

MARINE HULL AND LIABILITY POLICY CONDITIONS

*Please read your policy and its conditions carefully,
and if incorrect return immediately to the Company.*

Policy # _____

WHEREAS the Insured named in the Schedule hereto is desirous of effecting an insurance against loss as hereinafter described with the Company and has made to the Company a written proposal and declaration containing certain particulars and statements which the Insured guarantees are true and complete and which the Insured has agreed shall be denied to be of a promissory nature and effect and incorporated herein and which are hereby declared to be the basis of this contract, and has paid the Premium as consideration for such insurance.

NOW THIS POLICY WITNESSETH in consideration of the Insured paying to the Company the sum mentioned in the said Schedule as a premium for the period of coverage stated in the said Schedule that if during the said period or during any further period for which the Company shall have agreed and accepted a premium; the Company will indemnify the Insured for losses, damages and expenses in accordance with the Institute Yacht Clauses (1/11/85) as specified in this policy hereafter.

PROVIDED that the observance and fulfillment by the Insured of the terms and conditions of this policy and any endorsements which may be made hereon shall be a condition precedent to the Insured's right to recover hereunder.

IN WITNESS WHEREOF NAGICO Aruba N.V.

has caused this Policy to be executed.

Signed this _____ of _____

For and Behalf of the Company

Authorized Signature

INSTITUTE YACHT CLAUSES

(1/11/85)

1 VESSEL

Vessel means the hull, machinery, boat(s), gear and equipment, such as would normally be sold with her if she change hands.

2 IN COMMISSION AND LAID UP

2.1 The Vessel is covered subject to the provisions of this insurance

2.1.1 while in commission at sea or on inland waters or in port, docks, marinas, on ways, gridirons, pontoons, or on the hard or mud or at place of storage ashore, including lifting or hauling out and launching, with leave to sail or navigate with or without pilots, to go on trial trips and to assist and to tow vessels or craft in distress, or as is customary, but it is warranted that the Vessel shall not be towed, except as is customary or when in need of assistance, or undertake towage or salvage services under a contract previously arranged by Owners, Masters, Managers or Charterers.

2.1.2 while laid up out of commission as provided for in Clause 4 below, including lifting or hauling out and launching, while being moved in shipyard or marina, dismantling, fitting out, overhauling, normal maintenance or while under survey, (also to include docking and undocking and periods laid up afloat incidental to laying 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 notice be given to the Underwriters and any additional premium required by them agreed, any period for which the Vessel is used as a houseboat or is under major repair or undergoing alteration.

2.2 Notwithstanding Clause 2.1 above the gear and equipment, including outboard motors, are covered subject to the provisions of this insurance while in place of storage or repair ashore.

3 NAVIGATING AND CHARTER HIRE WARRANTIES

3.1 Warranted **NOT** navigating outside the limits stated in the Schedule to the policy **or**, provided previous notice be given to the Underwriters, held covered on terms to be agreed.

3.2 Warranted to be used solely for private pleasure purpose and not for hire charter or reward, unless specially agreed by the Underwriters.

4 LAID UP WARRANTY

Warranted laid up out of commission as stated in the Schedule to the policy, or held covered on terms to be agreed provided previous notice be given to the Underwriters.

5 SPEED WARRANTY

5.1 Warranted that the maximum designed speed of the Vessel, or the parent Vessel in the case of a Vessel with boat(s), does not exceed 17 knots.

5.2 Where the Underwriters have agreed to delete this warranty, the conditions of the Speedboat Clause 19 below shall also apply.

6 CONTINUATION

Should the Vessel at the expiration of this insurance be at sea or in distress or at a port or place of refuge or of call, she shall, provided prompt notice be given to the Underwriters, be held covered at a premium to be agreed until anchored or moored at her next port of call in good safety.

7 ASSIGNMENT

No assignment of or interest in this insurance or in any moneys which may be or become payable there under is to be binding on or recognized by the Underwriters unless a date notice of such assignment or interest signed by the Assured, and by the assignor in the case of subsequent assignment, is endorsed on the policy and the policy with such endorsement is produced before payment of any claim or return of premium there under.

8 CHANGE OF OWNERSHIP

This Clause 8 shall prevail notwithstanding any provision whether written typed or printed in this insurance inconsistent herewith.

8.1 Should the Vessel be sold or transferred to new ownership, or, where the Vessel is owned by a company, should there be a change in the controlling interest(s) of the company, then, unless the Underwriters agree in writing to continue the insurance, this insurance shall become cancelled from the time of such sale transfer or change and a pro rata daily net return of premium be made calculated on the premium charged for the in commission and/or laid up period. If however the Vessel shall have left her moorings or be at sea at the time of sale or transfer such cancellation shall if required by the Assured be suspended until arrival at port or place of destination.

9 PERILS

Subject always to the exclusions in this insurance

- 9.1 this insurance covers loss of or damage to the subject-matter insured caused by
 - 9.1.1 perils of the seas rivers lakes or other navigable waters
 - 9.1.2 fire
 - 9.1.3 jettison
 - 9.1.4 piracy
 - 9.1.5 contact with dock or harbor equipment or installation, land conveyance, aircraft or similar objects or objects falling there from
 - 9.1.6 earthquake volcanic eruption or lightning
- 9.2 and, provided such loss or damage has not resulted from lack of due diligence by the Assured Owners or Managers, this insurance covers
 - 9.2.1 loss of or damage to the subject-matter insured caused by
 - 9.2.1.1 accidents in loading, discharging or moving stores, gear, equipment, machinery or fuel
 - 9.2.1.2 explosions
 - 9.2.1.3 malicious acts
 - 9.2.1.4 theft of the entire Vessel or her boat(s), or outboard motor(s) provided it is securely locked to the Vessel or her boat(s) by an anti-theft device in addition to its normal method attachment, or, following upon forcible entry into the Vessel or place of storage or repair, theft of machinery including outboard motor(s), gear or equipment
 - 9.2.2 loss of or damage to the subject-matter insured, excepting motor and connections (but not strut shaft or propeller) electrical equipment and batteries and connections, caused by latent defects in hull or machinery, breakage of shafts or bursting of boilers (excluding the cost and expense of replacing or repairing the defective part broken shaft or burst boiler)
 - 9.2.2.1 the negligence of any person whatsoever, but excluding the cost of making good any defect resulting from either negligence or breach of contract in respect of any repair or alteration work carried out for the account of the Assured and/or the Owners or in respect of the maintenance of the Vessel,
- 9.3 this insurance covers the expense of sighting the bottom after a stranding, if reasonably incurred specially for that purpose, even if no damage be found.

10 EXCLUSION

No claim shall be allowed in respect of any

- 10.1 outboard motor dropping off or failing overboard
- 10.2 ship's boat having a maximum designed speed exceeding 17 knots, unless such boat is specially covered herein and subject also to the conditions of the Speedboat Clause 19 below, or is on the parent Vessel or laid up ashore
- 10.3 ship's boat not permanently marked with the name of the parent Vessel
- 10.4 sails and protective covers split by the wind or blown away while set, unless in consequence of damage to the spars to which sails are bent, or occasioned by the Vessel being stranded or in collision or contact with any external substance (ice included) other than water
- 10.5 sails, masts, spars or standing and running rigging while the Vessel is racing, unless the loss or damage is caused by the Vessel being stranded, sunk, burnt, on fire or in collision or contact with any external substance (ice included) other than water
- 10.6 personal effects
- 10.7 consumable stores, fishing gear or mornings
- 10.8 sheathing, or repairs thereto, unless the loss or damage has been caused by the Vessel being stranded, sunk, burnt, on fire or in collision or contact with any external substance (ice included) other than water
- 10.9 loss or expenditure incurred in remedying a fault in design or construction or any cost or expense incurred by reason of betterment or alteration in design or construction
- 10.10 motor end connections (but not strut shaft or propeller) electrical equipment and batteries and connections, where the loss or damage has been caused by heavy weather, unless the loss or damage has been caused by the Vessel being immersed, but this clause 10.10 shall not exclude loss or damage caused by the Vessel being stranded or in collision or contact with another vessel, pier or jetty.

11 LIABILITIES TO THIRD PARTIES

This Clause only to apply when a sum is stated for this purpose in the Schedule to the policy.

- 11.1 The Underwriters agree to indemnify the Assured for any sum or sums which the Assured shall become legally liable to pay and shall pay, by reason of interest in the insured Vessel and arising out of accidents occurring during the currency of this insurance, in respect of loss of or damage to any other vessel or property whatsoever loss of life, personal injury or illness, including payments made for life salvage, caused on or near the Vessel or any other vessel any attempted or actual raising, removal or destruction of the wreck of the insured Vessel or the cargo thereof or any neglect or failure to raise, remove or destroy the same.

11.2 LEGAL COSTS

The underwriters will also pay, provided their prior written consent has been obtained,

- 11.2.1 the legal costs incurred by the Assured or which the Assured may be compelled to pay in contesting liability or taking proceedings to limit liability
- 11.2.2. the costs for representation at any coroner's inquest or fatal accident enquiry.

11.3 SISTERSHIP

Should the Vessel hereby insured come into collision with or receive salvage services from another vessel belonging wholly or in part to the same Owners or under the same management the Assured shall have the same rights under this insurance as they would have were the other vessel entirely the property of Owners not interested in the Vessel hereby insured; but in such cases the liability for the collision or the amount payable for the services rendered shall be referred to a sole arbitrator to be agreed upon between the Underwriters and the Assured.

11.4 NAVIGATION BY OTHER PERSONS

The provisions of this Clause 11 shall extend to any person navigating or in charge of the insured Vessel with the permission of the Assured named in this insurance (other than a person operating or employed by the operator of, a shipyard, marina, repair yard, slipway, yacht club, sales agency or similar organization) and who while so navigating or in charge of the Vessel shall in consequence of any occurrence covered by this Clause 11 become liable to pay and shall pay any sum or sums to any person or persons, other than to the Assured named in this insurance, but indemnity under this Clause shall inure to the benefit of the Assured and only to person navigating or in charge of the Vessel as described above, at the written request of and through the agency of the Assured. Nothing in this extension shall increase the Underwriters' liability beyond the limitation liability imposed by Clause 11.8 below and this extension shall be subject to all other terms conditions and warranties of this insurance. Nothing in this Clause 11.4 shall be deemed to override the provisions of Clause 3.2 above.

11.5 REMOVAL OF WRECK EXTENSION

This insurance also pay the expenses, after deduction of the proceeds of the salvage, of the removal of the wreck of the insured Vessel from any place owned, leased or occupied by the Assured.

11.6 LIABILITIES SECTION EXCLUSION

Notwithstanding the provisions of this Clause 11, this insurance does not cover any liability cost or expense arising in respect of

11.6.1 any direct or indirect payment by the Assured under workmen's compensation or employers' liability acts and any other statutory or common law liability in respect of accidents to or illness of workmen or any other persons employed in any capacity whatsoever by the Assured or by any person to whom the protection of this insurance is afforded by reason of the provisions of Clause 11.4 above, in on or about or in connection with the Vessel hereby insured or her cargo, materials or repair

11.6.2 any boat belonging to the Vessel and having a maximum designed speed exceeding 17 knots, unless such boat is specially covered herein and subject also to the conditions of the Speedboat Clause 19 below, or is on the parent Vessel or laid up ashore

11.6.3 any liability to or incurred by any person engaged in water skiing or aquaplaning, while being towed by the Vessel or preparing to be towed or after being towed until safely on board or ashore

11.6.4 any liability to or incurred by any person engaged in a sport or activity, other than water skiing or aquaplaning, while being towed by the Vessel or preparing to be towed or after being towed until safely on board or ashore

11.6.5 punitive or exemplary damages, however described.

11.7 WATER-SKIERS LIABILITIES

Should Clause 11.6.3 and/or Clause 11.6.4 above be deleted, the liabilities mentioned in such clause(s) shall be covered hereunder, subject always to the warranties, conditions and limits of this insurance.

11.8 LIMIT OF LIABILITY

The liability of the Underwriters under this Clause 11, in respect of any one accident or series of accidents arising out of the same event, shall in no case exceed the sum stated for this purpose in the Schedule to the policy, but when the liability of the Assured has been contested with the consent in writing of the Underwriters, the Underwriters will also pay a like proportion of the costs which the Assured shall thereby incur or be compelled to pay.

12 EXCESS AND DEDUCTIBLE

- 12.1 No claim arising from a peril insured against shall be payable under this insurance unless the aggregate of all such claims arising out of each separate accident or occurrence (including claims under Clauses 11,14 and 15) exceeds the amount stated for this purpose in the Schedule to the policy, in which case this sum shall be deducted.
- 12.1 This Clause shall not apply to a claim for total or constructive total loss of the Vessel or, in the event of such a claim, to any associated claim under Clause 15 arising from the same accident or occurrence.
- 12.2 Prior to the application of Clause 12.1 above and in addition thereto, deductions new for old not exceeding one-third may be made at the Underwriters' discretion in respect of loss of or damage to
 - 12.2.1 protective covers, sails and running rigging
 - 12.2.2 outboard motors whether or not insured by separate valuation under this insurance.

13 NOTICE OF CLAIM AND TENDERS

- 13.1 Prompt notice shall be given to the Underwriters in the event of any occurrence which may give rise to a claim under this insurance, and any theft or malicious damage shall also be reported promptly to the Police.
- 13.2 Where loss or damage has occurred, notice shall be given to the Underwriters prior to survey and, if the Vessel is abroad also to the nearest Lloyd's Agent so that a surveyor may be appointed to represent the Underwriters should they so desire.
- 13.3 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with Underwriters` requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.
- 13.4 The Underwriters may also take tenders or may require tenders to be taken for the repair of the Vessel.

14 SALVAGE CHARGES

Subject to any express provision in this insurance, salvage charges incurred in preventing a loss by perils insured against may be recovered as a loss by those perils.

15 DUTY OF ASSURED

- 15.1 In case of any loss or misfortune it is the duty of the Assured and their servants and agents to take such measures as may be reasonable for the purpose of averting or minimizing a loss which would be recoverable under this insurance. Subject to the provisions below and to Clause 12 the Underwriters will contribute to charges properly and reasonably incurred by the Assured their servants or agents for such measures.
- 15.2 General average, salvage charges, collision defence or attack costs and costs incurred by the Assured in contesting liability covered by Clause 11.2 are not recoverable under this Clause 15.
- 15.3 The Assured shall render to the Underwriters all possible aid in obtaining information and evidence should the Underwriters desire to take proceedings at their own expense and for their own benefit in the name of the Assured to recover compensation or to secure an indemnity from any third party in respect of anything covered by this insurance.
- 15.4 Measures taken by the Assured or the Underwriters with the object of saving protecting or recovering the subject-matter insured shall not be considered as a waiver or acceptance of abandonment or otherwise prejudice the rights of either party.
- 15.5 The sum recoverable under this Clause 15 shall be in addition to the loss otherwise recoverable under this insurance but in no circumstances shall amounts recoverable under Clause 15.2 exceed the sum insured under this insurance in respect of the Vessel.

16 UN-REPAIRED DAMAGE

- 16.1 The measure of indemnity in respect of claims for un-repaired damage shall be the reasonable depreciation in the market value of the Vessel at the time this insurance terminates arising from such un-repaired damage, but not exceeding the reasonable cost of repairs.
- 16.2 In no case shall the Underwriters be liable for un-repaired damage in the event of a subsequent total loss (whether or not covered under this insurance) sustained during the period covered by this insurance or any extension thereof.
- 16.3 The Underwriters shall not be liable in respect of un-repaired damage for more than the insured value at the time this insurance terminates.

17 CONSTRUCTIVE TOTAL LOSS

- 17.1 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 damaged or break-up value of the Vessel or wreck shall be taken into account.
- 17.2 No claim for constructive total loss based upon the cost of recovery and/or repair of the Vessel shall be recoverable hereunder unless such cost would exceed the insured value. In making this determination, only the cost relating to a single accident or sequence of damages arising from the same accident shall be taken into account.

18 DISBURSEMENTS WARRANTY

Warranted that no amount shall be insured policy proof of interest or full interest admitted for account of the Assured, Mortgagees or Owners on disbursements, commission, profits or other interests or excess or increase value of hull or machinery however described unless the insured value of the Vessel is over AFL. 90,000 and the not to exceed 10 per cent of the total amount insured in respect of the Vessel as state in the Schedule to the policy. Provided always that a breach of this warranty shall not afford the Underwriters any defence to a claim by Mortgagee who has accepted this insurance without knowledge of such breach.

19 SPEEDBOAT CLAUSE

WHERE THIS CLAUSE 19 APPLIES IT SHALL OVERRIDE ANY CONFLICTING PROVISIONS IN THE CLAUSES ABOVE.

- 19.1 It is a condition of this insurance that when the Vessel concerned is under way the Assured named in the Schedule to the policy or other competent person(s) shall be on board and in control of the Vessel.
- 19.2 No claim shall be allowed in respect of loss of or damage to the Vessel or liability to any third party or any salvage services
 - 19.2.1 caused by or arising from the Vessel being stranded sunk swamped immersed or breaking adrift while left moored or anchored unattended off an exposed beach or shore.
 - 19.2.2 arising while the Vessel is participating in racing or speed tests, or any trials in connection therewith.
- 19.3 No claim shall be allowed in respect of rudder strut shaft or propeller
 - 19.3.1 under Clauses 9.2.2.1 and 9.2.2.2
 - 19.3.2 for any loss or damage caused by heavy weather, water or contact other than with another vessel pier or jetty, but this Clause 19.3.2 shall not exclude damage caused by the Vessel being immersed as a result of heavy weather.
- 19.4 If the Vessel is fitted with inboard machinery no liability shall attach to this insurance in respect of any claim caused by or arising through fire or explosion unless the Vessel is equipped in the engine room (or engine space) tank space and galley, with a fire extinguishing system automatically operated or having controls at the steering position and properly installed and maintained in efficient working order.

20 INSURANCE PERIOD, CANCELLATION AND PREMIUM REFUND

The insurance policy is valid for the period stated on the Schedule without exception. Coverage under the insurance policy will automatically expire on the date set forth on the Schedule, without any notice of termination or other act being required by the Company.

Any subsequent period of coverage shall be based on mutual consent between the Insured and the Company, whereby the Insured shall pay and the Company shall agree to accept a renewal premium and continue the policy for a certain specified period subject to new/updated application form, terms, conditions, agreements and limitations set forth in the policy.

This insurance may be cancelled by the Underwriters at any time subject to 30 days notice to the Assured or by mutual agreement, when a pro rata daily net return of premium shall be made calculated on the premium charged for the in commission and/or laid up period.

THE FOLLOWING CLAUSES SHALL BE PARAMOUNT AND SHALL OVERRIDE ANYTHING CONTAINED IN THIS INSURANCE INCONSISTENT THEREWITH.

21 WAR EXCLUSION

In no case shall this insurance cover loss, damage, liability or expense caused by

- 21.1 war, civil war, revolution, rebellion insurrection, or civil strife arising there from, or any hostile act by or against a belligerent power
- 21.2 capture seizure arrest restraint or detainment (barratry and piracy excepted), and the consequences thereof or any attempt thereat
- 21.3 derelict mines torpedoes bombs or other derelict weapons of war.

22 STRIKES AND POLITICAL ACTS EXCLUSION

In no case shall this insurance cover loss damage liability or expense caused by

- 22.1 strikers, locked-out workmen, or persons taking part in labor disturbances, riots or civil commotions
- 22.2 any terrorist or any person acting from a political motive.

23 NUCLEAR EXCLUSION

In no case shall this insurance cover loss damage liability or expense arising from

- 23.1 any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.
- 23.2 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- 23.3 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

24 ELECTRONIC DATA RECOGNITION EXCLUSION

Section 1

In no case shall this insurance cover loss, damage, cost, claim or expense, whether preventive, remedial or otherwise, directly or indirectly arising out of or relating to:

- a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, program or software and/or any microchip, integrated circuit or similar device in computer equipment or non- computer equipment whether the property of the Insured or not, or
- b) any change, alteration or modification involving the date change of the year 2000 or any other date change including leap year calculation, to any such computer system, hardware, program or software or any microchip integrated circuit or similar device in the computer equipment or non-computer equipment whether the property of the Insured or not.

This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

However this section shall not apply in respect of physical damage occurring to the Insured's vessel arising out of the perils hereby insured against.

Section 2

Notwithstanding section 1 above, this insurance does not cover any costs and expenses, whether preventative, remedial or otherwise, arising out of or relating to change, alteration or modification of any computer system, hardware, program or software or any microchip, integrated circuit or similar device in the computer or non-computer equipment, whether the property of the insured or not.

Section 3

The date change to the year 2000, or any other date change, including leap year calculations, shall not in and of itself be regarded as an event for the purposes of this insurance.

25 FUNGUS, MILDEW AND MOULD EXCLUSION

This agreement does not cover:

25.1 any liability, loss, cost or expense arising out of, resulting from, caused by, contributed to, or in any way related to the existence, inhalation or exposure to any "fungus/fungi" and or "spore(s)" or

25.2 any cost or expenses associated in any way, or arising out of the abatement, mitigation, remediation, containment, detoxification, neutralization, monitoring, removal, disposal, or any obligation to investigate or assess the presence or effects of any "fungus/ fungi" and or "spore(s)" or

25.3 any obligation to share with or repay any person, organization or entity, related in any way to items 1. and 2. above, regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to the injury or damage. For purposes of this exclusion, the following definitions apply:

"Fungus/fungi" includes, but is not limited to, any form or type of mould, mildew, mushroom, yeast, or biocontaminant.

"Spore(s)" includes, but is not limited to, any substance produced by, emanating from, or arising out of any "Fungus/Fungi."

26 TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto it is agreed that this Policy excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

ANY ACT OF TERRORISM

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any action taken in controlling, preventing, suppressing or in any way relating to the above.

If the Company alleges that by reason of this exclusion, any loss, damage, cost or expense is not offered by this Policy, the burden of proving the contrary shall be upon the Insured.

In the event any portion of this endorsement is found to be valid or unenforceable, the remainder shall remain in full force and effect.

27 SEEPAGE, POLLUTION AND CONTAMINATION EXCLUSION

This Insurance does not cover any liability for:

- 27.1 Personal Injury or Bodily Injury or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph (1) shall not apply to liability for Personal Injury or Bodily Injury or loss of or physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, here such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.
- 27.2 The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this insurance.
- 27.3 Fines, penalties, punitive or exemplary damages.

28 PANDEMIC EXCLUSION

It is hereby understood and agreed that the coverage granted under this Policy excludes and does not cover any loss or loss adjustment expenses arising out of or related to, including, but not limited to interruption or interference with the use of any insured premises in consequence of: -

- 28.1 infectious or contagious disease manifested by any person while on the insured vessel or within 25 miles of the insured premises.
- 28.2 murder or suicide occurring on the insured vessel.
- 28.3 food or drink poisoning or contamination, or,
- 28.4 closure by any competent authority due to infectious or contagious disease, vermin or pest.

29 OPERATING RESTRICTIONS

Excluded is any kind of bodily injury or property damage which occurs or results from the insured Vessel or Charter operations being conducted in violation of one or more of the following:

- (1) All insured Vessels which have the capacity to hold 12 or more passengers shall be operated with a crew of no less than two (2) members including a captain. The captain of all insured Vessels shall have a minimum of twelve (12) months experience navigating the waters within the coverage territory;
- (2) The insured shall not knowingly operate in storm speed winds of 20 miles per hour, rain, fog or during a lightning storm which is within six (6) miles of operation;
- (3) The Charter Operations shall not be conducted between dusk and dawn;
- (4) The insured shall provide to and require the use of personal floatation devices to its customers;
- (5) The insured shall provide industry approved safety instructions and training and shall require the customer to execute a Waiver of Liability;
- (6) The insured shall not carry passengers in excess of regulatory or manufacturer limits;
- (7) The insured shall keep maintenance logs.

30 EXPECTED AND INTENDED INJURY EXCLUSION

Bodily injury or property damage expected or intended from the standpoint of the insured. This exclusion does not apply to bodily injury resulting from the use of reasonable force to protect persons or property.

31 UNSEAWORTHINESS AND PRIVITY OR KNOWLEDGE

Use of or renting out of any vessel determined at any time to be unseaworthy for the intended use of the vessel. **No claim will be paid** when it can be shown that the insured had privity or knowledge that a vessel was unseaworthy. If the insured is a corporation, “privity or knowledge” means the privity or knowledge of a managing agent, officer, or supervising employee, including shore-side personnel.

32 LIQUOR LIABILITY EXCLUSION

Bodily injury or property damage arising out of or in connection with the manufacturing, selling, distributing, serving or furnishing or any alcoholic beverages.

33 EMPLOYER’S LIABILITY EXCLUSION

Excluded is bodily injury to:

- (1) An employee of any insured arising out of and in the course of:
 - (a) Employment by any insured; or
 - (b) Performing duties related to the conduct of any insured’s business; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of paragraph (1) above.

34 POLLUTION EXCLUSION

- (1) Bodily injury or property damage arising out of the actual, allege or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time by any means whatsoever.
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of pollutants; or
 - (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, aids, alkalis, chemicals, mold, fungus, bacteria and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

35 DAMAGE TO PROPERTY EXCLUSION

Excluded is Property damage to:

- (1) Property any insured owes, rents or occupies;
- (2) Vessels any insured sells, gives away or abandons, if the property damage arises out of any part of those Vessels;
- (3) Property loaned to any insured;
- (4) Personal property in the care, custody or control of any insured.

36 TRANSPORTATION BY LAND CONVEYANCE EXCLUSION

Bodily injury or property damage caused by an insured vessel while it is being transported overland is excluded.

37 ASSUMPTION OF LIABILITY EXCLUSION

Any liability assumed by the insured under contract or otherwise if such liability is greater than or different from liability imposed upon the insured by law, provided; however, that if by agreement the insured's legal liability is lessened, then Company shall receive the benefit of such lessened liability.

38 SERVICES OBTAINED EXCLUSION

No coverage is afforded to any person, organization or business which the insured has obtained the services of, whether compensated, charged a fee or not.

39 FINES, PUNITIVE AND EXEMPLARY DAMAGES EXCLUSION

Fines, penalties, the release or withdrawal of fess or government payment, punitive or exemplary damages or any sum in excess of compensatory damages are excluded.

40 RACING AND SPECIAL TEST EXCLUSION

Any kind of bodily injury and property damage which results from or while an insured Vessel is being raced or tested is excluded.

41 VIOLATION OF LAW EXCLUSION

Any kind of bodily injury or property damage that occurs while or results from the violation of any municipal, state or federal law, statute, ordinance or regulation is excluded.

42 FAILURE TO BE LICENSED EXCLUSION

Any kind of bodily injury or property damage that occurs while or results from any insured operating its business without all necessary licenses or permits required by the municipality, county and/or state, or country of operation, is excluded.

43 NON-INSURED VESSELS EXCLUSION

Bodily injury or property damage resulting from the use, operation, maintenance or ownership of any vessel which is not an insured Vessel is excluded. This exclusion includes, but is not limited to, when an insured Vessel is attached to a tender or service vessel.

44 PREMISES LIABILITY EXCLUSION

Bodily injury or property damage which results in a claim for liability arising out of the ownership, use or maintenance of a premises, is excluded.

45 MAXIMUM LOAD EXCLUSION

Bodily injury or property damage is excluded if the insured Vessel is occupied by more persons than permitted by law or manufacture guidelines.

46 WATERSPORTS EXCLUSION

Bodily injury or property damage resulting from or occurring during swimming, snorkelling, skin diving, har hat diving, SCUBA, SNUBA dives, or any water activity which incorporates the use of compressed air or surface supplied air, is excluded. This exclusion applies to all injuries whether sustain in whole or in part while leaving the insured Vessel to enter the water, while in the water or while boarding the vessel from the water.

47 TOWING EXCLUSION

Bodily injury or property damage occurring or resulting from providing towing activities including, but not limited to, watersleding, waterskiing, tubing or waterboarding, is excluded.

48 IMPAIRMENT EXCLUSION

Bodily injury or property damage is excluded if the insured's customer is under the influence of alcohol or narcotics at the time of the activity.

49 MODIFICATION EXCLUSION

Bodily injury or property damage resulting from or arising out of any modification made by the insured to the insured Vessel which was not recommended or approved by the manufacturer, is excluded.

CLAUSES AND WARRANTIES

A. MORTGAGE CLAUSE

It is hereby understood and agreed that in the event of loss and/or damage, the Company will pay Mortgagees or said Assignees as stated on the policy schedule to the extent of their interest. Provided that as between the Company and the Mortgagor or Owner of the vessel insured, nothing contained in this Clause shall in any way constitute or be deemed to constitute any waiver or prejudice of or affect any rights which the Company may have against the Mortgagor or Owner of the vessel insured either by or under this Policy or by law, and such rights and obligations shall as between the Company and the Mortgagor or Owner of the property insured remain in full force and effect.

The Company reserves the right to cancel this policy at any time provided by the terms thereof, but in such case this policy shall continue in force for the benefit only of the Mortgagees or said Assignees for 30 days after notice to the Mortgagees or said Assignees of such cancellation, and shall then cease, and the Company shall have the right to like notice to cancel this agreement.

B. LOSS PAYABLE CLAUSE

It is hereby understood and agreed that loss, if any, is payable to the Interest as stated on the Policy Schedule or Endorsement.

C. DEDUCTIBLE CLAUSE

It is hereby understood and agreed that the Insured shall bear and pay the first amount as stated below of each and every loss arising out of every event which shall give rise to a claim under this policy.

(i) AFL. _____ in respect of every claim for loss due to Hurricane, Storm, Cyclone or Tornado and Fire or Theft.

(ii) AFL. _____ in respect of every claim for loss due to any other insured perils. All other terms and conditions remain unchanged.

D. PARTS CLAUSE

It is hereby understood and agreed that in case of loss or damage to any parts / equipments of the vessel, the day value of the parts / equipments will be indemnified by the Company. Under no circumstances will the Company indemnify the Insured the new value of the parts / equipments. The day value will be determined by an certified Marine Hull surveyor.

E. PASSENGER LIABILITY EXCLUSION CLAUSE

It is hereby understood and agreed that any kind of liability towards passengers is excluded from the coverage granted under this insurance policy. No claims shall be payable under this policy for passenger liability.

All other terms and conditions remain unaltered.

F. FIRE EXTINGUISHER WARRANTY

It is warranted that the vessel is equipped with the prescribed fire extinguishers as stated in the Schedule and will be inspected and maintained in excellent and effective working condition throughout the period of insurance of this Policy or any further period that may be agreed by the Company.

No Claims shall be payable if these conditions are not complied with.

G. ANTI-THEFT SYSTEM WARRANTY

It is warranted that the vessel is equipped with a recognized anti-theft system and/or global positioning (tracking) system and will be inspected and maintained in excellent and effective working condition throughout the period of insurance of this Policy or any further period that may be agreed by the Company. At all times the vessel has to be securely locked and/or protected against any form of theft or burglary.

No Claims shall be payable if these conditions are not complied with.

H. HURRICANE / MOORING WARRANTY

It is hereby understood and agreed that this vessel must be moored in the Within the reef at the VARADERO YACHT CLUB in ARUBA (unless otherwise agreed by the company) in the event of a Hurricane, Storm or Bad Weather resulting in above normal sea conditions.

No Claims shall be payable if this condition is not complied with.

I. TOTAL FLOODING SYSTEM WARRANTY

It is warranted that the vessel is equipped with a Total Flooding System in the ENGINE ROOM and will be inspected and maintained in excellent and effective working conditions throughout the period of insurance of this Policy or any further period that may be agreed by the Company.

No Claims shall be payable if these conditions are not complied with.

J. WATERSPORTS COVERAGE EXTENSION CLAUSE

COVERAGE IS AFFORDED to the activity of SNORKELING & SWIMMING for the maximum of (40) Participants at any given time. Coverage is hereby extended to injuries sustained in whole or in part while leaving the insured Vessel to enter the water, while in the water or while boarding the Vessel from the water.

K. MEDICAL PAYMENTS COVERAGE EXTENSION CLAUSE

INSURING AGREEMENT:

A. We will pay medical expenses as described below for bodily injury caused by an accident and resulting from your use, operation or ownership of an insured Vessel;

Provided that:

- (1) The accident takes place in the coverage territory and during the policy period;
- (2) The expenses are incurred and are reported to us within 1 year of the date of the accident; and
- (3) The insured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

B. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance as set forth in the Schedule. We will pay reasonable expenses for:

- (1) First aid administered at the time of the accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

C. EXCLUSIONS

We will not pay any expenses for bodily injury:

- (1) To any insured;
- (2) To a person hired to work for or on behalf of any insured or a tenant of any insured;
- (3) To any employee of any insured;
- (4) To a person, whether or not an employee of any insured, if benefits for the bodily injury are payable or must be provided under a workers' compensation or disability law or similar law; and
- (5) Excluded under Coverage A;