legal costs and expenses, the proportion which shall be attributable to legal costs and expenses will be determined by British Marine in its sole discretion and shall be binding upon the Insured.

The conduct of any claim or handling of any dispute under this Clause shall be governed by the procedure provided for at Section C Clause 13 (Claims Notification and Provision of Information), Section C Clause 14 (Claims Handling), Section C Clause 15 (Assistance in Handling of Claims), Section C Clause 16 (The Provision of Security) and Section C Clause 17 (Recoveries and Subrogation) of this document. Any dispute or disagreement between British Marine and the Insured as to the prospects of successfully defending or pursuing any such claim, or resolving any such dispute, shall be submitted to arbitration in London in accordance with the procedure provided for under this Clause 27.

The arbitration shall be conducted before three arbitrators, one to be appointed by each of the parties and a third by the arbitrators so appointed. The arbitrators shall be English barristers who are not Queen's Counsel. The arbitration shall be on the basis of written submissions and supporting documentation alone and, save as expressly provided in this Clause 27 and in Section C Clause 19.3 (Disputes and Governing Law) shall be subject to the provisions of the English Arbitration Act 1996 or any statutory modification or re-enactment of it for the time being in force.

All other disputes shall be determined pursuant to the provisions of Section C Clause 19 (Disputes and Governing Law).

28. War and related risks (Protection & Indemnity)

The Insured shall, be covered for liabilities, costs and expenses on such terms as British Marine may impose in an Endorsement which are caused by:

- 28.1 war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or for any hostile act by or against a belligerent power or any act of terrorism;
- 28.2 capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat; or
- 28.3 mines, torpedoes, bombs or other weapons of war.

provided that:

- 28.4 such liabilities, costs and expenses are not covered under the terms of any other insurance in respect of the Yacht or the Insured; and
- 28.5 at the time any such liability, cost or expense arises the Yacht is fully insured against physical loss or damage for the perils specified in the Institute War and Strikes Clauses – Yachts (1.11.85) (CL.329) with Protection and Indemnity and War P&I Crew Member inclusion clauses (or equivalent clauses in terms no less wide than such clauses) for not less USD 5,000,000 or the total sum insured of the Yacht (whichever is the greater).

This Clause 28 shall only cover such liabilities, costs and expenses insofar as they exceed amounts recoverable under any such other insurance including, but not limited to the Yacht's Hull and Machinery insurance and insurance in respect of Crew Member or war and/or strikes risks.

Cover under this Clause 28 shall be subject to the following:

- 28.6 Cancellation: The Insurer may, on giving 72 hours notice in writing:
 - (a) cancel the cover provided under this Clause 28; or
 - (b) vary or restrict the terms on which cover under this Clause 28 is provided.
- 28.7 Automatic Termination: Cover under this Clause 28 shall cease automatically without notice by British Marine:
 - (a) on the outbreak of war, whether declared or not, between any of the following: the United Kingdom, The United State of America, the People's Republic of China, France or the Russian Federation;
 - (b) the requisitioning for any purpose of any Yacht covered under the Policy; or
 - (c) the hostile detonation by any party anywhere, of a weapon of war employing atomic or nuclear fission and/or fusion or other similar reaction or radioactive force or matter.
- 28.8 Five Powers War: There shall be no cover under this Clause 28 for any loss, damage, liability or expenses arising from or in connection with:
 - (a) the outbreak of war whether declared or not, between any of the following: the United Kingdom, the United States of America, the People's Republic of China, France or the Russian Federation; or
 - (b) the requisition for any purpose of any Yacht covered under the Policy.

29. Pre-delivery Crew Member cover

Where an Insured has concluded a written contract for the purchase of:

- (a) a new Yacht and stations a Crew Member at a yard where the new Yacht is being constructed for the purpose of supervision of work by the yard or the subcontractors of the yard, familiarisation during the period of pre-delivery and hand-over; or
- (b) a second-hand Yacht and stations a Crew Member on board that Yacht for the purpose of inspection, work, familiarisation and hand-over, then coverage under Section A Clause 1 (Loss of life, personal injury or illness), Section A Clause 2 (Medical, hospital, repatriation and funeral expenses), Section A Clause 3 (Other liability to a Crew Member), and Section A Clause 4 (Crew Member substitution) of this document will apply in respect of liability caused by an accident in connection with the

abovementioned the Crew Member's supervision, inspection, familiarisation or hand-over, provided that:

- (i) this is by special arrangement with British Marine;
- (ii) on such terms as British Marine may agree in writing;
- (iii) payment of the premium required by British Marine is made; and
- (iv) the provisions of Section C Clause 8 (Premium) and Section C Clause 9 (Survey and Appraisal) are adhered to.

Cover under this clause 29 is restricted to cover to and of the Crew Member; and this clause 29 does not cover any liabilities of any project manager or other supervisor or other person employed by the Insured, unless agreed to in writing in advance by British Marine.

Section B

Exclusions

There shall be no cover under *the Policy* for liabilities, costs, expenses or losses in respect of or arising from:

1. any claim recoverable by the Insured under any other insurance in respect of the Insured or the Yacht or which would be so covered but for a provision in that other insurance which seeks or purports to exclude or limit liability on the basis of double insurance, regardless of whether the other insurance includes a similar provision to this. Insurance claims that would not be recoverable include, but are not limited to, Aviation risks, Builders risks, General liabilities, Hull and Machinery, Motor vehicles, Public of Products liability, Professional Indemnity and/or War risks. British Marine does not cover liabilities for risks for which the Insured would have insurance cover under a separate policy or policies, were the Insured fully insured for such risks.
2. any deductible, franchise or excess to be borne by the *Insured* (or anyone else covered) under *the Policy* or any other insurance(s);
3. loss of, damage to, or cost of repairs to any property (including the *Yacht* and/or her equipment and supplies) owned or leased by the *Insured* (or any party associated with the *Insured*);
4. the use of any of the *Yacht's Tender(s), Toy(s) or Diving Equipment* which, at the time of the event giving rise to a claim under *the Policy*, was not being operated by or was not under the control of or instruction of an experienced *Crew Member* who is qualified in accordance with Flag State or local legal requirements;
5. commercial losses, including but not limited to, non-payment to the *Insured* of charter fees, or any sum due in respect of cancellation or termination of any charter or any other contract of hire of the *Yacht*, or detention or delay of the *Yacht*;
6. any claim or debt which is not recoverable due to the *Insured's* or a *Third Party's* insolvency, financial default or impecuniosity except in respect of a *Crew Member* who goes absent without leave (Section A Clause 3(c) (Other liability to a *Crew Member*)) and costs and expenses incurred in respect of stowaways, persons rescued at sea or refugees (Section A Clause 12 (Stowaways, refugees and people rescued at sea));
7. any fraudulent act perpetrated against the *Insured* or the misappropriation of monies belonging to the *Insured* or held on the *Insured's* behalf;
8. the use or operation of the *Yacht* for any illegal activity or purpose, so as far as the *Insured* can control the matter;
9. any claim resulting from the deliberate breach of any obligation, fraudulent act or wilful misconduct by the *Insured* or by anyone for whom the *Insured* is responsible where such breach, act or misconduct is committed with the consent, knowledge or approval of the *Insured*;
10. any payment in respect of bribery, blackmail, kidnap, ransom or any other illegal payment;
11. any claim caused directly or indirectly by the *Insured's* failure to keep or operate the *Yacht* in compliance with the applicable requirements of the *Yacht's*:
 - (a) Flag State;
 - (b) Class (if the *Yacht* is classed with a Classification Society at the inception of the *Policy Period*);
 - (c) Certification which is mandatory for the size, tonnage or operation of the *Yacht*; or
 - (d) International Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM) or International Ship and Port Facility Security Code (ISPS);unless such failure was committed without the *Insured's* knowledge, consent or approval;
12. punitive or exemplary damages of any nature whatsoever;
13. liquidated damages;
14. any default judgment or default award;
15. the *Insured's* costs or expenses incurred in respect of administration or the normal running of the *Yacht*;
16. nuclear threats such as:
 - (a) ionising raditions from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

- (b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - (c) any weapon or device employing nuclear fission or fusion or other like reaction or radioactive force or matter; or
 - (d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter;
- 17.** any chemical, biological, biochemical, or electromagnetic weapon;
- 18.** any environmental damage resulting from the continued use of or presence of the *Yacht* at a sensitive marine environment, such as for example but with no limitation to, a coral reef;
- 19.** the discharge or escape or the presence of any substance, material or product or waste determined or deemed to be hazardous in any land based dump, site, storage or disposal facility whether or not such substance, material product or waste was previously carried on board the *Yacht* as fuel, stores or otherwise;
- 20.** operation or use of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system as means for inflicting harm;
- 21.** use of the *Yacht* for any purpose involving the transportation of any fare paying passenger or person or use of the *Yacht* for charter, hire or reward other than in respect of skippered charter of the *Yacht* by a *Charterer* under a MYBA (or similar) charter agreement entered into and signed by such *Charterer* prior the charter commencing;
- 22.** operating ashore and where these are not caused by an accident solely and directly in connection with the operation of the *Yacht* which includes but is not limited to, the sailing, navigation, maintenance, provisioning, re-fuelling and running of the *Yacht*;
- 23.** the operation of any vehicle required to be licensed for use on any road or public highway;
- 24.** any liability arising from loss or damage to *Valuables* (unless cover in respect of such goods or items has the prior approval in writing of *British Marine*);
- 25.** annuities, retirement accounts or pension contributions for any *Crew Member*;
- 26.** disputes between *Joint-Insureds* or *Co-Insureds*;
- 27.** any claim in respect of the following, unless already covered under Section A (Risks Covered) or the *Policy* and which expressly specifies that such risk is covered by *the Policy*:
- (a) arising from a written indemnity or a contract entered into by the *Insured* or by the captain of the *Yacht* on the *Insured's* behalf in connection with the operation of the *Yacht* without the prior approval in writing of *British Marine*;
 - (b) war and related risks;
 - (c) use of the *Yacht's* submarines;
 - (d) loss of or damage to any helicopter or other airborne craft of any nature whatsoever; and
 - (e) racing or where the *Yacht* is subject to the rules of a race.
- 28.** any liability caused by any project manager (who is not a *Crew Member*) or any subcontractor employed by the *Insured*, unless agreed to in writing in advance by *British Marine*;
- 29.** any claim which the *Insured* has not notified to *British Marine* within 12 months of having notice of such claim or being aware of circumstances which may give rise to a claim under *the Policy*; or
- 30.** any request for reimbursement of any costs or expenses covered under *the Policy* which the *Insured* has not requested from *British Marine* within 12 months of that cost or expense being incurred.

31. War and related risks (Protection and Indemnity)

Except as provided by Section A Clause 28 (War and related risks (Protected and Indemnity)) there shall be no cover under *the Policy* for loss, damage, liability or expense caused by:

- (a) war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power or any act of terrorism;
- (b) capture, seizure, arrest, restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt threat; or
- (c) mines, torpedoes bombs or other weapons of war.

32. Sanctions Limitations and Exclusion

- (a) There shall be no cover under the *Policy* and *British Marine* shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose *British Marine* or any member of *British Marine's* group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.
- (b) There shall be no entitlement under any circumstances for the *Insured* to recover under the *Policy* that part of any liability, cost or expense which is not recovered or recoverable by *British Marine* from any reinsurer because of a shortfall in recovery or non-recovery from such reinsurer by reason of any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.
- (c) The terms 'shortfall' or 'non-recovery' include, but are not limited to, any failure or delay in payment to *British Marine* by such reinsurer, or payment to an account other than an account of, or for the benefit of, *British Marine*, in compliance with a requirement imposed by any recognised authority of competent jurisdiction to enforce any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

33. Cyber Attack Exclusion

- 33.1 Subject only to Clause 79.3 below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 33.2 Subject to the conditions, limitations and exclusions of this policy, the indemnity otherwise recoverable hereunder shall not be prejudiced by the use or operation of any computer, computer system, computer software programme, computer process or any other electronic system, if such use or operation is not as a means for inflicting harm.
- 33.3 Where the Insurer is covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 79.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system, computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

34. Communicable Disease Following a Public Health Emergency of International Concern (PHEIC) Exclusion

- 34.1 No coverage shall in any event be provided under this (re)insurance for any loss, damage, liability, cost or expense directly arising from any transmission or alleged transmission of the below scheduled Communicable Disease(s) under this (re)insurance:
 - (a) COVID-19; and
 - (b) SARS-CoV-2; and
 - (c) any mutation or variation of SARS-CoV-2.
- 34.2 In the event that the World Health Organization ('WHO') has determined an outbreak of a Communicable Disease to be a Public Health Emergency of International Concern (a 'Declared Communicable Disease'), no coverage will be provided under this (re)insurance for any loss, damage, liability, cost or expense directly arising from any transmission or alleged transmission of the Declared Communicable Disease.
- 34.3 The exclusion in paragraph 81.1 will not apply to any liability of the (re)insured otherwise covered by this (re)insurance where the liability directly arises from an identified instance of a transmission of a Declared Communicable Disease and where the (re)insured proves that identified instance of a transmission took place before the date of determination by the WHO of the Declared Communicable Disease.
- 34.4 However even if the requirements of paragraph 81.2 of this clause are met, no coverage will be provided under this (re)insurance for any:
 - (a) liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Communicable Disease(s) scheduled in paragraph 1 or Declared Communicable Disease whether the measures are preventative or remedial;

- (b) liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of the Communicable Disease(s) scheduled in paragraph 1 or Declared Communicable Disease;
- (c) loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Communicable Disease(s) scheduled in paragraph 1 or Declared Communicable Disease.

34.5 As used in this endorsement, Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- (a) the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
- (b) the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and
- (c) the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

35. Territorial and Conflict Exclusion Clause

This policy excludes all loss, damage, liability, cost or expense:

- 35.1 caused by or arising from or in connection with any Russia-Ukraine conflict and/or any expansion of such conflict; or
- 35.2 in any area or territory or territorial waters where Russian armed forces, Russian-backed forces, and/or Russian authorities, are engaged in conflict within the territories (including territorial waters) of the Russian Federation, Belarus, Ukraine and any disputed regions of Ukraine, the Crimean Peninsula and the Republic of Moldova.
- 35.3 arising from capture, seizure, arrest, detainment, confiscation, nationalisation, expropriation, deprivation or requisition for title or use, or the restraint of movement of vessels and cargo in the territories (including territorial waters) of the Russian Federation, Belarus, Ukraine and any disputed regions of Ukraine, the Crimean Peninsula and the Republic of Moldova.

Section C

General Conditions

1. Duties of the Insured

- 1.1 The Insured must make a fair presentation of the risk (as set out in the Insurance Act 2015 or successor or amending legislation) in proposing for, or proposing to vary, this Insurance.
- 1.2 Section 8 of the Insurance Act 2015 which sets out the remedies for breach of the duty of fair presentation does not apply to the Policy. Any breach of the duty of fair presentation shall entitle British Marine to avoid the Policy, regardless of whether such breach is deliberate, reckless or otherwise.
- 1.3 Section 14 of the Insurance Act 2015 which abolishes the remedy of avoidance of the Policy on the grounds that the duty of utmost good faith has not been observed does not apply to the Policy. The Policy shall be deemed to be a contract of utmost good faith, and any breach of that duty shall entitle British Marine to avoid the Policy.

2. Crew Member Medical Insurance

It is a condition precedent to British Marine's liability under the Policy that at the time of an accident giving rise to liability to any Crew Member, that each such Crew Member is covered by Crew Member medical insurance cover with an FCA registered or equivalent medical insurer for up to at least US\$100,000 cover per Crew Member for each claim.

The abovementioned Crew Member medical insurance shall always be primary to the cover under the Policy.

3. Mitigation Costs (Sue and Labour)

The Insured shall, on the occurrence of an event likely to give rise to a claim under the Policy, take all reasonable steps to avert or minimise any liabilities, costs, expenses and losses in respect of risks which are covered under the Policy.

4. Assignment and Transfer

The Insured shall not assign or transfer this Insurance or any rights under the Policy without the consent in writing of British Marine and on such terms as British Marine may impose. Any such assignment or transfer of the Insured's rights will not be binding on British Marine.

5. Set Off

British Marine shall be entitled to set off any amount due from the Insured against any sum due to the Insured under this Insurance. No such rights of set off are available to the Insured.

6. Termination of Insurance

This Insurance shall terminate automatically without notice in the following circumstances:

- 6.1 the Insured, being an individual:
 - (a) 14 days after they die;
 - (b) They become bankrupt;
 - (c) They are the subject of a receiving order or of a scheme of arrangement or composition with their creditors; or
 - (d) ceases to be able to manage their business by reason of mental illness or incapacity.
- 6.2 the Insured, being a corporation:
 - (a) it is the subject of a compulsory winding up order or resolution for its voluntary winding up;
 - (b) it is dissolved;
 - (c) it is the subject of the appointment of a receiver, administrator, liquidator or manager or analogous person in respect of all or part of its business; or
 - (d) it initiates any proceedings to achieve legal protection from its creditors.

The Insured (or its personal representative) shall notify British Marine in writing on the occurrence of an event referred to in this Clause 6.1 and Clause 6.2.

6.3 Termination of Insurance by notice:

British Marine may, at any time and without giving reasons, terminate this Insurance by not less than 14 days written notice of termination, effective from the expiry thereof.

7. Termination of Cover

Cover in respect of the Yacht shall cease without notice on the occurrence of any of the following:

- 7.1 expiration on the Policy Period of this Insurance;
- 7.2 sale of the Yacht;
- 7.3 divestment or assignment by the Insured of part or all of his or its interest in the Yacht;
- 7.4 change in the controlling interest(s) of the Insured where the Yacht is owned by a company or any assignment or transfer of any rights without the prior written approval of British Marine;
- 7.5 change of Flag State in respect of the Yacht;
- 7.6 relinquishing of possession or control of the Yacht by the Insured or foreclosure by a mortgagee bank in respect of the Yacht;
- 7.7 total loss of the Yacht whether:
 - (a) actual;
 - (b) constructive, upon agreement by or acknowledgment from the Yacht's Hull and Machinery insurers;
 - (c) compromised or agreed with the Yacht's Hull and Machinery insurers; or
 - (d) in circumstances where British Marine concludes that the Yacht is a total loss and notifies the Insured in writing accordingly.
- 7.8 the Yacht cannot be located or contacted for a consecutive period of 10 days unless British Marine agrees in writing to maintain or reinstate cover in respect of the Yacht, on the same or on varied or restricted terms; or
- 7.9 the Yacht is requisitioned by a State or Government Authority.

The Insured shall notify British Marine in writing forthwith on the occurrence of a circumstance or event referred to in this Clause 7.

Where cover ceases pursuant to this Clause 7, British Marine shall be liable only in respect of any claim arising prior to the time when cover ceases, except that, where cover ceases by virtue of this Clause 7.7, British Marine shall also be liable in respect of any claims which arise directly by reason of the casualty giving rise to the Yacht becoming a total loss.

8. Premium

The premium payable under the Policy is a fixed premium.

All premiums shall be paid on such terms as British Marine shall specify in writing. In the event that the Insured fails to pay all premiums when due, the Insured will not be covered for any losses, liabilities, costs or expenses arising out of an event which occurs when the Insured owes any premium to British Marine and British Marine may:

- (a) cancel this Insurance giving a minimum notice period of 7 days;
- (b) vary or restrict the terms on which cover under the Policy is provided; and
- (c) cease handling all or any cases until the Insured pays the amount due with any outstanding interest.

In the event of the cancellation of this Insurance by British Marine under this Clause 8, British Marine shall not be liable in respect of any claim whatsoever, whether arising before or after cancellation under this Clause 8(a) above.

The right to receive a return of premium from British Marine shall not apply if the Yacht is a total loss as defined in this Clause 8 during the Policy Period or if an indemnity has been provided by British Marine in respect of any claim during the Policy Period, where British Marine will be entitled to receive full annual premium.

9. Survey and Appraisal

British Marine shall be entitled upon reasonable notice to conduct a survey of the Yacht or an appraisal of the Insured's management systems. Following such survey or appraisal, British Marine will be entitled (in its sole discretion) to restrict cover under the Policy by way of an Endorsement, until any recommendations have been complied with.

10. Waiver

No representation, act or omission, conduct or forbearance by British Marine nor any agreement or acquiescence to the conduct of the Insured, shall amount to a waiver of any right of British Marine under the Policy, nor shall it give rise to an estoppel in respect of any such right unless expressed in writing and addressed by British Marine to the Insured.

If British Marine incurs costs, provides security or makes any payment in respect of a dispute which later turns out not to be covered, the Insured will be required to indemnify British Marine and British Marine will not be considered to have waived its rights.

11. Joint-Insureds and Co-Insureds

Joint-Insureds and Co-Insureds shall not be covered in respect of any claims or liabilities between such Joint-Insureds and Co-Insureds.

Such Joint-Insureds and Co-Insureds shall:

- 11.1 be bound by the default of any one of the said Joint-Insureds or Co-Insureds in failing to disclose or misrepresenting material information to British Marine;
- 11.2 be bound by the conduct of any one of the said Joint-Insureds or Co-Insureds which would give rise to:
 - (a) the termination of this Insurance;
 - (b) the termination of cover in respect of a Yacht;
 - (c) the cancellation by British Marine of cover provided under this Insurance; or
 - (d) the variation or restriction by British Marine of the terms on which cover under the Policy is provided;
- 11.3 be deemed to have received any notice or communication sent by British Marine to any one of the said Joint-Insureds or Co-Insureds or the Insured; and
- 11.4 be deemed to have sent any notice or communication sent by any one of the said Joint-Insureds or Co-Insureds to British Marine.

Joint-Insureds shall be jointly and severally liable to pay premium due under the Policy.

The deductibles and limits provided for in the Policy shall apply to any claim by any one of such Joint-Insureds or Co-Insureds, as if the Joint-Insureds or Co-Insureds were a single Insured. Receipt by any Joint-Insured or Co-Insured of any sum payable by British Marine shall be deemed to be receipt on behalf of all the Joint-Insureds and Co-Insureds, and shall discharge British Marine of their liability for any claim in respect of which such payment is made.

12. Notices

All notices shall be given in writing and sent to the addresses set out in the Policy, or as otherwise amended by way of Endorsement.

13. Claims Notification and Provision of Information

- 13.1 It is a condition precedent to liability of British Marine under this Insurance that the Insured shall:
 - 13.1.1 notify British Marine in writing as soon as reasonably practicable of any event which may give rise to a claim under the Policy;
 - 13.1.2 notify British Marine in writing forthwith of any legal or other proceedings brought against the Insured or in respect of the Yacht;
 - 13.1.3 provide to British Marine or to any party nominated by British Marine as soon as reasonably practicable all material, including documents, photographs or reports in the possession of the Insured or its agents, and any information known to the Insured or its agents, relating to any event which may give rise to a claim under the Policy, and continue to keep British Marine advised of all material developments in respect of such an event or claim;

- 13.1.4 notify British Marine as soon as practicable of any opportunity to obtain information, relating to an event which may give rise to a claim under the Policy, including but not limited to an opportunity to conduct medical examinations, examinations under oath, inspections or surveys;
 - 13.1.5 give full co-operation to British Marine in any investigation conducted by or on behalf of British Marine into any event which may give rise to a claim under the Policy;
 - 13.1.6 not make any admission of liability, responsibility or blame to any Third Party in respect of any event which may give rise to a claim under the Policy;
 - 13.1.7 notify any relevant government authority or agency if the Insured is obliged to do so by local practice or law, or if the Insured considers that a crime was committed; and
 - 13.1.8 preserve any rights which British Marine may have against a Third Party.
- 13.2 Unless British Marine in its discretion decides otherwise, it is a condition precedent to the Insured's right to recover under the Policy in respect of any liabilities, costs or expenses that he shall first have discharged or paid the same out of funds belonging to him unconditionally and not by way of a loan or otherwise.

14. Claims Handling

British Marine shall be entitled on such terms as they may require to assume control of the conduct of any claim, legal proceedings, arbitration or participation by the Insured in any inquiry or investigation, in respect of any event or matter which may give rise to a claim under the Policy.

British Marine may direct the Insured to take any step in connection with the conduct of such a claim, legal proceedings, arbitration, inquiry or investigation, including the conclusion of a settlement or compromise agreement.

In the event of a failure by the Insured to act as directed by British Marine, any claim under the Policy shall be limited to the amount of the claim which would have been recoverable had the Insured acted as directed by British Marine.

15. Assistance in Handling Claims

British Marine may, subject to the terms of this Insurance, appoint on behalf of the Insured any person to assist in or advise on the conduct of any investigation, claim or legal or other proceedings, in respect of any event that may give rise to a claim under the Policy.

Any person so appointed, or appointed by the Insured with British Marine's consent, will act for and on the instructions of the Insured as principal, but shall, without reference to the Insured, disclose all material, documents or information relating to such investigation, claim or legal or other proceedings to British Marine, as if British Marine were his principals.

16. The Provision of Security

British Marine is under no obligation, but may, provided all sums due to British Marine from the Insured are paid and otherwise on such terms as British Marine shall agree, provide security in respect of any claim against the Insured by any party in respect of the risks referred to in Section A (Risks Covered). British Marine shall not provide security in respect of Section A Clause 27 (Legal Costs not covered by Section A Clause 23 (Legal, inquiry, investigative and other costs and expenses)), except by way of security provided to an opponent party for the costs of the Insured ordered to be provided by a court or tribunal, or pursuant to the terms of an agreement with such opponent party as British Marine may agree in writing. The Insured shall indemnify British Marine for the costs of, or liability incurred to any Third Party under the security so provided, save to the extent that such costs or liability are recoverable under this Policy.

17. Recoveries and Subrogation

Where British Marine has made a payment to or on behalf of the Insured in respect of a claim, and the Insured, or any person on the Insured's behalf, obtains the recovery or reimbursement of any sum representing all or part of the liability, loss, cost or expense which was the subject of the claim so paid, such sum shall be applied in favour of British Marine and the Insured in the proportions of their respective contributions to such payment.

British Marine shall be subrogated to all rights which the Insured may have against any Third Party in respect of any payment made, to the extent of such payment, and the Insured shall, at the request on British Marine, execute forthwith any document required by British Marine for the purpose of the exercising of such rights.

18. Limitation of Liability

Cover under the Policy for a liability incurred by the Insured or in respect of the Yacht shall be limited to such liability as may be established under the applicable law, or as may be agreed to in writing by British Marine, and shall be limited in particular by reference to any legal provision under the applicable law providing for the limitation of liability in respect of the Yacht or the Insured, including but not limited to the applicable Convention on Limitation of Liability for Maritime Claims.

Cover under Section B (Exclusions) Clause 21 to a Charterer shall be limited to such liability as would be established under the applicable law, if the Charterer were the registered owner of the Yacht, and shall be limited in particular by reference to any legal provision which would apply under the applicable law providing for the limitation of liability in respect of the Yacht while on charter, had the Charterer been the registered owner of the Yacht.

19. Disputes and Governing Law

Save where Section A Clause 27 (Legal Costs not covered by Section A Clause 23 (Legal, inquiry, investigative and other costs and expenses) applies:

- 19.1. The Insured hereby submits to the jurisdiction of the High Court of Justice of England in respect of any action brought by British Marine to recover sums which British Marine may consider to be due to it from the Insured. Without prejudice to the foregoing, British Marine shall be entitled to commence and maintain in any jurisdiction any action to recover sums which British Marine may consider to be due to it from the Insured.
- 19.2. Any other dispute or difference arising between British Marine and the Insured under this Policy shall in the first instance be referred to the Claims Committee for consideration and adjudication. Such reference shall be on written submissions only.
- 19.3. If the Insured does not accept the decision of the Claims Committee, such difference or dispute shall be referred to the arbitration in London of two arbitrators (one appointed by British Marine and the other by the Insured) and an Umpire to be appointed by the arbitrators, and the submission to arbitration and the proceedings therein shall be subject to the provisions of the Arbitration Act 1996, and any statutory modification or re-enactment thereof for the time being in force.
- 19.4. This Policy shall be governed by and construed in accordance with English law.
- 19.5. Unless expressly stated to the contrary in this Policy the Insurance Act 2015 and any applicable subordinate, amending or successor legislation or regulation in force from time to time applies to this Policy. Where the Insurance Act 2015 is not applicable, the Marine Insurance Act 1906 shall govern this Policy.
- 19.6. In addition to the provisions of Section A Clause 1 (Duties of the Insured), the following provisions of the Insurance Act 2015 are excluded from the Policy:
- 19.7. Section 10 of the Insurance Act 2015 which abolishes the discharge of British Marine's liability under the Policy where the Insured has breached a warranty does not apply to the Policy. All warranties in the Policy must strictly be complied with and if any of the Insured, Joint-Insured or Co-Insured fails to comply with any warranty British Marine shall be discharged from liability from the date of the breach, regardless of whether the breach is subsequently remedied.
- 19.8. Section 11 of the Insurance Act 2015 which abolishes the right of British Marine to discharge its liability under the Policy where the Insured has breached a term of the Policy that is not relevant to the actual loss which occurred does not apply to the Policy. All the terms of the Policy (including any terms subsequently endorsed) and terms which tend to reduce the risk of loss of a particular kind, loss at a particular location or loss at a particular time, must be strictly complied with and if any of the Insured, Joint Assured or Co-Assured fails to comply with any such term, British Marine's liability may be excluded, limited or discharged in accordance with the Policy notwithstanding that the breach could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.
- 19.9. Section 13 of the Insurance Act 2015 which prohibits British Marine from terminating a group insurance policy from the date of a fraudulent act committed by or on behalf of one Insured, Joint-Insured or Co-Insured does not apply to the Policy. British Marine shall be entitled to exercise its right to terminate the Policy in the event that a fraudulent claim is submitted.
- 19.10. For the avoidance of doubt Section 12 of the Insurance Act 2015 which entitles British Marine to deny any fraudulent claims, recover sums paid in respect of such fraudulent claims and treat the Policy as having been

terminated as a result of fraudulent claims made by any of the Insured, Joint Insured or Co-Insured does apply to the Policy and remains in full force and effect.

- 19.11. Section 13A of the Insurance Act 2015 which implies a term in the Policy that where the Insured makes a claim under the Policy, British Marine must pay any sums due in respect of that claim within a reasonable time does not apply to the Policy. The Policy shall not be subject to nor shall British Marine be in breach of any implied term that it will pay any sums due in respect of any claim within a reasonable time save where the breach is deliberate or reckless.
- 19.12. The Insurance provided by British Marine shall not nor is intended to confer any right or benefit on any Third Party under the Contracts (Rights of Third Parties) Act 1999 or any similar provision, enactment or principle of law contained in the laws of any State which purports to do so.

20. Rights of Third Parties

The Insurance provided by British Marine shall not nor is intended to confer any right or benefit on any Third Party under the Contracts (Rights of Third Parties) Act 1999 or any similar provision, enactment or principle of law contained in the laws of any State which purports to do so.

21. Policy Limit, Claims Payment and Recovery

Where the Combined Single Limit exceeds US\$100 million, British Marine shall only be liable to pay any sum by which any claim or claims subject to the Combined Single Limit exceed US\$100 million, when British Marine has received such sum from its Reinsurers, from time to time, or such sum can be paid pursuant to any agreement to effect simultaneous settlement between British Marine and its reinsurers.

In the event of a shortfall in the amount recovered by British Marine from its reinsurers, the Insured shall under no circumstances be entitled to recover from British Marine that part of any liabilities, costs and expenses which are not recovered by British Marine.

The term "shortfall" is deemed to include any failure or delay in recovery by British Marine.

Appendix A

Definitions

British Marine	<p>British Marine is a trading name of QBE Europe SA/NV ('QBE Europe'), QBE UK Limited ('QBE UK'), and QBE Underwriting Limited ('QUL'). QBE Europe SA/NV is authorised by the National Bank of Belgium under licence number 3093. QBE UK and QUL are both authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. QUL is a Lloyd's managing agent.</p> <p>QBE UK Limited, trading as QBE Insurance, Middle East, is registered as a Recognised Company at the Dubai International Financial Centre, registered no. 0806, and is regulated by the Dubai Financial Services Authority</p> <p>British Marine is a branding of QBE Insurance (Singapore) Pte Ltd, QBE Hongkong & Shanghai Insurance Limited, QBE Insurance (Malaysia) Berhad, and QBE Insurance (Vietnam) Company Limited.</p>
Charterer	A person or company and their charter guests onboard or using the <i>Yacht</i> in accordance with a signed written charter contract concluded with the <i>Insured</i> prior to the commencement of the charter for the charter of the <i>Yacht</i> for a specified charter period during the <i>Policy Period</i> .
Co-Insureds	A person or company named as a Co-Insured in the <i>Policy</i> .
Combined Single Limit	The maximum figure for which <i>British Marine</i> is liable in respect of any claim or claims under <i>the Policy</i> arising out of any one event, accident or occurrence, or any series of accidents or occurrences arising out of one event.
Crew Member	Any person (including the Captain of the <i>Yacht</i>) employed or engaged to serve on board the <i>Yacht</i> under Articles of Agreement or other crew member agreement or contract of service of or employment, including a substitute for such a person.
Dayworker	Any person, not being a <i>Crew Member</i> , employed by or on behalf of the <i>Insured</i> to carry out casual work onboard the <i>Yacht</i> on a temporary basis.
Diving Equipment	Any diving equipment that is owned by the <i>Insured</i> that is stowed on board the <i>Yacht</i> and used by the <i>Insured</i> and any <i>Charterer</i> or <i>Third Party</i> from the <i>Yacht</i> or its <i>Tender(s)</i> .
Endorsement	A document issued by the <i>British Marine</i> and headed "Endorsement".
Insured	The person or company insured under <i>the Policy</i> and who is stated as being the insured in the <i>Policy</i> . Where the context permits, insured shall also mean <i>Joint-Insured</i> .
Joint-Insureds	A person or company insured under <i>the Policy</i> and who is stated to be the joint-insured in the <i>Policy</i> .
Policy	The policy of insurance setting out the name of the <i>Yacht</i> , the details of the <i>Insured</i> , the <i>Policy Period</i> and other terms and conditions pertaining to the insurance by <i>British Marine</i> including any <i>Endorsement(s)</i> as updated from time to time.
Policy Period	The period of insurance as agreed by <i>British Marine</i> and shown on the <i>Policy</i> .
ROV (Remotely Operated Vehicle)	All types of unmanned submersible craft
Tender	Any vessel not exceeding 23m length overall, which is owned by the <i>Insured</i> , which is stowed onboard or towed by the <i>Yacht</i> , which is not separately registered and which is used in connection with the <i>Yacht</i> to convey provisions, <i>Crew Member</i> and guests of the <i>Yacht</i> and to provide support to the <i>Yacht</i> and entertainment for the <i>Crew Member</i> and guests.
Third party	Any person or company other than the <i>Insured</i> .
Toy	Any jetski, watercraft (other than the <i>Yacht</i> or <i>Tender</i>) and other equipment, including any aerial equipment designed to be towed by the <i>Yacht</i> or <i>Tender</i> that is owned by the <i>Insured</i> and that is stowed onboard the <i>Yacht</i> when the <i>Yacht</i> is underway for use and entertainment of the <i>Insured</i> , any <i>Charterer</i> or any <i>Third Person</i> within a range of 5 nautical miles of the <i>Yacht</i> .
UAVs	All types of unmanned aerial vehicles (including but not limited to drones)

Valuables	Bullion, precious metals or minerals, diamonds, precious or semi-precious stones or coinage, works of art, documents of value including, but not limited to, currency notes, bonds bearer documents, negotiable instruments, bank draft, cheques, payment orders and objects of a rare or precious nature.
Wreck	Any vessel or craft which is disabled, and is aground or has sunk, and which is not the subject of a contract for the provision of salvage services.
Yacht	The yacht specified on the <i>Policy</i> as the yacht insured under <i>the Policy</i> or any part thereof as would normally be sold with the yacht if she was sold, including her <i>Tender(s)</i> and <i>Toy(s)</i> , but expressly excluding any shadow vessel or such similar support vessel or such vessel's <i>Tender(s)</i> or <i>Toy(s)</i> or equipment.



**British
Marine**

British Marine

London, Dubai, Hong Kong, Malaysia, Miami, Singapore, Vietnam

britishmarine.com

British Marine is a trading name of QBE Europe SA/NV ('QBE Europe'), QBE UK Limited ('QBE UK'), and QBE Underwriting Limited ('QUL'). QBE Europe SA/NV is authorised by the National Bank of Belgium under licence number 3093. QBE UK and QUL are both authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. QUL is a Lloyd's managing agent. QBE UK Limited, trading as QBE Insurance, Middle East, is registered as a Recognised Company at the Dubai International Financial Centre, registered no. 0806, and is regulated by the Dubai Financial Services Authority. British Marine is a branding of QBE Insurance (Singapore) Pte Ltd, QBE Hongkong & Shanghai Insurance Limited, QBE Insurance (Malaysia) Berhad, and QBE Insurance (Vietnam) Company Limited.