

**YACHT INSURANCE  
TERMS & CONDITIONS**  
**Third Party Liability Clauses**



# Pantaenius Yacht Third Party Liability Clauses

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## Definitions

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<b>Combined Single Limit</b>	The maximum liability of the Insurers under this policy in respect of any one incident. This may be either a payment to a single claimant, or the aggregate of claims from two or more claimants arising out of the same incident.
<b>Insured</b>	The owner(s) of the <b>Vessel</b> , and/or the person(s) named in the Schedule, and/or any person involved in the operation of the <b>Vessel</b> , her tender/dinghy, liferafts or any watercraft used in connection with the <b>Vessel</b> , with his express permission.
<b>Legal Liability</b>	Any act or omission for which an <b>Insured</b> may be held legally liable, which may be determined and quantified by judgement of a court or agreed with the prior written consent of the Insurers.
<b>Policyholder</b>	The person(s) named in the Schedule, provided that person has an insurable interest in the <b>Vessel</b> .
<b>Third Party</b>	Any person other than the <b>Policyholder</b> .
<b>Vessel</b>	The Vessel named in the Schedule.
<b>Wilful Act</b>	A deliberate act, or the deliberate failure to act, in circumstances where there is a risk of loss, damage or liability.

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## A. Insured Perils

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

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

Cover under this policy includes loss, injury or death:

- a) of independent contractors working on the **Vessel**.
- b) resulting from the towing of waterskiers, parasailors, and those engaged in similar activities, including the liability of those being towed  
*but excluding any liability towards, or of, any person SCUBA diving from the **Vessel**.*
- c) resulting from water pollution  
*but excluding accidental spillage during the process of fuelling or transferring lubricating oil to the **Vessel**, the deliberate act of discharging or throwing overboard for any reason any object or substances, or the intentional contravention of statutory regulations or official directions concerning the prevention of water pollution.*

## B. Exclusions

1. Claims of the **Policyholder** against any other person.
2. Claims for damage to property of any **Insured**.
3. Liability assumed under contract.  
Any **legal liability** which arises solely by reason of an agreement which an **Insured** has entered into.
4. Liability arising out of the **wilful act** of an **Insured**.
5. Liability incurred whilst participating in, training or testing for, motor boat races or speed trials.
6. Liability arising from the improper use of inflammable or explosive substances.
7. Liability towards any person employed by an **Insured** in connection with the **Vessel**, including the master and crew.
8. Liability arising whilst the **Vessel**, her tender/dinghy, liferafts or any watercraft used in connection with the **Vessel** is being transported by road.
9. Liability arising directly or indirectly out of derelict mines, torpedoes or other derelict weapons of war.
10. Fines, criminal penalties or multiple, exemplary or punitive damages.
11. Claims covered under any other policy.
4. Financial losses  
The determined liability up to the maximum stated for this purpose in the Schedule, subject to the **Combined Single Limit** per incident.
5. Claims settled under American/Canadian law  
Irrespective of the sums shown in the policy Schedule, in respect of **legal liability** determined under the laws of the United States of America or Canada the Insurers' liability under this policy is restricted to a maximum of:  
Personal Injury (per person) USD 1,000,000  
Financial losses (per event) USD 50,000  
or the equivalent in Canadian Dollars.
6. Salvage, Wreck Removal & Other Expenses  
The Insurers will pay the reasonable costs of the **Insured** reasonably incurred in an attempt to avoid or reduce any liability, whether successful or not, including the costs of salvage and wreck removal, if ordered by authorities or determined necessary by the Insurers.
7. Defence Costs & Legal Representation Expenses  
The Insurers will also pay legal costs and expenses incurred in defending any legal action for which a claim has been accepted under this policy, and any costs of legal representation at Official Inquiries or Coroners' Inquests, provided that the instruction of lawyers has the Insurers' prior written approval.

## C. Amount of Indemnity

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

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

1. Liabilities arising from a single incident  
Including any series of claims arising out of any one incident, the determined liability, up to the **Combined Single Limit** stated in the Schedule.
2. Several occurrences within the policy period  
In respect of all claim incidents during the policy period, the determined liabilities, up to twice the **Combined Single Limit**.
3. Personal Injury/Death  
The determined liability up to the maximum per injured person as stated for this purpose in the Schedule, and subject to the **Combined Single Limit** per incident.
8. Costs and Expenses in Excess of the Amount of Indemnity  
In respect of each incident giving rise to a claim under this policy, except water pollution, the Insurers' liability under **C.6 & C.7** is in addition to their liability under **C.1 to C.5** even if, when added to the cost of any payment they make for **legal liability** under **C.1 to C.5**, the total exceeds the **Combined Single Limit**, provided that the Insurers' have given their prior agreement to the **Insured** incurring such costs.  
In the case of water pollution, the Insurers' total liability for payments made for **legal liability** and for costs under **C.6** is the **Combined Single Limit**.  
Costs under **C.7** are subject to a maximum of £250,000 (or the equivalent in the currency stated in the Schedule) in excess of the payment for **legal liability**, and subject always to the Insurers' maximum liability under this policy of twice the **Combined Single Limit** in the policy period.

# Pantaenius Yacht Third Party Liability Clauses

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## D. Use of the Vessel

### 1. In commission/Laid up

The Insured Liabilities are covered whilst the **Vessel** is in commission or laid up either ashore or afloat, including hauling out and launching and whilst under repair, refit or construction.

### 2. Private and Pleasure Use

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

### 3. Charter

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

### 4. Other Users

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

### 5. Cruising Area

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

3. The **Insured** must retain all evidence and must not destroy or dispose of anything likely to assist in the defence of a claim.

4. The **Insured** must carry out the instructions of the Insurers, and co-operate fully with the Insurers, to assess any potential claim under this policy.

5. The **Insured** must not make any admission of liability without the prior written consent of the Insurers.

6. The **Insured** must immediately forward to the Insurers any written demand notice or court document in connection with any liability potentially giving rise to a claim under this policy.

7. The **Insured** must disclose to the Insurers any other insurance cover in respect of any liability for which a claim is made under this policy.

8. The **Insured** must await the express approval of the Insurers before instructing any lawyers or agreeing any settlement or compromise, or making any payment of any claim by a **Third Party** for which a claim may be made under this policy.

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

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

b) commence, take over and conduct, in their own or the **Insured's** name, proceedings to recover an indemnity from any **Third Party** in respect of any sum paid under this policy.

*The Insurers will determine their liability and process valid claims without any unreasonable delay, making prompt payment in the currency stated in the Schedule.*

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

1. The **Insured** must report to the Insurers, as soon as reasonably possible, and in any event within 60 days, any incident which may give rise to a claim under this policy, with full details of the nature, extent and cause of the **Legal Liability**, and the names and addresses of any claimants and witnesses.

2. It is the duty of the **Insured** to take all reasonable measures to reduce any loss, damage or liability which would be recoverable under the policy, and the Insurers will reimburse the reasonable costs of such measures under **Amount of Indemnity C.6**

## F. General Conditions

### 1. Basis of Contract

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

### 2. Safety Legislation

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

### 3. Cancellation of Cover

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

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

- d) The Insurers may cancel this insurance on seven days notice if there is any serious breach of any term or condition of the policy.
- e) If the **Policyholder** has withheld any material fact or made any misdeclaration prior to the commencement or renewal of this policy, the Insurers may avoid this insurance from start or renewal.

*In the case of (d) or (e) above no return of premium shall be paid to the **Policyholder**.*

### 4. Notices

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

### 5. Jurisdiction

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

## Pantaenius Yacht Clauses

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The Pantaenius Yacht Hull Clauses 22007/04/06 and the Pantaenius Yacht Third Party Liability Clauses 22006/04/06 are underwritten by a group of major European Insurance Companies.

The lead underwriter is:

ACE European Group  
Lurgiallee 10  
60439 Frankfurt  
Germany

which is a part of

ACE European Group  
The ACE Building  
100 Leadenhall Street  
London EC3A 3BP

### How to make a complaint

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

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

### Cancellation rights

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

### Making a claim

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

In writing - Marine Building, Victoria Wharf, Plymouth PL4 0RF or  
By phone - +44 (0)1752 226612 or  
In emergencies out of hours only - +44 (0)1752 601166

### Compensation scheme

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

**Pantaenius UK Ltd**

Marine Building Victoria Wharf Plymouth PL4 0RF Tel +44 (0) 1752 22 36 56 Fax +44 (0) 1752 22 36 37 email [info@pantaenius.co.uk](mailto:info@pantaenius.co.uk)