

## **SMALLCRAFT**

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### **Defined Events**

The Company agrees, subject always to the warranties, conditions, limitations and definitions hereinafter printed or endorsed hereon or in the Schedule, the due observance and accuracy of which shall be deemed to be a condition precedent to all liability hereunder, to indemnify the Insured as hereinafter provided in respect of accident; loss or damage to the said vessel occurring during the period of insurance stated in the Schedule or during any period for which the Company may accept payment for the renewal of this Policy.

1. Whilst in commission at sea or in rivers or on inland water or in port, dock, on ways, gridirons and pontoons or on the hard or mud, including hauling out launching with leave to sail with or without pilots to go on trail trips and to assist and to tow vessels or craft in distress or as is customary, but subject always to the cruising range stated in the Schedule.
2. Whilst laid up out of commission ashore or afloat or on mud or in dock or boathouse including hauling out and launching, striking over, dismantling, fitting out, overhauling or whilst under survey (also to include docking and undocking and periods laid up afloat incidental to lay up or fitting out and with leave to shift in tow or otherwise to or from her lay-up berth but not outside the limits of the port or place in which the vessel is laid up) but excluding unless previous notice be given and an additional premium agreed any period for which the vessel is used as a houseboat or is under major repair or undergoing alteration.
3. Whilst on tow on land, provided that:
  - (a) The boat trailer is fully licensed
  - (b) And towing attachments must have been manufactured professionally
  - And
  - (c) The towing speed does not exceed 100kph.

### **Subsection A – Loss or Damage**

The Company will indemnify the Insured against:

Loss or damage to the insured vessel directly caused by external accident means, including stress of weather, stranding, sinking, collision, contact with aircraft, fire self-ignition and lightning or by malicious act or by theft of the entire vessel or following upon forcible entry theft or equipment, gear or machinery, provided such loss or damage has not resulted from want of due diligence by the Owners of the vessel or any of them or by the Manager, by accidents in loading, discharging or handling stores, equipment, gear or machinery, explosion on shipboard or elsewhere, bursting of boilers, breakage of shafts, negligence of any person whatsoever or any latent defect in the machinery or hull.

The Company will also pay for the loss or damage to crew's clothes provided by the owner, binoculars, sextants, nautical books, oilskins, sea boots and yachting clothes being the personal property of the Insured or Insured's wife (or husband as the case may be) caused by the Insured Vessel being stranded, sunk, burnt, or in collision, up to, unless otherwise specifically mentioned, a sum equivalent to 2½ of the insured value of the vessel in respect of any one accident.

Provided always that the sum which the Insured can recover under this Section is: -

- (a) in the case of an actual or constructive total loss, the insured value of the Insured Property, or
- (b) in the case of a partial loss, the reasonable cost of repairing or reinstating the damage or lost part of the Insured Property and necessary expenses connected therewith, without deduction in respect of new material replacing old except in respect of sails, protective covers and running rigging.

Provided further that in no case shall the Company be liable to pay under this section more than the sum appearing in the Schedule as the sum insured under this Section in respect of any one accident (which shall be deemed to include a series of accidents occurring in connection with or arising out of any one event) but unlimited in the aggregate.

### **Exceptions to Subsection A**

Notwithstanding anything herein contained to the contrary this Section does not cover unless specifically agreed by endorsement of the policy:

1. Wear and tear, depreciation and deterioration from use, nor the cost of repairing, replacing or renewing any defective part condemned solely in consequence of a latent defect or fault or error in design or construction.
2. The cost of making good any defect in repair or alteration work carried out for the account of the Insured or in the maintenance of the Insured Vessel resulting from either negligence or breach of contract.
3. Loss of or damage to motor and electrical machinery and batteries and their connections (with the exception of the shaft and propeller) and medalling unless caused by the vessel being stranded, sunk, burnt on fire or in collision or contact with any external substance (ice included) other than water or by malicious act or by theft or by thieves following upon forcible entry or while being removed from or placed in the vessel or by fire in store ashore.
4. Loss or damage to outboard motors through dropping off or falling overboard unless the outboard motors are securely attached to the hull at all times when in use by means of either bolts or galvanised steel chains or Terylene rope in addition to its normal method of attachment.
5. Loss of or damage to moorings, nets and fishing gear.
6. Loss of or damage to sails, masts, spars and fittings attached thereto, standing or running rigging and blocks whilst racing unless caused by the vessel being stranded, sunk, burnt or in collision or contact with any external substance (ice included) other than water.

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7. Loss of or damage to sails and protective covers split by the wind or blown away whilst set unless occasioned by the vessel being stranded or in collision or contact with any external substance (ice included) other than water or in consequence of damage to the spars to which sails are bent.
8. Scratching, bruising or shipping whilst in transit.

### Subsection B – Third Party Liability

The Company will indemnify the Insured in respect of:

All claims made and law costs incurred by third parties which the Insured shall be reason of his interest in the Insured Vessel become legally liable to pay and shall pay for death of or bodily injury sustained by persons or damage to their property including damage to piers, wharves and jetties and/or cost of any attempted or actual raising, removal or destruction of the wreck of the Insured Vessel or any neglect of destroy the same up to the sum appearing in the Schedule as the sum insured in respect of any one accident (which shall be deemed to include a series of accidents occurring in connection with or arising out of any one event), but unlimited in the aggregate.

Provided that the Company shall not be liable under this Section for any claim of whatsoever nature in respect of any person or persons or the property of such person or persons being or about to be conveyed on the Insured Vessel whether such claims are made by the person or persons injured or his, her or their dependants, executors, administrators or assigns.

### Exceptions to Subsection B

Notwithstanding anything herein contained to the contrary, this Section does not cover:

1. Claims arising directly or indirectly under the Employer's Liability Acts and any other Statutory or Common Law Liability in respect of accidents to or illness of Workmen or any other person employed directly or indirectly by the Insured in, on or about or in connection with the Insured Vessel.
2. Accidents arising whilst the Insured Craft is in transit by road.
3. Claims in respect of fare-paying passengers unless specifically indicated in the schedule.

### Subsection C – Passenger Liability (if stated in the schedule to be included)

The Company will indemnify the insured in respect of

All claims made and law costs incurred by passengers which the Insured shall be reason of his interest in the Insured Vessel become legally liable to pay and shall pay for death of or bodily injuries sustained by persons or damage to their property whilst travelling upon the Insured Vessel or embarking thereon or disembarking there from up to the sum appearing in the Schedule as the sum insured in respect of any one accident (which shall be deemed to include a series of accidents occurring in connection with or arising out of any one event), but unlimited in the aggregate.

### Exceptions to Subsection C

Notwithstanding anything herein contained to the contrary, this section does not cover:

1. Claims arising directly or indirectly under the Employers' Liability Acts and any other Statutory or Common Law Liability in respect of accidents to or illness of Workmen or any other person employed directly or indirectly by the Insured in, on or about or in connection with the Insured Vessel
2. Accidents arising whilst the Craft is in transit by road.
3. Claims in respect of fare-paying passengers unless specifically indicated in the schedule.

### Definitions:

1. **Vessel.** Includes machinery, boats, canoes (but excluding boat having a designed speed exceeding 20 M.P.H. and boats not permanently marked with name of vessel), gear and equipment such as would normally be sold with the vessel if she changed hands. Including stores, gear, equipment and boats, if any separately housed ashore.
2. **Total loss.**
  - (a) An actual total loss under this Section arises where the vessel, as defined in 1, is wholly destroyed, or where the Insured is irretrievably deprived wholly thereof, and not otherwise.
  - (b) A constructive total loss under this Section arises where the vessel, as defined in 1, is reasonably abandoned on account of its actual loss as defined in (A) appearing to be unavoidable or where it could not be preserved from such actual total loss without an expenditure which, if incurred, would exceed the sum appearing in the Schedule as the insured value of the vessel.
3. **In commission.** The period when the vessel is fitted out, ready for sea, and available for the Owner's immediate use.
4. **Laid-up out of commission.** The period when the vessel is dismantled not fitted out or available for immediate use. During the laid up period the vessel must not be used for any purpose whatsoever other than dismantling, fitting out or customary overhauling and is not covered whilst being used as a houseboat or under major repair or undergoing alteration unless specially agreed.

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5. **Laid-up used as a houseboat.** A vessel is said to be used as a houseboat when she is not used under way, or navigating, but is used whilst on moorings or in her berth by the Owners or others living on board.

### Special Benefits

#### Salvage and sue and labour

In the case of misfortune to the Insured Vessel it shall be lawful to the Insured or the Insured's factors and servants to sue labour and travel for in and about the defence safeguard or recovery of the Insured Vessel, without prejudice to this insurance and all reasonable charges thereof including salvage charges the cost of towing the vessel to a place of safety so necessarily incurred shall form part of the claim provided that the Insured forwards at once to the Company a detailed estimate from a competent firm for any immediate necessary repairs authorised together with full particulars of the Accident.

The Company will also pay all expenses reasonably incurred in sighting the bottom after the Insured Vessel has been stranded sunk or in collision notwithstanding that no damage shall have been found. And it is especially declared and agreed that no acts of the Company or the insured in recovering saving or preserving the property shall be considered as a waiver or acceptance of abandonment.

#### Persons navigating

The cover given by Subsections B and C of this Section extends to any person (other than a person operating or employed by the operator of a shipyard, repair yard, slipway, yacht club, sales agency or similar organisation) navigating or in charge of the Insured Vessel, shall in consequence of any occurrence for which the Insured is covered under Subsections B and C hereto become liable to pay and shall pay any sum or sums by way of damage to any persons other than the Insured named in this Policy.

This benefit shall be subject to the limitations of the Company's liability imposed by this Section and to all other terms, conditions, exceptions and warranties thereof.

#### Law costs

The Company will be responsible for all expenses properly incurred by the Insured in connection with Board of Trade Inquiries Coroner's Inquests and Law Costs incurred with the consent in writing of the Company in settling or defending any claim.

#### Sister ship clause

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 same management the Insured shall have the same rights under this Section as he 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.

#### Emergency expenses

The Company will refund any Emergency expenses (limited to R250) for attendance upon the Insured or the Insured's wife (or husband as the case may be) as the direct result of personal injuries caused by violent accidental external and visible means, sustained as the direct result of the Insured Vessel sinking or being in collision with another vessel or with any external object other than water.

#### Excess

Notwithstanding anything herein contained to the contrary, this Section is warranted free from all claims other than for total loss unless the aggregate of such claims in respect of each accident exceeds the amount stated in the Schedule in which case the Company shall be liable for the sum by which such aggregate exceeds this amount.

Such excess to apply to claims under Subsection A only.

#### General exceptions applicable to all sections

Notwithstanding anything herein contained to the contrary, this Section does not cover unless specially agreed by endorsement of the policy:

1. (a) Capture, seizure, restraint or detainment, and consequences thereof or of any attempt thereat, nor the consequences of hostilities or warlike operations, whether there shall be a declaration of war or not; but this exception shall not exclude collision, contract with any fixed or floating object (other than a mine or torpedo), standing heavy weather or fire unless caused directly (and independently of the nature of the voyage or service which the vessel concerned, or in the case of a collision, by other vessel involved therein, is performing) by a hostile act by or against a belligerent power; and for the purpose of this exception "power" includes any authority maintaining naval, military or air forces in association with a power.
- (b) The consequences of civil war, revolution, rebellion, insurrection or civil strife arising there from or piracy.
2. Loss or damage caused by strikers, locked out workmen or persons taking part in labour disturbances or riots or civil commotions.
3. Claims whilst vessel is let out on hire, or charter, or used for other than private purposes unless specifically indicated in the schedule.
4. Claims while the vessel is being towed, except as is customary or when in need of assistance, or claims while the vessel is undertaking towage or salvage services under a pre-arranged contract made by the Owners, Managers and/or Charterers.

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### **Cancellation**

Should the vessel be sold or transferred to new ownership then, unless the Company agrees in writing to continue the insurance, the policy shall become cancelled from the time of sale or transfer and a pro Rata daily return of premium shall be made.

### **General Conditions**

1. If this Section or any previous policy of which this Section may be a renewal has been obtained through omission to state any material fact, or through any miss-statement by the Insured or by anyone acting on the Insured's behalf of if in any statement or declaration made in support of any claim there shall be any untruth or suppression, then this Section is null and void, and the premium paid in respect thereof shall be retained by the Company and all benefits hereunder and all rights to recover for past or future damage or loss shall be absolutely forfeited.
2. It is agreed that no assignment of or interest in this Section or in any moneys which may be or become payable there under is to be binding on or recognised by the Company unless a dated notice of such assignment or interest signed by the Insured and (in the case of subsequent assignment) by the assignor be endorsed in this Section and the policy with such endorsement be produced before payment of any claim or return of premium there under. But nothing in this clause is to have effect as an agreement by the Company to a sale or transfer to new management.
3. Warranted that the designed speed of the Insured Vessel does exceed the figure stated in the Schedule.
4. Warranted that no amount shall be insured policy proof of interest or full interest admitted for the account of the Insured and/or mortgages on this disbursements, commission, profits or other interests or excess or increased value of Hull and/or Machinery however described unless the sum insured on the vessel is over R20 000 and then not to exceed ten per cent of the total sum insured as stated herein.
5. If at the happening of any loss or damage, the property Insured be of greater value than the sum insured, the Insured shall be considered as being his own Insurer for the difference and shall bear a rateable proportion of the loss accordingly.
6. Warranted that the Insured shall maintain and keep the vessel in a proper state of repair and seaworthiness at all times during the currency of this insurance.
7. It is necessary for the Insured to give prompt notice to the Company when they become aware of an event for which they are "held covered" under this insurance and the right to such cover is dependent on compliance with this obligation. Furthermore compliance by the Insured with the conditions and/or obligations of this Policy, and any Annexure or Attachment hereto, shall be a condition precedent to the right of the Insured to be indemnified in terms hereof.

### **Conditions Relating to Accidents and Claims**

1. In the event of an accident whereby loss or damage may result in a claim under this Policy notice shall be given immediately in writing prior to survey to the Company where practicable and, if abroad to the nearest Lloyd's agent so that a surveyor may be appointed if they so desire. The right of the Insured to recover any claim on the policy is conditional upon compliance with this obligation.
2. The Company shall be entitled to decide the port to which a damaged vessel shall proceed for docking or repairing (the actual additional expense of the voyage arising from the compliance with the Company's requirements being refunded to the Insured) And the Company shall also have the right of veto in connection with place of repair or repairing firm proposed and, whenever the extent of the damage is ascertainable, the Company may take or may require to be taken tender for the repair of such damage.
3. The Insured shall also give full information as to the circumstances of the accident and of all claims made, with names and addresses of claimants and all witnesses of the accident, as soon as possible after occurrence of the accident or receipt of claim or notice of claim, and shall send to the Company as soon as possible all claims, letters, summonses, writs, etc., relating to any accident addressed to the Insured or to the Insured's servants by the authorities or by third parties.
4. No liability of any sort shall be admitted nor any offer promise or payment made by the Insured to claimants nor legal expenses incurred without the written consent of the Company who shall be entitled, if it so desires, to take over and conduct in the name of the Insured the defence of any action, or to prosecute any claim for indemnity of damages or otherwise against any third party.
5. In no case shall the Company be liable for unprepared damage in addition to subsequent total loss sustained during the term covered by this Policy.
6. In ascertaining whether the vessel is a constructive total loss the insured value shall be taken as the repaired value and nothing in respect of the damage or the break-up value of the vessel or wreck shall be taken into account.
7. In the event of a claim for loss or damage under subsection A of this Section, the company's liability shall in no circumstance whatsoever exceeds the reasonable cost of repair.