

GUIDELINES FOR CLAIMS PROCEDURES

In the event you have to make a claim and to assist you with the Claims Procedure, please take the time to review the following steps. A "Marine Insurance" Claim is handled differently from that of an Automobile or Property Claim. The following is a guide only and is not to be taken as an admission of Liability by Underwriters.

1. **Minimize the Damage** - Damage has occurred to your vessel and it is important that you take whatever steps are necessary to prevent any further damage from occurring. The reasonable costs related to preventing further damage for a recoverable claim will be covered by your policy.
2. **Inform Your Broker/Agent** - Once your vessel is safe, immediately notify us. It is imperative that Underwriters be made aware of any event which may result in a claim against your policy. Failure to do so may limit your ability to recover under the policy.
3. **Surveyor/Adjustor** - Once Underwriters have been notified of the loss they will either appoint an independent Marine Surveyor or an Adjuster, who will contact you. The job of the Surveyor/Adjustor is to merely investigate the Cause, Nature and Extent of the damage and to report the findings to Underwriters. It is not the role of the Surveyor/Adjustor to make decisions regarding coverage.
4. **Accident Reports** - The Surveyor or Adjuster will provide you with an accident report, which you must fully complete and return to the sender as soon as possible. Your accident report will make up part of your claim file and without it Underwriters will not be able to consider your loss.
5. **Repairs** - Once the Surveyor/Adjuster has been in contact with you it will be necessary to have the damage repaired. The selection of repair facility is up to you; however, the Surveyor/Adjuster may be able to assist you by providing the names of qualified repairers. It should be made clear that your policy only responds for the reasonable cost of repairs. If a qualified repairer other than the one you chose submits a lower bid, Underwriters will only respond up to the lesser amount.
6. **Invoices** - Once repairs are complete, you will be responsible for paying the repair accounts and forwarding a copy of the paid invoice to either the Surveyor or Adjuster. If unable to arrange for payment of the repair account please contact us so that Underwriters may consider alternative arrangements.
7. **Approval of Claim** - Prior to acceptance or denial of your claim we will require full supporting documentation. This includes, the accident report, the Surveyor's/Adjuster' report (if applicable) and copies of the paid invoices. Once a decision regarding coverage has been made, you will be notified by your Agent/Broker.
8. **Settlement Cheque** - If your claim has been approved, a settlement cheque will be forwarded.

If you have any questions or problems you should contact your Agent/Broker as soon as possible. We want to be able to assist you with your claim and our goal is to handle every claim as quickly and efficiently as possible.

If the above steps are followed your vessel should be repaired without delay and you will be able to continue to enjoy your Boating Season.

POLICY CONDITIONS

THIS POLICY is made and accepted subject to the Coverage Summary Page attached hereto and to the conditions and stipulations named herein, all of which are part of this Policy; it being understood and agreed that in the case of any conflict or inconsistency the provisions in the Coverage Summary Page shall prevail, provided, however, that with respect to any insurance under Section D of this Policy, the liability of the "Company" for the term stated shall be in all respects as provided in such Section D, unaffected by any other condition or provisions of this Policy.

THIS POLICY contains warranties and general conditions, none of which are to be interpreted as suspensive conditions. The "Company" has agreed to accept the risk of insuring the Yacht on the condition precedent that the Insured will comply strictly and literally with these warranties and conditions. If the Insured breaches any of these warranties or conditions, the "Company" at its option will not pay any claim arising thereafter, regardless of whether or not such breach is causative or in any way connected to such claim.

WARRANTIES AND GENERAL CONDITIONS

PRIVATE PLEASURE WARRANTY	Warranted to be used solely for private pleasure purposes and not to be let out for hire or charter unless approved by the "Company" and permission endorsed hereon.
TRANSFER OF INTEREST	This insurance shall be cancelled from the time the interest insured shall be sold, assigned or transferred to other management.
DEFINITION OF INSURED	<p>It is understood and agreed that the word "Insured" whenever used in this Policy, includes in addition to the named Insured, any person, firm, corporation or other legal entity who may be operating the vessel with the prior permission of the named Insured, but does not include a person, firm, corporation or other legal entity, or any agent or employee thereof, operating a shipyard, boat repair yard, marina, yacht club, sales agency, boat service station or similar organization. This insurance is conditional upon compliance by an Insured with all the terms, conditions and warranties applicable to the named Insured.</p> <p>Nothing contained herein shall be construed to increase the limits of the "Company's" liability as stated in Section "D" of this Policy.</p>
CONTINUATION CLAUSE	If the vessel insured hereunder is at sea, at the expiration of this Policy, the risk shall be continued until arrival of the vessel at her port of destination and her being moored therein twenty four (24) hours in good safety, provided notice be given to the "Company" as soon as practicable and additional premium paid, at daily pro rata of the annual premium.
NEWLY ACQUIRED VESSEL	If the Insured purchases another vessel either as a replacement for or in addition to the vessel described in the Policy, this Policy shall automatically apply to such acquisition, provided the Insured reports such acquisition to the "Company" within thirty (30) days and pays additional premium as may be required. Notwithstanding the foregoing the amount of insurance on Hull & Machinery under this Policy shall not exceed the purchase price.
STATUTORY OBLIGATIONS	The Insured shall at all times comply with all relevant laws, by-laws and regulations governing the use of the insured property.
LICENSE	This Policy will not cover loss, damage or liability whilst the vessel is being operated, with the consent of the owner, by an unlicensed person when a license is necessary.
MISREPRESENTATION	This Policy shall be voidable at the option of the "Company", if the Insured has concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interests of the Insured therein, or in the case of fraud or false swearing by the Insured touching any matter relating to this insurance or the subject thereof, whether before or after loss.
DISHONESTY AND WILFUL MIS-CONDUCT EXCLUSION	<p>This Policy does not cover any loss, damage or expense, arising directly or indirectly from:</p> <ol style="list-style-type: none">Any dishonest, fraudulent or criminal act on the part of the Insured, or employee(s) or agent(s) of the Insured;Or in consequence of wilful misconduct of the Insured
CANCELLATION	<p>This Policy may be cancelled at any time at the Insured's request or by the "Company", by giving thirty (30) days written notice of such cancellation. Return premium, if any, shall be allowed at daily pro rata of the Annual Net Premium (being Gross Premium <u>less</u> commission allowed to the Insured's Insurance Broker).</p> <p>No return premium in the event of payment of Total and/or Constructive Total Loss hereunder.</p>
NON-PAYMENT OF PREMIUM	<p>If payment of premium is not made by the Insured within thirty (30) days after attachment of the insurance or, in the event the "Company" shall have agreed to accept deferred payments, if any payment of any premium is not made on the day agreed, this Policy may be cancelled at any time thereafter by the "Company" giving to the Insured named herein and to third party payee or payees (if any) named in the Policy, five (5) days notice of such cancellation.</p> <p>Such notice may be given by the "Company" or on their behalf by British Columbia Land & Insurance Agency Ltd.</p> <p>Such cancellation shall be without prejudice to the premiums earned and due for the period the Policy was in force.</p> <p>In the event of Total and/or Construction Total Loss occurring prior to cancellation full annual premium shall be deemed earned.</p>

LAY-UP WARRANTY

Warranted laid-up and out of commission from November 1st to March 31st (both days inclusive) Standard Time at _____, but this vessel may operate between November 1st and March 31st if confined to those waters within the Applicable Navigation Limits, which are year-round ice free.

NUCLEAR CLAUSE

Warranted free from any claim for loss by nuclear reaction or nuclear radiation or radioactive contamination all whether controlled or uncontrolled and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this Policy, howsoever, subject to the foregoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this Policy.

NOTICE OF LOSS

In the event of any accident, loss, damage or injury for which claim may be made under this Policy, written notice shall be given by or on behalf of the Insured to the principal office of the "Company" in the Province of British Columbia, as soon as practicable. Such notice shall contain particulars sufficient to identify the Insured and also reasonably obtainable information respecting the time, place and circumstances of the accident, loss, damage or injury and the name and address of the injured person and of any available witness. If claim is made or suit is brought against the Insured, the Insured shall immediately forward to the "Company" every demand, notice, summons or other process received by him or his representative.

LIMIT OF TIME FOR SUIT

No suit or action on this Policy or for the recovery of any claim hereunder shall be sustainable in any court of law or equity unless all terms, conditions and warranties in this Policy are complied with and unless commenced within twelve (12) months next after the happening of the loss; provided that where such limitation of time is prohibited by the laws of the Province of British Columbia, then and in that event no suit or action under this Policy shall be sustainable unless commenced within the shortest limitation permitted under laws of the Province of British Columbia.

LEGAL REPRESENTATION AND COOPERATION

The Insured shall co-operate with the "Company" and shall not assume any obligation, admit any liability or incur any expense without the consent of the "Company"; and in the event the "Company" undertakes the defence of any suit or action, the Insured shall attend hearings and trials and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits and limitation proceedings, and the "Company" shall reimburse the Insured for any expense incurred at the "Company's" request. The Insured shall not, except at his own cost, voluntarily make any payments, assume any obligation or admit any liability or incur any expense.

SUBROGATION

In the event of any accident, loss, damage or injury for which claim may be made under this Policy, the Insured agrees to subrogate to the "Company" all rights which the Insured may have against any other person or entity with respect to said accident, loss, damage or injury. In case of any agreement or act, past or future, by the Insured, against any person or entity, is released or lost which would, on acceptance of abandonment or payment of loss by the "Company", belong to the "Company", but for such agreement or act, this insurance shall be vitiated to the extent that the "Company's" right of subrogation has been impaired thereby; provided, however, that the right of the "Company" to retain or recover any premium paid or due hereunder shall not be affected.

Notwithstanding the foregoing, the giving by the Insured, prior to a loss under this Policy, of a release or a waiver of liability to a public commercial boat or motor storer, or repairer, or to a marina or yacht club shall not prejudice this insurance.

PAYMENT OF LOSS

In case of loss payable under this Policy, such loss to be paid in thirty (30) days after proof of loss in a form satisfactory to the "Company" of the total finalized claim arising out of any one accident or occurrence and proof of interest in the property insured, all indebtedness between the Insured and the "Company" being first deducted.

FIBREGLASS AND PATCH CLAUSE

If the hull of the insured vessel is made in whole or in part of plywood, plastic, or fiberglass, it is understood and agreed that in the event of damage caused by a peril insured against, the "Company" shall only be liable for repairs made by applying suitable patches to the damaged hull area, in accordance with good repair practice.

It is also agreed that the "Company" will not be liable for the cost or expense of painting or impregnating colour beyond the immediate damage area or areas. These principles shall also govern in determining whether or not the insured vessel is a Constructive Total Loss.

OTHER INSURANCE

If at the time of happening of any loss there is any other similar or identical insurance on the property insured hereunder, whether prior or subsequent in date, or simultaneous with this insurance, then the "Company" shall not be liable under this Policy for a greater proportion of any loss of or damage to the property insured hereunder than the amount hereby insured shall bear to the whole insurance effected, whether valid or not.

DEDUCTIBLE CLAUSE

No claim arising from a peril insured against shall be payable under this Policy unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Section "C") exceeds the amount shown on the Declaration page herein, in which case this sum shall be deducted. Nevertheless the expense of sighting the bottom after stranding, if reasonably incurred specially for that purpose, shall be paid even if no damage be found. This clause shall not apply to a claim for Total and/or Constructive Total Loss nor for claims falling under the Sue & Labour Clause, the Salvage Charges Clause and the Collision Liability Clause.

**RADIOACTIVE
CONTAMINATION
EXCLUSION CLAUSE**

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to, by or arising from:

1. Ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
2. The radioactive, toxic explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
3. Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

WATER SKIING

Provided WATER SKIING is covered by this Policy, it is understood and agreed that " WATER SKIING operations " are deemed to have commenced from the time the vessel insured hereunder becomes underway for the purpose of such activity and shall cease when the vessel is docked, moored or removed from the water, or, the WATER SKIING equipment being stowed on the vessel or elsewhere and/or all persons, who were engaged in such activity are safely aboard the vessel or have departed the scene, whichever shall first occur.

Warranted this Policy does not cover, under Section D, Protection and Indemnity, liability arising out of:

- a) Parasailing and/or paraskiing and/or the towing of tire inner tubes.
- b) The towing of waterboards unless they are commercially manufactured.

HULL AND MACHINERY INSURANCE

PRIVILEGES

In port and at sea, on inland waters, rivers, canals, under power or sail, in docks and graving docks and on ways, gridirons and pontoons and/or the hard and/or the mud, at all times in all places, and on all occasions. With leave to sail with or without pilots, to tow and assist vessels or craft in all situations, and to be towed as may be required.

TRADING WARRANTY

Unless otherwise defined in the Policy Declarations: Warranted to be confined to the coaster waters of British Columbia, Washington State and Oregon. Including inland waters of British Columbia, Alberta, Saskatchewan, Manitoba, the Yukon Territory, Northwest Territories, Washington State, Oregon, Idaho and Montana.

Warranted that vessels operating in the Yukon and Northwest Territories to be laid-up on dry land during the winter months and engine to be properly winterized.

PROPERTY COVERED

Upon the hull, spars, sails, fittings, tackle, apparel, machinery, outboard motors, electric light installations and plant, launches, dinghies, tenders, life rafts and their outboards, furniture and all other equipment and accessories of and in the vessel hereby insured. The launches, dinghies, tenders, life rafts and their outboards of the vessel are insured afloat and ashore whether with the parent vessel or not subject to all the terms and conditions of this Policy.

HULL VALUATION

The vessel including all the property insured under this Section is and shall be valued at the sum stated for Hull Insurance in Section "A" on the Schedule of this Policy.

EQUIPMENT ON SHORE

It is also agreed that should any part of the furniture, tackle, boats or other property of the said vessel be separated and laid up on shore during the life of this Policy, then this Policy



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shall cover the same to an amount not exceeding 50% of the sum stated for Hull Insurance in Section "A" on the Schedule of this Policy. The amount attaching on the said vessel shall be decreased by the amount so covered.

PERILS

This Policy insured against all risks of loss of or damage to the vessel howsoever caused, except as hereinafter excluded. Including whilst the insured vessel is being transported on land conveyance with the Provinces of British Columbia, Alberta, Saskatchewan and Manitoba, the Yukon Territory, the Northwest Territories, Washington State, Oregon, Idaho and Montana and including the risks of loading and unloading. Also, to cover loss of or damage directly caused by explosions, bursting of boilers, breakage of shafts or through any latent defect in the boilers, breakage of shafts or through any latent defect in the hull or machinery (excluding in all cases, the cost of repairing, replacing or installing the defective part) providing such loss or damage has not resulted from want of due diligence by the Insured, Owners or "Manager's".

EXCLUSIONS

This Policy does not insure, directly or indirectly or in consequence of:

- a) Against loss or damage caused by faulty design, faulty workmanship, the installation or use of improper or defective materials, wear and tear, gradual deterioration or corrosion;
- b) Loss or damage caused by marine borers, marine life, inherent vice, vermin;
- c) The cost of repairing, replacing or renewing any defective part condemned solely in consequence of wear and tear or latent defect, electrolysis, rust or corrosion; but not excluding consequential loss and damage arising from the foregoing; provided such loss or damage has not resulted from want of due diligence by the Insured, Owners or "Manager's";
- d) Freezing unless the Insured has taken reasonable precautions to protect the subject matter insured
- e) Loss or damage from or in consequence of contact with ice on inland waters of British Columbia and navigable waters north and/or south and/or east of British Columbia.

CONSTRUCTIVE TOTAL LOSS

No recovery for a constructive total loss shall be had hereunder unless the expense of recovering and repairing the vessel shall exceed the sum stated for Hull Insurance in Section "A" on the Schedule of this Policy

UNREPAIRED DAMAGE

In no case shall the "Company" be liable for unrepaired damage in addition to a subsequent total loss sustained during the term covered by this Policy.

SUE & LABOUR CLAUSE

And in case of any loss or misfortune, it shall be lawful for the Insured, their factors, servants and assigns, to sue, labour and travel for, in and about the defence, safeguard and recovery of the said vessel or any part thereof, without prejudice to this insurance; the charges whereof we, the "Company", will pay. And it is especially declared and agreed that no acts of the "Company" or the Insured in recovering, saving or preserving the property insured shall be considered as a waiver or acceptance of abandonment.

NEW FOR OLD

In the event of damage, cost of repairs to be paid without deduction, new for old, except with respect to sails and canvas, where a deduction new for old not exceeding one-third may be made at the "Company's" discretion.

SALVAGE CHARGES

This insurance shall also cover salvage charges, and/or expenses, but in no event shall the amount recoverable under this clause in respect of any one accident or series of accidents arising out of the same event exceed the amount of insurance specified in Section "A" on the Schedule of this Policy.

STRIKES, RIOTS, CIVIL COMMOTION, MALICIOUS DAMAGE VANDALISM

This insurance also covers damage to or destruction of the property insured directly caused by strikers, locked-out workmen to person taking part in labour disturbances or riots or civil commotions or caused by vandalism, sabotage or malicious mischief, but excluding civil war, revolution, rebellion or insurrection or civil strife arising there from, and warranted free from any claim for delay, detention or loss of use.

Notwithstanding the foregoing, vandalism, sabotage and malicious mischief, as used herein, shall be construed to include wilful or malicious physical injury to or destruction of the described property caused by acts committed by an agent of any government, party or faction engaged in war, hostilities, or other warlike operations, provided such agent is acting secretly and not in connection with any operations of military or naval armed forces in the country where the described property is situated.



COLLISION LIABILITY

It is further agreed that if the vessel hereby insured shall come into collision with any other vessel and the Insured shall in consequence thereof become liable to pay and shall pay by way of damages to any other person or persons any sum or sums in respect of such collision for:

- a) loss of or damage to any other vessel or property on any other vessel;
- b) delay to or loss of use of any such other vessel or property thereon; or
- c) general average of, salvage of, or salvage under contract of any such other vessel or property thereon;

The "Companies)" will pay the Insured such proportion of such sum or sums so paid as their respective subscriptions hereto bear to the value of the vessel hereby insured, provided always that their liability in respect of any one such collision shall not exceed their proportionate part of four-fourth of the value of the vessel hereby insured and in cases in which, with the prior consent in writing of the "Company", the liability of the vessel has been contested or proceedings have been taken to limit liability, they will also pay a like proportion of four-fourths of the costs which the Insured shall thereby incur or be compelled to pay; but when both vessels are to blame, then unless the liability of the Owners of one or both of such vessels becomes limited by law, claims under this clause shall be settled on the principle of cross-liabilities as if the Owners of each vessel had been compelled to pay to the Owners of the other of such vessels such one-half or other proportion of the latter's damages as may have been properly allowed in ascertaining the balance or sum payable by or to the Insured in consequence of such collision.

Provided always that this clause shall in no case extend, or be deemed to extend, to any sum which the Insured may become liable to pay or shall pay for or in respect of:

- a) removal or disposal, under statutory powers or otherwise, of obstructions, wrecks, cargoes or any other thing whatsoever;
- b) any real or personal property or thing whatsoever except other vessels or property on other vessels;
- c) pollution or contamination of any real or personal property or thing whatsoever (except other vessels with which the insured vessels is in collision or property on such other vessels);
- d) the cargo or other property on or the engagements of the insured vessel;
- e) loss of life, personal injury or illness.

Should the Insured vessel come into collision with or receive salvage services from another vessel belonging wholly or in part to the Insured, or under the same management, the Insured shall have the same rights under this Policy as he/she would have were the other vessel entirely the property of owners not interested in the insured vessel, but in such cases the liability for the collision shall be referred to a sole arbitrator to be agreed upon between the "Company" and the Insured.

PROPANE WARRANTY

Warranted that no propane refrigerator(s), propane heater(s) or propane furnace(s) with pilot light(s) is, or will be, installed on board the insured vessel during the term of this Policy. With respect to propane stove(s) and propane water heater(s) with pilot light(s), it is WARRANTED that the propane system will be shut off at the manually operated shut-off valve on the cylinder at all times when the vessel is left unattended.

SECTION "B"
BOAT TRAILER INSURANCE

If an amount is written on the Schedule of this Policy opposite to Section "B" and a premium is set opposite thereto, the coverage provided under Section "A" is extended to cover the Boat Trailer owned by the Insured.

A claim under this section shall be subject to a deductible of \$100. The deductible average shall not apply to Total and/or Constructive Total Loss.



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SECTION "B"
BOATHOUSE INSURANCE

If an amount is written on the Schedule of this Policy opposite to Section "B" and a premium is set opposite thereto, the coverage provided under Section "A" is extended to cover the Boathouse owned by the Insured.

A claim under this section shall be subject to a deductible of \$250. The deductible shall not apply to Total and/or Constructive Total Loss.

SECTION "C"
PERSONAL EFFECTS INSURANCE

If an amount is written on the Schedule of this Policy opposite to Section "C" and a premium is set opposite thereto, this Policy covers "All Risks" of loss or damage to wearing apparel, personal effects, and sports equipment of the Insured and his immediate family and, at the Insured's option, guests or volunteer crew. This coverage shall apply only while such property is aboard the vessel, or while being laden upon or unladen from the vessel.

The "Company" shall not be liable for more than the actual cash value at the time of loss of the property insured hereunder, but in no event for more than the sum of \$250 on any article of personal adornment such as (but not limited to) jewellery, costume jewellery, watches, prescription eyeglasses, cameras or furs providing always that the limit of liability hereunder shall not exceed \$2,500 for any one accident or series of accidents arising out of the same event.

The insurance under this section does not cover, wind sailboards, cellular phones, currency, travellers cheques, passports, securities, evidence of debt, valuable papers or documents. Neither shall it cover any loss, damage or expense caused by or resulting from wear and tear, gradual deterioration, corrosion, inherent vice, changes in temperature, dampness or dryness of atmosphere, mechanical or electrical failure or disturbances unless directly caused by lightning.

A claim under this section shall be subject to a deductible average of \$100 all claims, each accident or occurrence.

Except as otherwise provided in this section all terms, provisions and conditions of this Policy shall have full force and effect.

In the event there is other valid insurance covering loss or damage to personal effects, this cover shall only indemnify claims in excess of such other insurance (e.g. Homeowner's policy).

SECTION "D"
LIABILITY TO THIRD PARTIES

If an amount is written on the Schedule of this Policy opposite to Section "D" and a premium is set opposite thereto, the "Company" further agrees that if the Insured shall by reason of his interest in the insured vessel become liable to pay and shall pay any sum or sums in respect of any responsibility, claim, demand, damages, expenses to other loss arising from or occasioned by any of the following matters or things during the currency of this Policy in respect of the vessel insured, that is to say:

- LOSS OF OR DAMAGE TO any other vessel (except as covered under the Collision Liability Clause contained in Section "A" of this Policy) or goods, merchandise, freight or other things or interest whatsoever, on board such other vessel, caused proximately or otherwise by the vessel insured;
- LOSS OF OR DAMAGE TO any goods, merchandise, freight or other things or interests whatsoever other than as aforesaid whether on board said vessel or not, which may arise from any cause whatever;
- LOSS OF OR DAMAGE TO any harbour, dock (graving or otherwise), slipway, way gridirons, pontoon, pier, quay, jetty, stage, buoy, telegraph or other fixed or movable thing whatsoever, or to any goods property in or on the same, howsoever caused;
- LOSS OF LIFE, personal injury, illness, payments made for life salvage, or hospital, medical or funeral expenses arising from accident on board or near the vessel, or any other vessels;

- OFFICIAL ENQUIRIES and Coroners Inquest costs;

The "Company" will pay the Insured such sum or sums so paid, or which may be required to indemnify the Insured for such loss.

- Provided always that the liability of the "Company" in respect to any one accident or series of accidents shall not exceed in the Aggregate the amount stipulated for Liability to Third Parties on the Schedule of this Policy.

In cases where the liability of the Insured shall be contested with the written consent of the "Company", the "Company" will pay also the costs and expenses of such defence in which event the exclusive direction and control of the defence is reserved to the "Company".

LIABILITY EXCLUSIONS

The "Company" shall not be liable for claims in respect of death or bodily injury or damage to property made against the Insured:

- for any claims for payment under any Workers' or Workmen's Compensation legislation by any person in the service of any contractor or sub-contractor to the Insured or by any dependent of such person;
- in respect of property owned by the Insured or any member of his/her or in his/her legal control or in the legal control of any member of his/her family ordinarily residing with him/her;
- directly or indirectly caused by or arising out of the use of any trailer whilst attached to a motor vehicle. While the vessel insured hereunder is being trailered or otherwise transported on any land conveyance, coverage under this section is suspended and of no force and effect;
- to liability assumed by the Insured under any contract or agreement except such liability as would exist in the absence of such contract or agreement;
- any fine or penalty levied against the Insured by any national, federal, provincial, state or local government or jurisdiction.
- Warranted that Amount of Insurance under Section "D" - Protection and Indemnity, is restricted to a maximum limit of \$250,000 whilst the insured vessel is being used for WATER SKIING purposes. Warranted that this Policy does not cover under this Section "D", liabilities to third parties whilst:
 - Parasailing and/or paraskiing and/or during the towing of tire inner tubes, or being towed on waterboards unless such waterboards are commercially manufactured.

CONDITIONS FOR PAYMENT

No liability shall exist under this Liability to Third Parties Insurance unless as a condition precedent thereto, all the terms, conditions and warranties of this Policy have been fully complied with, nor until the fact and amount of the Insured's obligation to pay shall have been finally determined either by judgement against the Insured after actual trial or by written agreement between the Insured, the Claimant and the "Company".

MEDICAL PAYMENTS INSURANCE

If a premium is written on the Declaration Page for Section "E" of this Policy and subject to the conditions of this Policy, the "Company" also agrees to pay for each person which sustains bodily injury caused by accidents occurring during the Policy Period, while in or upon, boarding or leaving the within insured vessel, the reasonable expense of necessary medical, surgical, ambulance, hospital and professional nursing services, and in the event of death resulting from such injury, the reasonable funeral expense, incurred within one (1) year from the date of accident, subject to the following conditions:

LIMIT OF LIABILITY

Notwithstanding the foregoing, the "Company" shall not be liable hereunder for any expenses incurred in any one accident, or series of accidents arising out of the same event, in excess of \$5,000 per person or \$20,000 in the aggregate.

EXCLUSIONS

The coverage afforded hereunder shall not apply:

- To bodily injury to or death of any person:
 - to or for whom benefits are payable under any Workmen's Compensation or under the U.S.A. Federal Longshoremen's and Harbour Workers' Compensation Act;
 - who, in being in or upon or in boarding or leaving the within insured vessel, is a trespasser;
 - who is an employee of the Insured;
- In respect of any sum, the payment of which is prohibited by any law or enactment;
- To liability assumed by the Insured under any contract or agreement;



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- d) To or for whom benefits are payable under any Provincial, State or Private Medical or Dental Insurance Plan.

MEDICAL AND OTHER REPORTS

The injured person, or someone on his behalf, shall as soon as practicable, furnish full obtainable information pertaining to the accident and injury, and execute authorization to enable the "Company" to obtain medical reports and copies of records.

EXAMINATION

The injured person shall submit to physical examination by the "Company" when and as often as the "Company" may reasonably require.

PROOF AND PAYMENT OF CLAIM

As soon as practicable after completion of the services or after the rendering of services which in cost equal or exceed the total amount of the "Company's" liability named in this Section, or after the expiration of one year from the date of accident, which ever first transpires, the injured person or someone on his behalf, shall give to the "Company" written proof of claim under oath, stating the name and address of each person and organization which has rendered services, the nature and extent and the dates of rendition of such services, the itemized charges therefore at the amounts paid thereon. Upon the "Company's" request, the injured person or someone on his behalf shall cause to be given to the "Company" by each such person and organization written proof of claim under oath, stating the nature and extent and dates of rendition of such services the itemized charges therefore and the payments thereon.

The "Company" shall have the right to make payment at any time to the injured person or to any such person or organization on account of the services rendered, and a payment so made shall reduce to the extent thereof the amount payable hereunder to or for such injured person on account of such injury.

No payment made under this Section shall constitute an admission of liability of the Insured, or, except under this Section, of the "Company".

U.S.A. LONGSHOREMEN'S AND HARBOUR WORKERS' COMPENSATION INSURANCE

If a premium is written on the Declaration Page for Section "F" of this Policy and subject to the conditions of this Policy, the "Company" also agrees to cover, but only when the insured vessel is operating within U.S.A. territorial waters and/or within U.S.A. jurisdiction, the following.

- I) All liability of the Insured in respect of the insured vessel as an employer within the meaning of the Longshoremen's and Harbour Workers' Compensation Act being Public Act No. 803 of the 69th congress, approved March 4, 1927, and all laws amendatory or supplementary thereto, which may be or become effective while this Policy is in force.
- II) The "Company" will carry out the provision of Section 35 of said Act. Insolvency or bankruptcy of the employer and/or discharge therein shall not relieve the "Company" from payment of compensation and other benefits lawfully due for disability or death sustained by an employee during the life of the Policy.
- III) The "Company" agrees to abide by all provisions of said Act and all lawful rules, regulations, orders, and decisions of the United States Employees' Compensation Commission and of the deputy commissioner having jurisdiction, unless and until set aside, modified or reversed by a court having jurisdiction of the parties and the subject matter.

Provided always that the liability of the "Company" in respect to any one accident or series of accidents shall not exceed in the Aggregate the amount stipulated for Liability to Third Parties on the Schedule of this Policy.