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yacht-insurance.ca

## YACHT INSURANCE DECLARATIONS

This is to certify that in consideration of the premium mentioned herein, BC Yacht Insurance Brokers Inc. (As Agents Only) have placed insurance with underwriters as shown hereunder, in respect of the following:

<b>POLICY NO. SAMPLE</b>		<b>PURPOSE OF DOCUMENT:</b>	
<b>NAME AND ADDRESS OF INSURED:</b>			
<b>POLICY PERIOD:</b>			
From: <b>01/01/01</b> (mm/dd/yy) Noon, Pacific Standard Time		To: <b>01/01/01</b> (mm/dd/yy) Noon, Pacific Standard Time	
<b>Loss or damage to insured property is payable jointly to the Insured and to the Loss Payee, if any, as their interests may appear</b>			
<b>LOSS PAYABLE TO: Assured or Order</b>			
<b>NAVIGATIONAL LIMITS</b>			
Trading Limit: <b># 3</b>		As attached hereto.	
<b>DESCRIPTION OF INSURED PROPERTY</b>			
<b>Vessel Name:</b>	<b>Description:</b>		<b>Registration No.</b>
	<b>Year Built</b>	<b>Make &amp; Details</b>	<b>Length / HP</b>
Hull & Machinery			
Tender / Dinghy			
Auxiliary Outboard Motor			
<b>WARRANTIES/ SPECIAL CONDITIONS: Policy Wording BCYIB 01.2009; Private Pleasure Use Only.</b>			
<b>COVERAGES</b>			
Insurance is provided only for coverages for which a specific amount of insurance is stated herein	<b>Deductible</b>	<b>Amount of Insurance</b>	<b>Premium</b>
Vessel & Machinery	\$ 250	\$	\$
Electronic Navigational Equipment	\$ 250	<b>INCLUDED</b>	<b>INCLUDED</b>
Tender / Dinghy	\$ 250	\$	\$
Auxiliary Outboard Motor	\$ 250	\$	\$
Emergency Towing Coverage	\$ 50	\$ 1,000	<b>INCLUDED</b>
Loss of Use Coverage	\$ NIL	\$ 2,500	<b>INCLUDED</b>
Personal Effects Insurance	\$ 250	\$	
Protection & Indemnity Insurance	NIL	\$ 1,000,000	\$ <b>INCLUDED</b>
Underinsured Boater Protection	NIL	\$ 1,000,000	\$ <b>INCLUDED</b>
Protection & Indemnity Sublimit for Waterskiing	NIL	\$ 100,000	\$ <b>INCLUDED</b>
Medical Payments Insurance	NIL	\$ 5,000.00 ANY ONE PERSON / \$25,000.00 ANY ONE ACCIDENT OR OCCURRENCE	\$ <b>INCLUDED</b>
		<b>TOTAL PREMIUM</b>	\$
Failure of the Insured to notify the Insurer, within 14 days of the reception of this document, of any errors in this and any other document attached hereto shall be construed as acceptance of the information contained in the said documents.		<b>ECONOMICAL MUTUAL INSURANCE COMPANY</b>	
Dated: March 2009		per _____ of <b>BC Yacht Insurance Brokers Inc.</b>	

The information on this Declaration Page must be read in conjunction with the Policy Wording and Conditions of which it forms a part.

## *Yacht Insurance Policy Wording*

### **DEFINITIONS**

The following definitions apply throughout this policy:

**Declarations** means the first pages of the insurance contract that name the insureds, describe the property insured, specify coverage limits and detail other specifics, coverages and/or limitations included in the policy.

**You and Your** mean the Insureds named in the Declarations.

**We, Our and Us** mean the Underwriting Insurance Company.

**Insured Person** means you and members of your family who reside with you; and any other person over the age of sixteen with a valid driver's license or a harbour license, while operating your yacht with your prior permission. The term Insured Person does not include any paid captain or other paid crew member of your yacht, any charterer or any organization operating a marina, yacht club, shipyard, boat service station, sales agency or similar organization. Also, we will not cover any of their agents or employees.

**Yacht** means the motoryacht, sailboat, craft, cruiser, or similar vessel described in the Declarations, including its sails, machinery, furniture and other equipment normally required for its operation or maintenance.

**Total Loss** means the specific property is completely lost or destroyed or the cost of recovering and repairing is greater than the value stated in the Declarations.

### **AGREEMENT**

The Application for Insurance; including marine surveys, experience resumes, photographs, and any other written submissions, summaries or addendums used in the submission for insurance all form part of this contract and on the basis of the statements contained in the application and attachments we will provide the insurance described in this policy and, in return, you will pay the premium. You and any other insured person must comply with the provisions of this policy or contract.

### **CANADIAN CURRENCY**

All funds noted herein and in the Declarations are stated in Canadian Currency, and all losses will be settled in Canadian Currency.

### **POLICY PERIOD**

This policy covers only those insured losses occurring within the policy period noted in the Declarations.

### **DEDUCTIBLES**

Each claim for loss or damage, under any coverage, shall be adjusted separately and from each adjusted claim we will deduct the amount of the deductible shown in the Declarations for that coverage. Two or more losses resulting from the same accident or occurrence shall be treated as one claim and only the higher of the associated deductibles will apply.

Unless otherwise stated in the Declarations:

- no deductible will be applied if there is a total loss.
- \$250 deductible applies to hull and machinery damage from burglary, attempted burglary or malicious damage losses.
- \$250 deductible applies to tenders or dinghies, outboards, liferafts, electronic equipment and personal effects losses.
- no deductible applies to damage from collision from third parties when the yacht is at anchor or moored.
- no deductible applies to fire losses, when the fire does not originate on your yacht.

### **PERILS INSURED**

This policy insures against all risks of direct physical loss or damage to the insured vessel and property howsoever caused unless otherwise specified or limited herein.

### **NEW FOR OLD**

In the event of a loss to the insured vessel and property, subject to any limitations noted in the Declarations, the policy will pay the full costs of repair or replacement including applicable taxes without deduction for age, use or depreciation unless otherwise specified or limited herein.

### **AGREED VALUE**

In the event of a total loss; we agree to pay the full amount of insurance stated for vessel hull and machinery, tenders or dinghies, outboards, liferafts, personal property, boathouses, trailers or other lost property specifically described and valued in the Declarations.

### ACTUAL CASH VALUE

Actual cash value (ACV) is determined by deducting for depreciation, age & condition from the current full replacement cost of lost or damaged property, including applicable taxes. Consideration is given to the condition of lost or damaged items as well as their current resale value immediately before an insured occurrence, and the normal life expectancy of lost or damaged items.

### RESTRICTIONS ON THE USE OF THE YACHT - WARRANTIES

In order to keep this policy in effect, you and any insured person, must make, and must keep, certain promises. These are known as Warranties. If any of these Warranties are violated, coverage will be terminated from the time of such violation. Subsequent correction of the violation will not reinstate the coverage. It is therefore Warranted that:

1. the yacht will be used solely for private pleasure purposes. The yacht will not be chartered, leased or used for any commercial purposes or for hire unless otherwise agreed in writing by us;
2. the yacht will be used only within the Navigation Limits stated in the Declarations unless otherwise agreed in writing by us;
3. the yacht will not be used in any race or speed test while under power. The yacht may, however, participate in "predicted log" competitions and insured sailboats may engage in racing under sail without prejudice to this insurance.
4. any propane, alcohol or kerosene equipment used on your yacht will be installed as per the National Fire and Protection Association Standards or equivalent standard;
5. the insured property will be kept in a seaworthy condition whenever afloat or being operated;
6. the yacht will not be used in any illegal or criminal activity by any insured person;
7. if the yacht is Laid-up afloat or ashore, the insured property will be safely secured for storage;

### GENERAL EXCLUSIONS

We will not cover:

1. loss resulting from your intentional or criminal acts.
2. theft by persons to whom you entrust the property, other than carriers for hire.
3. loss that results from the lawful or unlawful capture, seizure, requisition or detention of your yacht by a civil authority, or an attempt at any of these.
4. loss that results from war or any warlike operation. This includes declared and undeclared war, terrorism, invasion, act of foreign enemy, declared or undeclared hostilities, civil war, rebellion, revolution, insurrection or military power.
5. loss that is caused in whole or in part, either directly or indirectly, by a nuclear reaction or nuclear radiation;
6. loss or damage caused by strikers, locked out workmen or persons taking part in labour disturbances, riots or civil commotions.
7. any liability for which you or an insured person becomes liable as a result of discharging or releasing any fuel, chemicals, waste or other pollutants unless the discharge is sudden and accidental. A sudden and accidental occurrence is deemed to include any one accident or series of accidents from the same cause occurring over any 72 hour period.
8. any loss, damage, liability or expense of any kind arising out of the use of your yacht for parasailing or similar activity.

### HULL & MACHINERY INSURANCE

**Property that is covered:** We will cover your yacht and, if described in the Declarations; your yacht's tenders, dinghies, liferafts, auxiliary motors, boathouse and trailer.

We will not pay more than \$15,000 or 6%, of the Yacht Value shown in the Declarations; or the Value specified in the Declarations for the total of the insured tenders, dinghies, liferafts, and auxiliary motors, whichever is the lesser, for any loss of or damage to your yacht's tenders, dinghies, liferafts, and auxiliary motors used with such tenders or dinghies, and any equipment pertaining thereto.

We will also cover any of the furniture, tackle, boats, or other property of the yacht being separated and laid up securely on shore, but not exceeding 50% of the Yacht Value stated in the Declarations. We will also include coverage while said property is in direct transit between the yacht and the locked, secure storage location. A \$500 deductible applies to all property while stored ashore.

**General Average and Salvage Charges:** We will pay General Average and Salvage Charges, where properly and reasonably incurred, but not exceeding the amount shown in the Declarations.

**Causes of loss that are covered:** We will cover accidental direct physical loss or damage to the insured property from any cause. This includes physical damage that is caused directly from any defect in the yacht that could not have been discovered by a reasonably thorough inspection and which is not otherwise excluded in this Policy, but does not include the cost of repairing or replacing any defective part.

**Causes of loss that are not covered:** We will not cover loss or damage from any of the following:

1. a lack of reasonable care in the maintenance or operation of your yacht, or your intentional misuse of the yacht;

2. wear and tear, gradual weathering and deterioration, rust, corrosion, mould, electrolysis, inherent vice, insects, marine life and borers, any defect in the design of your yacht, faulty workmanship, or the installation or use of improper or defective materials. But if a reasonably thorough inspection could not have discovered such a defect or condition, and such defect or conditions causes or results in a loss not otherwise excluded, we will pay for the resulting loss. In no case will we pay the cost to repair or replace the part or parts possessing the defect or condition. Nor will we pay the cost of betterment or alteration in design.
3. freezing damage unless the insured had taken reasonable precautions to protect the vessel and its machinery.

#### **INFORMATION TECHNOLOGY HAZARDS CLAUSE**

Losses otherwise recoverable under this policy arising, directly or indirectly, out of:

1. loss of, or damage to; or
2. a reduction or alteration in the functionality or operation of;  
a computer system, hardware, program, software, data, information repository, microchip, integrated circuit or similar device in or connected with computer equipment or non-computer equipment, whether the property of the policyholder or not,  
are not covered by this policy.

***If such losses are caused directly by one or more of the following physical perils, namely:***

theft of equipment, collision, sinking, grounding or stranding of carrying vessel, overturning or derailment of land conveyance, jettison or washing overboard, fire, lightning, explosion, aircraft or vehicle impact, falling objects, windstorm, hail, tornado, cyclone, hurricane, earthquake, volcano, tsunami, flood, freeze or weight of snow;

***Then*** this clause shall not prevent the coverage of losses from this Contract if otherwise permitted under the terms of this Contract and if they are caused by any such peril(s) as named herein.

#### **UNREPAIRED DAMAGE**

If the damage to the insured yacht or its equipment is not repaired:

1. we will not be liable for more than the actual cash value of the damaged parts. That value will not exceed what it would cost to repair the damaged property with material of like kind and quality;
2. we will not pay for unrepaired damage in addition to a payment for a subsequent total loss of the yacht and its equipment;
3. we will not be liable for any unrepaired damage that amounts to more than the amount of insurance shown for your yacht at the time this insurance terminates.

#### **BREAKDOWN/TOWING COVER**

Per single tow or incident, and subject to the amount specified in the Declarations, we will pay reasonable towing costs incurred as a result of any breakdown of the insured pleasure vessel, including running out of fuel. Towing is defined as from the location of the breakdown until the vessel is berthed at the home port or the nearest repair or fuel facility, whichever is the lesser.

#### **LOSS OF USE EXTENSION**

If an amount of insurance is indicated in the Declarations for Loss of Use then the following coverages apply:

**Emergency Vacation Expense and Loss of Use Coverage:** If you are using your yacht while on a vacation of more than 7 days total duration, and the yacht suffers a loss that is covered by this policy, and the vessel is thereby rendered unusable; then underwriters agree to reimburse you for necessary and reasonable accommodation expenses, or alternatively for expenses incurred to charter a replacement vessel of similar size and description to the yacht insured hereunder. Subject to the following:

- This coverage is subject to you having been using your yacht as a liveaboard at the time of loss while on vacation.
- Payment will be limited to the lesser time required from the date of loss to repair or replace your damaged or destroyed vessel, or the time you were scheduled to remain on vacation.
- Accommodation reimbursements are limited to \$250 per day and vessel charters are limited to \$750 per day.
- A combined total limit of \$2,500 applies.

#### **PERSONAL EFFECTS INSURANCE**

**Personal Effects:** Are defined as personal belongings that would not be sold with the vessel and that are not normally considered part of the yacht's standard operation & maintenance equipment. This includes items such as foul weather gear, personal sailing gear, sleeping bags or bedding, personal computers, fishing gear, sporting equipment or clothing.

**Property That Is Covered:** We will cover direct physical loss or damage caused by or resulting from one or more of the perils set forth in this policy to any personal effects of the insured and his immediate family and at the insured's option, guests or volunteer crew, provided such property is aboard the yacht, or while being laden upon or unladen from the yacht.

**Property That Is Not Covered:** We will not cover under any circumstances any loss for currency, traveler's' cheques, passports, securities, evidence of debt, valuable papers, documents, electronic data or records, jewellery, furs, cameras, fine arts, cellular telephones and sporting equipment where the loss or damage results from its use. Neither shall we 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 the atmosphere, mechanical failure or an electrical disturbance unless directly caused by lightning.

**Valuation:** We shall pay the reasonable cost to repair or replace with material of like kind and quality up to the limit of coverage shown in the Declarations after applying the deductible. In the event the property is not replaced, our limit will be the depreciated actual cash value.

**Other Insurance:** In the event there is other valid and collectible insurance, this coverage shall be secondary only, up to the limit specified in the Declarations.

### **TRAILERING**

Permission is granted for vessels 26 feet in length overall and under to be trailered within the confines of the navigational limits specified in the Declarations. Navigational limits are automatically extended to include all inland lakes in the specified regions for trailerable vessels 26 feet in length overall and under.

The definition of "yacht" does not extend to cover any dinghies, tenders, liferafts or any equipment pertaining thereto while the yacht is being towed or situated on any trailer.

**Warranted no coverage under this policy for theft of the insured yacht while the yacht is on the trailer and detached from the towing vehicle unless the following precautions are taken:**

The yacht and trailer are stored in a locked compound and/or chained to an immovable object and/or secured with a purpose built trailer wheel lock or other means of security, only if approved by us.

### **PROTECTION AND INDEMNITY INSURANCE**

We will reimburse insured persons who become legally liable for damages arising from their ownership or use of the yacht for:

1. bodily injury or death;
2. loss or damage to any property, whether it is on board your yacht or not. This includes loss or damage to any fixed or moveable object, such as a float or a dock, and any property that is on that object;
3. costs that result from the attempt or actual raising, removal or destruction of the wreck of your yacht if required by law;
4. the rescue, defence, safeguard and recovery of the yacht or any part thereof. It is especially declared and agreed that no acts of Ours or the Insured's in recovering, saving or preserving the property insured shall be considered as a waiver or acceptance of abandonment.
5. the rescue of you, your passengers and members of your crew.
6. if your liability is contested in any suit or action, we will pay the ensuing costs provided that you have obtained our prior written approval. We have the right to select the attorneys and we have the right to settle a claim or suit.

**Payment for Losses:** The Declarations state the coverage limits for Protection and Indemnity and Underinsured Boater Coverage. Regardless of the number of insured persons, this is the most we will pay for any losses which arise from any one accident or series of accidents caused by the same event. However liability during water-skiing will be limited to the specific amount shown in the Declarations.

**Claims That Are Not Covered:** We will not cover:

1. any liability you or any insured person have assumed under any contract or agreement. However, permission is granted to sign standard Hold Harmless Agreements with marinas, yacht clubs and similar authorities where such agreements are necessary and customary;
2. any person for bodily injury or property damage intentionally caused by you or that person;
3. any liability for bodily injury to any insured person;
4. any liability for damage to property owned or rented by, or in the care, custody and control of any insured person;
5. any bodily injury to or the death of workmen or any other persons employed in any capacity whatsoever by you in, on or about, or in connection with the yacht or any work or repair to it, if benefits are required or available under a workers compensation law;
6. any fine or other penalty which any government body requires you to pay;

**If You Use Someone's Vessel:** If as individuals, and for private pleasure use only, any insured person hereunder has permission to use someone else's yacht for private pleasure, this section of the policy will apply during such use. We will pay for losses resulting therefrom only after all other insurance covering the loss has been exhausted and we will only pay the difference between the limits payable under all other insurance covering the loss, and the limits of liability of this policy as shown in the Declarations. This limitation will apply whether you, the other yacht's owner, or the other yacht's operator has the other insurance. Under no circumstances will we pay for damage to, or loss of, the other owner's yacht.

**Uninsured and Underinsured Boater Coverage:** Under this coverage we will pay for bodily injuries sustained by you or any person insured by this policy, as a result of an accident with a third party uninsured or underinsured vessel, subject to the following conditions:

1. An insured person must be occupying a vessel insured by this policy at the time of the accident. An insured vessel includes when an insured person described in the Declarations is using someone else's yacht as described the paragraph regarding same noted above.
2. We will only respond for claims which you would be legally entitled to recover from the third party after a Judgement of a Court of competent jurisdiction is obtained.

3. This coverage will only apply in excess of any other collectable insurance available from third parties.
4. The maximum amount we will pay, regardless of the number of injured persons, is the limit of liability as shown in the Declarations.
5. In circumstances arising out of any one accident involving a claim for coverage provided by this endorsement, we will not pay more than the limit of liability shown in the Declarations less any amounts paid under the third party vessel's insurance.
6. This coverage does not apply if the third party vessel is owned by a governmental body or is owned or operated by a person insured by this policy.
7. Once we pay under this coverage we will be entitled to subrogate against third parties for any amounts we pay.

**Obligation to Pay:** We will not pay any amount under this section unless the insured persons' obligation to pay has been determined by judgment against the insured person after trial, or by written agreement between the insured person, the claimant and us.

**Federal Longshoremen's and Harbour Workers' Compensation Act of the United States of America:** We will provide you with coverage required by the Federal Longshoremen's and Harbour Workers' Compensation Act. We will cover you as long as your responsibility arises from your ownership or use of your yacht. The Longshoremen's and Harbour Workers' Compensation Act is Public Act No. 803 of the 69th Congress, approved March 4, 1927. It also includes any amendments which are in force while this policy is in effect. We will comply with all the provisions of this Act, and with any rules, regulations, orders and decisions of the Office of Workers' Compensation Programs, of the U.S. Department of Labor.

**Definitions:**

**Bodily injury** means accidental bodily injury, sicknesses or resulting death.

**Uninsured Vessel** means a vessel for which neither the owner nor the operator has liability insurance to cover bodily injuries.

**Underinsured Vessel** means a vessel for which the limit of liability insurance carried by an identified third party is less than the limit of liability of this policy as shown in the Declarations.

#### **MEDICAL PAYMENTS INSURANCE**

If any person is injured while boarding, on board, or alighting from the insured yacht, we will pay reasonable medical and funeral expenses if incurred within one year after the date of injury. The amount shown in the Declarations is the most we will pay for any one accident.

**Who Will Be Paid:** Medical payments may be made directly to the injured person or to the person or organization that provided the treatment.

**No Admission of Liability:** The fact that we make a medical payment does not mean that legal responsibility for the injury is admitted.

**When We Will Not Make Medical Payments:** Medical expenses are not covered:

1. When the insured has contractually assumed liability to the injured person.
2. For injuries suffered by persons employed to maintain or repair the yacht or by any other employees while they are engaged in their employment.
3. For injuries to the extent by which benefits are payable under any Provincial or Federal medical scheme.

#### **IN THE EVENT OF A LOSS**

If you or an insured person have a loss or a claim that may be covered under this policy, you or the insured person must:

**Notify Us:** Immediately notify BC Yacht Insurance Brokers Inc. of the loss or claim and provide us with a written statement which shall include:

1. with respect to the incident, where, when and how;
2. the property concerned and the nature of the loss;
3. the names and addresses of injured persons and the nature of the injuries;
4. the names and addresses of witnesses.

Within 30 days of the occurrence, submit a sworn written statement which sets forth to the best of your knowledge and belief:

1. a full description of the loss or claim;
2. the time and place of the accident or event;
3. the names and addresses of anyone injured and any witnesses.

**Notify the Authorities:** If an injury or collision is involved notify the Coast Guard and/or RCMP. If a theft, suspected theft, or fire is involved, notify the police and/or fire department and/or the Coast Guard as may be applicable.

**Salvage/Mitigation:** You and all insured persons have a duty to protect the insured property from loss; or In the event of any loss, damage or occurrence, then you have a duty to prevent further loss. We will pay all costs and expenses reasonably incurred in minimizing or averting a greater loss which would have formed a claim under this policy.

**Inspection:** You must permit us to inspect all damages before repairs are made. You must not make any repairs which are otherwise unnecessary to protect the property from further damage without our prior permission. If you do, we do not have to

reimburse you for your expenses. If essential temporary repairs are made, you must save all the parts which were replaced. We reserve the right to inspect them. After our inspection of the damages and/or any saved damaged parts, we will advise if your loss is covered, and to what extent.

**Repairs:** After notice to us it is your responsibility to authorize repairs, but we have the option to designate that repairs to your yacht are made according to customary shipyard best practices; or according to repair procedures recommended by the builder.

**Payment:** We agree to pay the repairers directly, including acceptable interim or progress instalments, less the amount of any applicable deductibles that you are obligated to pay. All submissions for payment are to be provided to us in writing. We will, as quickly as possible, provide confirmation of our acceptance of same. You are not authorized to incur any costs or commit to any payments on our behalf without prior written authorization from us.

**Preserve Our Right To Recover:** You may have the legal right to recover for a loss from someone else. Once we pay your loss under this policy, this right of recovery will belong to us. You must do everything possible to preserve our right to recover.

**Abandoned Property:** We are not obligated to accept any property which you abandon.

**Misrepresentations:** If you wilfully make any false statement, verbally or written, then your right to indemnity will be impaired.

### **GENERAL TERMS AND CONDITIONS**

These General Terms and Conditions apply to your entire policy:

**Premium:** If your yacht is a total loss all premiums shall be deemed fully earned by us.

**If You Have Other Insurance:** You may have other insurance which covers your loss. If so, the most we will pay for the loss will be calculated as follows:

1. we will add the total applicable coverage limits of all valid and collectible insurance covering the loss;
2. we will then calculate what percentage our coverage limit is of this total;
3. we will then multiply the amount of your loss by this percentage, the result is the most we will pay.

**Cooperation With Us:** In the event of a loss covered by this policy, you must cooperate with us fully. Do not assume any obligations, admit any liability or responsibility, or make any settlements or payments without first getting our written permission. However, you must take all reasonable steps which are necessary to protect any damaged property.

If you receive any legal papers in connection with a claim or a suit, you must send us copies immediately.

**Defence Costs:** In the event a claim is made or a suit is brought which may be covered under the terms of this policy, we will defend the insured. Payments for the cost of legal defence will be in addition to payments we make under coverage for liability and are unlimited. We will have the right to select the attorneys and we have the right to settle a claim or suit.

If we ask, you must attend hearings and trials. You must assist us in obtaining and giving evidence, obtaining witnesses and in making settlements.

**Transfer of Your Interest:** Without our prior written permission, you agree to not transfer any interest you may have in your yacht to any other person or organization. Nor can you transfer your interest in this policy, or any part of it, to any other person or organization. "Transfer" includes any assignment or pledge as a security for debt. If you transfer your interests as described, in any way, then all coverage under this policy will be terminated immediately upon such transfer.

**Limitation of Actions:** Every action or proceeding by you, against us under this policy in respect of loss or damage shall be commenced within one year next after the happening of the loss and not afterwards.

**Misrepresentation and Concealment:** If any material fact or circumstance concerning this insurance was misrepresented, concealed or omitted, by you or your representative, whether before or after a loss, all insurance provided by this policy shall be void from inception.

**Non-Waiver Provision:** No action on our part, after a loss to recover or save the property from further loss, nor any action which we may take in connection with the investigation of any loss, shall be considered as a waiver of any of our rights under this policy.

**Right to Recovery:** If we make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, we shall be subrogated to that right. That person shall do whatever is necessary to enable us to exercise our rights and do nothing to prejudice them.

**Severability Clause:** If any clause, word, phrase, provision or portion of this policy shall be found to be unenforceable or invalid for any reason whatsoever, by any court of competent jurisdiction or by any arbitration panel, such determination shall not affect any other clauses, word, phrase, provision or portion of this policy, and each shall remain in full force and effect.

**No Benefit to Bailee:** No person or organization having custody of the vessels insured hereunder and being compensated for services shall benefit from this insurance.

**Law and Usage:** Warranted to be subject to British Columbia Law and Usage as to liability for and settlement of any and all claims.

**Changes in Policy:** This policy contains all the agreements between you and us. No changes may be made unless agreed by us in writing.

**Liberalization:** If we adopt any liberalization which would broaden coverage under this policy, without additional premium, within the policy period, the broadened coverage will immediately apply to this policy.

**Conformity to Statutes:** Any provision in this policy that conflicts with any provincial statute is hereby amended to conform to the minimum requirements of that statute.

**Cancellation:** You may cancel this policy by returning it to us or our authorized representative and stating, in writing, the future date you want it to be cancelled. We may cancel this policy by written notice to you sent by registered mail to the address shown in this policy, or last known address. Cancellation by us will be effective as of the date shown on the cancellation notice but not less than fifteen (15) days after the date of registered mailing the notice. The registered mailing of notice is sufficient proof of notice of cancellation. Delivery of notice shall be equivalent to registered mailing. When you request cancellation, the return premium will be based on our short-rate tables. When we cancel, the return premium will be pro-rata of the annual premium.

**INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE – (10/11/2003)**

**This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.**

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. ionising 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 or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
4. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.
5. any chemical, biological, bio-chemical, or electromagnetic weapon.

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**INSTITUTE CYBER ATTACK EXCLUSION CLAUSE (10/11/03)**

- 1.1 Subject only to clause 1.2 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.
- 1.2 Where this clause is endorsed on policies 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 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

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**NAVIGATIONAL LIMIT WARRANTIES – AS SPECIFIED IN THE DECLARATIONS ATTACHED HERETO**

**NAVIGATION WARRANTY - TRADING LIMIT # 1**

**WARRANTED** during the currency of this policy to be confined to the Coastal Waters of British Columbia and Northwest Washington State not outside of lines drawn between the following points and/or places:

- |                                |       |                                 |
|--------------------------------|-------|---------------------------------|
| Outside (west) of a line drawn | From: | Cape Flattery to Owen Point or  |
| Outside (west) of a line drawn | From: | Cape Sutil to Mexicana Point or |
|                                | From: | Cape James to Allison Harbour   |

**WARRANTED** not to navigate on the Coastal Waters and Inlets of the West Coast of Vancouver Island between Owen Point and Cape Sutil.

**WARRANTED** not to navigate on the Fraser River above the mouth of the Sumas River.

**NAVIGATION WARRANTY - TRADING LIMIT # 2**

**WARRANTED** during the currency of this policy to be confined to the Coastal Waters of British Columbia, Puget Sound and adjacent waters and the Juan de Fuca Strait, with permission also to navigate in the Inner Passage (as described in the CHS BC Coastal Sailing Directions) and adjacent inside waters including the Portland Canal but at no time to proceed:

Outside (west) of a line drawn	Between:	Cape Flattery and Owen Point or	
Outside (west) of a line drawn	From:	Cape Sutil	50°52'N 128°03'W
	To:	McInnes Island	52°16'N 128°43'W
	To:	Man Island	53°08'N 129°46'W
	To:	Larson Harbour (Banks Island)	53°38'N 130°33'W
	To:	Edith Harbour (Dundas Island)	54°28'N 130°57'W
	To:	Tree Point (Wales Island)	54°48'N 130°56'W
	Or:	On the Fraser River east of the mouth of the Sumas River.	

**NAVIGATION WARRANTY - TRADING LIMIT # 2A**

**WARRANTED** during the currency of this policy to be confined to the Coastal Waters of mainland British Columbia including the North and West Coast of Vancouver Island, Puget Sound and adjacent waters, the Juan de Fuca Strait, and the Portland Canal, but at no time to proceed more than **20 nautical miles offshore** or on the Fraser River east of the mouth of the Sumas River.

**NAVIGATION WARRANTY - TRADING LIMIT # 3**

**WARRANTED** during the currency of this policy to be confined to the Coastal Waters of mainland British Columbia including the West Coast of Vancouver Island and the West Coast of the Queen Charlotte Islands, Puget Sound and adjacent waters, the Juan de Fuca Strait and Southeastern Alaska but **WARRANTED** not to navigate:

Outside (west) of a line drawn	From:	48°N Latitude at 128°W Longitude
	To:	53°N Latitude at 134°W Longitude
	To:	58°N Latitude at 137°W Longitude
	To:	Cape Spencer
	Or:	On the Coast of Washington State South of 48°N
	Or:	On the Fraser River east of the mouth of the Sumas River.

**NAVIGATION WARRANTY - TRADING LIMIT # 4**

**WARRANTED** during the currency of this policy to be confined to the navigable inland waters of British Columbia, Alberta, Saskatchewan, Manitoba, Yukon, Northwest Territories, with permission to occasionally operate the navigable inland waters of the States of Alaska, Washington, Idaho, Montana and North Dakota.

**NAVIGATION WARRANTY - TRADING LIMIT # 5**

**WARRANTED** during the currency of this policy to be confined to the Great Lakes, its Tributaries, Inland Lakes and the Interior Waters of Ontario, including Georgian Bay and the St. Lawrence River but not below Quebec, and the waters of the States of Minnesota, Wisconsin, Michigan, Vermont and New York Harbour and the Hudson River below the Tappan Zee Bridge.

**NAVIGATION WARRANTY - TRADING LIMIT # 6**

**WARRANTED** during the currency of this policy to be confined to the Inland navigable waterways and the Coastal waters of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick and Quebec, south of 52 degrees Latitude. Also all United States navigable inland and coastal waterways East of 95 degrees Longitude and North of 40 degrees North Latitude (excluding New York Harbour and the Hudson River below the Tappan Zee Bridge). Coastal waters being within 100 miles of Mainland.

**Emergency Navigational Extension:**

Should you exceed the Navigational Limits shown on the policy for any reason beyond your control then your policy will remain in force. However you must notify us as soon as possible and pay any additional premium required.

**In Witness Whereof** we have executed and attested this policy provided that it shall not be valid or binding unless countersigned by our duly Authorized Representative.