

# boat

Policy

**MIDDLESEA**

A MEMBER OF THE  **MAPFRE** GROUP

# BOAT INSURANCE POLICY

This **Policy, Schedule and Endorsement(s)** (if any) together are evidence of the contract between **you** and Middlesea Insurance p.l.c. based on the information given to **us** and the declaration made on the proposal form. In return for receiving and accepting the premium, **we** will provide insurance within the **Navigational Limits** in accordance with the terms and conditions of this **Policy**. You should read these documents and check them carefully to ensure they provide **you** with the cover **you** require. It is important that **you** should advise **us** immediately whenever any changes occur that affect what **you** have disclosed to **us**.

This **Policy** is valid for the period of insurance shown in the **Schedule** and any subsequent period for which **you** pay and **we** accept a renewal premium.

Unless both **you** and **we** agree otherwise, this contract of insurance is a Maltese one and is governed by and according to Maltese Law and is subject to the exclusive jurisdiction of the Maltese Courts. The cover provided by this **Policy** shall apply only to judgements or orders that are delivered by or obtained from a Court in **Malta**. Furthermore, the cover shall not apply to a judgement or order obtained in **Malta** for the enforcement of a judgement obtained elsewhere or to costs and expenses of litigation recovered by any claimant from **you** which costs and expenses of litigation are not incurred in **Malta**.



**MARTIN GALEA**  
CHAIRMAN



**ALFREDO MUÑOZ PEREZ**  
PRESIDENT &  
CHIEF EXECUTIVE OFFICER

# DEFINITIONS

Wherever you see the following words or phrases, they will have the meanings shown next to them and are shown in bold print. Any word or expression to which a specific meaning has been given, has the same meaning wherever it appears unless the context requires otherwise:

**Agreed Value** is the amount shown in the **Schedule** that represents the value of **your Boat** as declared by **you**.

**Boat** is the marine vessel described in the **Schedule** including its machinery, outboard motors, tender, trailer, gear and equipment that would normally be sold with the vessel.

**Endorsement(s)** means any alteration made to the Policy which has been agreed by us in writing.

**Excess** is the amount of each claim that **you** have to pay **yourself**.

**In Commission Period** represents that period when the **Boat** is fitted out and ready for use.

**Laid Up Period/Location** represents that period when the **Boat** is not fitted out and ready for use, is stored in its laid up location being a safe berth or ashore.

**Limited Navigation** represents that period stated in the **Schedule** under the heading **Limited Navigation Period** during which cover will be subject to **Warranty** No. 5 in this Policy.

**Loss of Limb** means physical, permanent and total loss of use at or above the wrist or ankle.

**Loss of Sight** means complete, irrevocable and irremediable loss of sight or one or both eyes.

**Loss or Damage** means accidental damage caused by unforeseen forcible, violent or external means.

**Malta or Maltese** mean the, or of the, Republic of Malta including any recognised sea passage within the Republic.

**Navigational Limits** consist of the geographical limits within which **we** have agreed to insure the Boat. **You** can only navigate outside these limits when **you** are forced to by the weather, any form of danger or by an order of a government or legal authority.

**Permanent Total Disablement** means disablement which prevents attending to business or occupation of any and every kind which lasting 12 consecutive months is at the expiry of that period beyond all hope of improvement.

**Personal Accident** means accidental bodily injury caused solely and directly by outward violent and visible means.

**Personal Items** are items of clothing and articles of a personal or nautical nature likely to be worn, used or carried and generally kept temporarily on board the **Boat** and not normally sold along with the **Boat**.

**Policy** means this booklet, the **Schedule** and any **Endorsement(s)** all of which are to be read together.

**Racing** means any organised competitive events with a designated start and finish, speed tests or connected trials.

**Schedule** means the document attaching to this Policy containing details of **you, your Boat**, the use to which it can be put, who can drive **your Boat** and any applicable **Endorsement(s)**.

**Total Loss** implies that the **Boat** is irretrievably lost or destroyed. A constructive **total loss** is where the cost of replacement or repair exceeds the **Agreed Value** of the **Boat**.

**We** or **Us** or **Our** mean Middlesea Insurance p.l.c.

**You** or **Your** or **Yours** or **Yourself** mean the Insured described in the Schedule.

## SECTION 1 - ACCIDENTAL DAMAGE TO YOUR BOAT

We will pay for:

- 1 Accidental **loss or damage** to your **Boat** that takes place within the **Navigational Limits** whilst it is ashore or afloat, in commission, laid up out of commission, being lifted, hauled out or launched, all in accordance with the terms, conditions, exceptions and limitations of this **Policy**.
- 2 Accidental **loss or damage**:
  - a. to motors, electrical machinery and equipment, batteries and their connections resulting from sudden accidental seepage of water into the **Boat**, directly caused by an identifiable and unexpected occurrence;
  - b. arising from the **Boat** striking an underwater or floating object;
  - c. to **personal items** (subject to the Limit stated in the **Schedule**) that do not form part of the **Boat's** inventory while used in connection with the **Boat** and whilst in transit between **your** home and the **Boat**;
  - d. to the **Boat** whilst in transit by road or ferry anywhere in **Malta**, including loading and unloading;

- e. to the **Boat** caused by a governmental authority whilst trying to prevent or mitigate a pollution hazard resulting directly from **loss or damage to your Boat**.
- 3 The reasonable costs incurred:
- a. including salvage charges, in preventing and minimizing a loss covered by this **Policy**,
  - b. for inspecting the **Boat** following grounding, even if no damage is found.

**We** will not cover or pay for:

- i. loss of use or enjoyment of the **Boat**;
- ii. wear, tear, corrosion, depreciation, gradual deterioration, damp, mould, mildew, vermin and moth and **loss or damage** resulting from electrolysis, osmosis or like or similar conditions;
- iii. **loss or damage** to consumable stores;
- iv. **loss or damage** to the **Boat's** moorings;
- v. sails and protective covers split by the wind or blown away while set unless following damage to the spars to which the sails are bent following the **Boat** being stranded or coming into collision with any external object other than water;
- vi. loss of or damage to mechanical, electrical or electronic machinery and batteries and their connections caused by latent defects, faulty design and/or construction and/or maintenance and/or repair and/or electrical, electronic or mechanical breakdown, failure or derangement;
- vii. the cost of replacing, repairing or renewing a faulty part, faulty design, faulty construction, maintenance or repairs or defective materials;
- viii. **loss or damage** to tenders unless permanently marked with the name of the parent **Boat**;
- ix. theft of outboard motors attached to the **Boat** or its tender(s) unless it is securely locked by an anti-theft device that prevents retaining bolts or clamps being undone in addition to its normal method of attachment;
- x. theft of outboard motors unless **you** have safely recorded the serial number;
- xi. theft of fixed gear and equipment from the exterior of the **Boat** unless violence or force are used;
- xii. theft of the trailer and any insured items attached to it whilst unattended unless the trailer has been securely locked to a fixed and immovable object or a locked vehicle with an anti-theft device in addition to its normal method of storage unless its theft occurred from the place of storage following a violent and/or forcible means of entry or exit therefrom;
- xiii. a reduction in the **Boat's** market value following repair or loss of value, warranty coverage or rating;
- xiv. **loss or damage** to electrical equipment unless directly caused by a sudden and identifiable, unintended and unexpected occurrence at a specific time and place during the period of insurance;
- xv. gradual seepage or incursion of water into the **Boat** as a result of the **Boat** not being watertight;

- xvi. **loss or damage** resulting from water gradually escaping or seeping from any fixed appliance or pipe;
- xvii. **loss or damage** to **personal items** and effects unless the **Boat** has a lockable storage and violence or force have been used to break into such place of storage;
- xviii. theft of **personal items** and effects from an unattended motor vehicle unless the vehicle was securely locked and the **personal items** and effects hidden from view;
- xix. **loss or damage** to computer equipment or computer software, mobile phones, jewellery, furs, photographic equipment, works of art and spectacles;
- xx. breakage of items of a fragile nature;
- xxi. loss of money, travellers cheques, credit or debit cards;
- xxii. **loss or damage** to water skis, water toys, fishing, diving and sports equipment whilst in use;
- xxiii. scratching, denting, bruising and chafing whilst the **Boat** is in transit.

### **CONDITIONS applicable to this Section**

1. Cover for fire and explosion is provided by this **Policy** as long as the **Boat** is equipped with fire extinguishing appliances or apparatus that meet the following minimum standards:
  - a. if the **Boat** is fitted with an outboard motor(s) above 25hp or with an inboard motor(s) the minimum standard is one manual fire extinguisher;
  - b. if the **Boat** has a galley area the minimum standard is extended to include a fire blanket;
  - c. if the **Boat** is fitted with an inboard motor(s) and its maximum designed speed is 17 knots or more the minimum standard is extended to include an adequate fire extinguishing system automatically operated or having controls at the steering position and situated in the engine room or engine space and (where allowable by the design of the **Boat**) in the tank space.

All this equipment must be properly and professionally installed and maintained in an efficient working order.

2. While it is in transit the **Boat** must be:
  - a. carried on a trailer fit for the purpose intended and towed by a suitable vehicle; or
  - b. fitted in a purpose-built cradle and carried by a professional haulier.
3. **We** will pay the reasonable cost of repair for **loss or damage** less the applicable **excess** as shown in the **Schedule**. In the event of a **Total Loss** or constructive **Total Loss**, **we** will either pay the **Agreed Value** of the **Boat** or provide a replacement **Boat** of a similar age, size and type. Reasonable replacement or repair is to be considered sufficient even if the appearance and condition of the **Boat** is not the same as prior to the **loss or damage**.
4. In no case will **we** pay for unrepaired damage in the event of a subsequent **Total Loss**.

5. In the event of **loss or damage** to the outboard motor(s) **we** will pay the current replacement value or price less 10% per annum from date of purchase as new up to a maximum deduction of 50%.
6. **We** will only make deductions (maximum one third) for new replacing old in respect of sails, running rigging, protective covers, canopies, side screens, personal items and effects, unspecified tenders or items or parts that are no longer available or legally compliant.
7. Our maximum liability in respect of any **loss or damage** to the **Boat** is the **Agreed Value** of the **Boat** as shown in the **Schedule** or any Limit noted therein.

## SECTION 2 - LIABILITY TO OTHERS

**We** will cover **your** legal liability, up to the limit stated in the **Schedule**:

- 1 to compensate other people if someone dies or is injured or their property is lost or is damaged, as a result of **your** interest in the **Boat**.

This cover is being provided to **you** and to those in control of the **Boat** with **your** permission.

- 2 and pay the reasonable costs of attempted or actual raising, removal or destruction of the wreck of the **Boat** or any failure to do so, resulting from **loss or damage** to **your Boat**.

**We** will not cover or pay for:

- i. liabilities whilst the **Boat** is in transit;
- ii. liabilities assumed under contract, incurred solely by an agreement entered into by **you**,
- iii. accidents or illness to persons contracted by **you**, in any capacity whatsoever, in connection with the **Boat**;
- iv. liability to passengers or crew engaged in any underwater sport or activity, from the time of leaving the **Boat** until safely within or on the **Boat**;
- v. any activity which takes place in the air involving persons being pulled by the **Boat** and/or tender(s);
- vi. liabilities resulting from any accident whilst the **Boat** is in the care, custody or control of any business, trade, profession or organisation;
- vii. any activity involving persons being pulled by the **Boat** and/or tender(s) unless **you** have written agreement from **us**;
- viii. liabilities as a result of wilful misconduct or acts of recklessness by you or other persons in control of the **Boat** including, but not limited to, conduct when under the influence of alcohol or drugs;
- ix. liabilities as a result of the **Boat** being stranded, sunk, swamped or breaking adrift whilst unattended except on a recognised mooring.

## SECTION 3 - ADDITIONAL COVER

THIS WILL ONLY APPLY IF IT IS SHOWN AS INCLUDED IN THE SCHEDULE

- 1 **We** will cover **loss or damage** and your liabilities to and of water skiers being pulled by the **Boat**.

Warranted that the driver and an onlooker are on board the **Boat** whenever the **Boat** is being used for water skiing.

- 2 **We** will cover **loss or damage** and **your** legal liabilities whilst the **Boat** is **racing**. (This is only applicable to sailing boats).

General Exclusion ix. is deemed to be deleted.

- 3 **We** will cover **loss or damage** and the legal liabilities of the Charterers as if they were **yours**.

General Exclusion viii. is deemed to be deleted.

- 4 **We** will cover **loss or damage** to the **Boat** by the sudden and unexpected failure of mechanical, electrical or electronic machinery and batteries and their connections caused by latent defects, faulty design and/or construction and/or maintenance and/or repair and/or electrical, electronic or mechanical breakdown, failure or derangement. However **we** will not cover the cost of repairing or replacing any part or parts found to be latently defective.

## SECTION 4 - PERSONAL ACCIDENT

**We** will cover **you** and other persons aboard the **Boat** (including whilst embarking or disembarking) with **your** permission against **personal accidents** that within 12 months of the event are the sole and independent cause of subsequent death or **permanent total disablement**.

**Benefits:** As shown in the **Schedule**.

**We** will not cover or pay for:

- i. a disease, physical defect, illness or injury which existed prior to the accident;
- ii. consequential loss of any kind;
- iii. pregnancy;
- iv. suicide, deliberate self-injury or wilful exposure to needless risk;
- v. being under the influence of drink, drugs or solvent abuse;
- vi. death or disablement to any person employed by you in any capacity whatsoever;
- vii. death or disablement to any person whilst the Boat is being used for purposes other than private and pleasure.

### **CONDITIONS applicable to this Section**

1. In the event of a claim under this Section of the **Policy** no payment will be made without appropriate medical certification which **you** must submit together with any information, evidence or receipts that **we** ask for. These must be obtained at **your** expense.
2. Where necessary, the claimant must agree to a medical examination for which **we** will pay the cost.
3. No claim will be payable to any one person under more than one benefit in respect of any one accident.

## **GENERAL EXCLUSIONS**

**THESE GENERAL EXCLUSIONS APPLY TO ALL SECTIONS OF THE POLICY**

**We** will not cover or pay for:

- i. the **excess** or **excesses** shown in the **Schedule** except in the event of a **Total Loss**;
- ii. costs, expenses or fees for preparing any claim you make under this **Policy**;
- iii. war, invasion, civil war, conflict or commotion, terrorism;
- iv. any chemical, biological, bio-chemical or electromagnetic weapon;
- v. ionising radiation, radioactivity, nuclear fuel, nuclear waste or nuclear equipment;
- vi. malicious computer codes and the failure of a computer chip or computer software to recognise a true calendar date;
- vii. **loss or damage** or any liabilities occurring outside the period of insurance or when the **Boat** is operating outside the **Navigational Limits** shown in the **Schedule**, unless **you** have a written agreement from **us**;
- viii. **loss or damage** or any liabilities arising from hire, charter, reward or any other commercial activity, unless **you** have a written agreement from **us**;
- ix. **loss or damage** or any liabilities arising whilst the **Boat** is **racing** unless **you** have a written agreement from **us**;
- x. fines, penalties, punitive or exemplary damages of whatsoever nature;
- xi. **loss or damage** or any liabilities arising whilst the **Boat** is being used or navigated at

- sea single-handedly for a period exceeding 24 hours;
- xii. **loss or damage** or any liabilities arising as a result of **your** failure to maintain the **Boat** in a seaworthy condition or to exercise due diligence;
  - xiii. **loss or damage** as a result of or liabilities for seepage, pollution or contamination unless directly caused by a sudden identifiable, unintended and unexpected incident occurring entirely at a specific time and place during the period of insurance;
  - xiv. **loss or damage** or liability resulting from deception by **you** or caused by **your** malicious act or that of any one using the **Boat** with **your** permission;
  - xv. liabilities as a result of the **Boat** undertaking towage or salvage services under a pre-arranged contract; however the **Boat** may assist or tow **Boats** in distress;
  - xvi. **loss or damage** or liability whilst the **Boat** is being used for illegal purposes;
  - xvii. **loss or damage** or liability whilst the **Boat** is permanently used as a houseboat or whilst it is being used for demonstration purposes or whilst the **Boat** is used for any other purpose other than for private and pleasure purposes unless **you** have a written agreement from **us**.

## WARRANTIES

ONLY OPERATIVE IF SHOWN IN THE SCHEDULE TO THE POLICY

- 1. **Speed Warranty:** Warranted that the speed of **Boat** shall not exceed 10 knots within any harbour or within 300 meters from any part of the foreshore.
- 2. **Garaging Warranty:** Warranted that the **Boat** shall not be left unattended at sea or on mooring overnight but garaged each and every time when not in use.
- 3. **Single Engine Boat Warranty:** Warranted that whenever the **Boat** travels outside Maltese Territorial Waters it shall:
  - a. be accompanied by another boat powerful enough to tow the **Boat** to a port of safety in event of engine failure;
  - b. have on board a VHF radio installed or other similar means of communication and that such equipment are checked to be in proper working order prior to departure.
- 4. **Jet Skis Warranty:** Warranted use of life jackets at all times.
- 5. **Limited Navigation Warranty:** Warranted that the **Boat** shall:
  - a. only sail during daylight hours and that it returns to a safe port or its lay-up berth or place of storage before sunset;
  - b. not sail more than 20 nautical miles away from its lay-up berth or place of storage or a safe port;
  - c. not sail if prior to departure the Meteorological Offices forecasts a wind speed in excess of Force 4 on the Beaufort Scale or in the case if sailing boats with a length exceeding 7.62 metres, a wind speed in excess of Force 6 on the Beaufort Scale.

# GENERAL CONDITIONS

## APPLICABLE TO ALL SECTIONS OF THE POLICY

1. **We** will provide cover under this **Policy** only if the material information **you** gave **us** when applying for insurance or when making a claim is true as far as **you** know. To be covered by this **Policy**, **you** must keep to the terms, conditions and **Endorsement(s)** of this **Policy**.
2. This **Policy** is non-transferable and should the **Boat** be sold or transferred to new ownership or there is a change in the interest, this **Policy** will become void and cancelled from the relevant date.
3. **You** must use due care and diligence and ensure that the **Boat** is maintained in a seaworthy condition at all times, safeguard it from **loss or damage** and those in charge of the **Boat** with **your** permission must have satisfied **you** of their competence, prior to **your** agreement.
4. As soon as **you** become aware of an event or cause that may lead to a claim under this **Policy**, **you** or **your** legal representatives must:
  - a. tell **us** immediately and provide **us** at **your** own expense with all the information and help **we** need;
  - b. forward **us** immediately and unanswered any writ, summons or other legal documents served on **you** or **your** family in connection with any claim or legal liability arising from injury or damage;
  - c. not discuss, admit, reject or negotiate on any claim with anyone else without **our** written permission.
5. Where fraud (including exaggeration) is detected, claims will not be paid and **we** may refer the matter to the police for criminal prosecution. The **Policy** may not only be rendered invalid but **we** may also take other action consistent with **our** legal rights.
6. **We** may take over and conduct in **your** name with complete and exclusive control, the defense or settlement of any claim.
7. **We** may at our expense and for **our** own benefit start legal action in **your** name to recover compensation from others in respect of any amount paid or payable under this **Policy**.
8. For any claim or series of claims arising from one event involving legal liability covered by this **Policy**, **we** may either pay up to the limit shown in the **Schedule** less any amounts previously paid or any lower amount for which **we** can settle **your** claim. Once **we** have made the payment, **we** will have no further liability for **your** claim.
9. If any loss, damage or liability which **you** are claiming for under this **Policy** is covered by any other insurance, **we** will pay only **our** proportionate share of that claim.

10. **You** may cancel this **Policy** at any time during its term. Any refund of premium will be worked out from the date **we** receive **your** cancellation instructions. Provided no claim or loss has arisen in the current period of insurance, **we** will return part of the premium calculated on **our** cancellation rates for the unexpired period of insurance.
11. **We** may cancel this **Policy** by sending **you** a registered letter giving you 7 days' notice to **your** last known address. **We** will refund the appropriate proportion of **your** premium worked out on a pro-rata basis from the date of **our** letter.
12. If **we** disagree about the amount to be paid under this **Policy** (liability being otherwise admitted), **you** and **we** have the right to refer to arbitration. **We** will write to **you** to inform **you** of this option and must then write and tell **us** if **you** want to proceed. An arbitrator will be appointed in accordance with the statutory provisions in force at the time as amended or replaced from time to time. The apportionment of the costs and expenses of the arbitration will be determined by the arbitrator. The making of an award is a condition precedent to any right of action against **us**.

Using the arbitration procedure does not preclude **you** from appealing against the arbitrator's decision in a court of law.

## OUR COMPLAINTS PROCEDURE

**We** are committed to providing good quality services. **We** recognise however that clients may not be satisfied with the service provided. To deal with this **we** have a complaints procedure. For the sake of clarification a complaint is broadly defined as being a written expression of dissatisfaction with services that **we** provide or actions **we** have taken that require a response. **We** distinguish complaints from queries. Queries are challenges to specific decisions in specific circumstances.

### How to Complain

#### Step 1 – Contacting us

The first step is to talk to a member of our staff or of the intermediary if **your Proposal** was arranged through one. This can be done informally either directly or by telephone.

Usually the best staff member to talk to will be the person who dealt with the matter **you** are concerned about as they will be in the best position to help you promptly and to put things right. If they are not available or **you** would prefer to approach someone else then ask for the manager or senior person responsible. **We** will seek to resolve the problem immediately. If **we** cannot do this then **we** will take a record of **your** concern and arrange the best way and time for getting back to **you**. This will normally be within 2 working days.

## Step 2 – Taking your complaint further

If **you** are still unhappy the next step is to put **your** complaint in writing, addressing it to **our** Complaints Officer, setting out the details, explaining what **you** think went wrong and what **you** feel would put things right. If **you** are now happy about writing a letter **you** can always ask a member of staff to take notes of **your** complaint which **you** will be then asked to sign. **You** will be provided with a copy for **your** own reference. This record will be passed promptly to the Complaints Officer to deal with.

Once **our** Complaints Officer receives a written complaint, s/he will arrange for it to be fully investigated. **Your** complaint will be acknowledged in writing within five days of receiving it and the letter will say when **you** can expect a full response. This should normally be within three weeks unless the matter is very complicated such as where other organisations need to be contacted. Where this is the case **we** will still let **you** know what action is being taken and tell **you** when **we** expect to provide **you** with a full response.

### Taking your complaint elsewhere

If **you** are still not satisfied with the Complaints Officer's response, **you** can always seek advice elsewhere. **You** may contact the Consumer Complaints Manager at the Malta Financial Services Authority on 8007 4924 or 2144 1155.

Following these procedures will not affect **your** right to take legal action.

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Middlesea Insurance p.l.c. (C-5553) is authorised by the Malta Financial Services Authority to carry on both Long Term and General Business under the Insurance Business Act, 1998.

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