

MARINE HULL INSURANCE POLICY

SECTION 1 - LOSS OF OR DAMAGE TO THE INSURED CRAFT

The Company will at its option pay or replace or make good loss of or damage to the insured craft (which term shall include the machinery gear and equipment) as specified in the Schedule hereto, whilst;

- (a) ashore and in transit by road or rail
- (b) afloat
- (c) being launched or hauled out of any inland water

within the territorial limits specified in this Policy.

Provided always that the amount payable by the Company in respect of any claim for loss of or damage to the insured craft shall be:-

- (i) in the event of actual or constructive total loss, the reasonable market value of the insured property at the time of the loss but not exceeding the Sum Insured as set out in the Schedule hereto.
- (ii) In the event of partial loss or damage, the reasonable cost of repairing or reinstating the damaged or lost part of the insured craft (including expenses necessarily incurred) but not exceeding the reasonable market value of the insured craft at the time of such loss or damage or sum insured as detailed in the Schedule, whichever shall be the lesser, less the first amount payable specified in this Policy.

In ascertaining whether the craft is a constructive total loss the reasonable market value of the craft or the sum insured as set out in the Schedule hereto, whichever shall be the lesser, shall be taken as the repaired value and nothing in respect of the damaged or break up value of the craft or wreck shall be taken into account.

No deduction on account of new material replacing old shall be made in respect of sails running rigging protective covers machinery and motors exceeding three years of age.

Average

If the market value of the craft insured shall at the time of any loss be greater than the sum insured specified in the Schedule the insured shall be entitled to receive hereunder such portion of the loss as the sum insured bears to the market value of the craft.

Territorial Limits

Inland waters, within the Territorial Limits of Zimbabwe.

First Amount Payable

The Insured shall be responsible for the First Amount Payable as stated in the Schedule in respect of each and every claim or series of claims consequent upon or attributable to a single cause or event under Section 1 of this Policy.

The First Amount Payable Section shall not apply in respect of the cover provided under the Medical Expenses Extension contained in this Section.

Exceptions to Section 1

The Company will not be liable in respect of:

- a. Vermin, wear and tear, deterioration, depreciation, breakdown of any machinery
- b. Scratching chipping chafing or bruising whilst in transit unless caused by an accident involving the trailer or towing vehicle.
- c. Loss or damage to the motor, connections, rudder, propeller, strut, shaft, electrical machinery and equipment or batteries and their connections, metalling or repairs thereto, unless the loss or damage is caused
 - (i) By the craft being immersed as a result of heavy weather
 - (ii) By the craft being stranded, sunk, burnt, on fire or in collision or contact with any external substance (ice included) other than water.
 - (iii) Whilst being removed from or placed in the craft
 - (iv) By theft of the entire craft or by theft following upon forcible and violent entry into the craft or place of storage or repair
 - (v) By theft of outboard motor(s) provided that such motor(s) is/are securely locked to the craft by an anti theft device in addition to its normal method of attachment.
 - (vi) By fire in the place of storage or repair ashore
 - (vii) By malicious acts
- d. Consumable stores, personal effects including water skis, moorings, nets and fishing gear.

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- e. Any defective part condemned solely in consequence of a latent defect or error in design or construction.
- f. Sails and protective covers split by wind or blown away while set unless occasioned by the craft being stranded 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.
- g. Respraying or repainting the entire craft due to inability to match paint or finish
- h. Any unrepaired damage
- i. Consequential loss of any kind whatsoever
- j. Error of or damage to any outboard motor(s) as a result of dropping off or falling overboard unless the motor(s) is/are secured to the hull of the craft by means of either bolts, galvanized steel chain or terylene rope in addition to its/their normal method of attachment.

Medical Expenses Extension

The Company will refund any doctor's or surgeon's fees not otherwise recoverable from any other source (limited to \$10 000) ten thousand dollars) for attendance upon the Insured or the Insured's spouse as the direct result of personal injuries caused by violent accidental external and visible means, sustained due to the insured craft sinking, or being in collision with another craft or vessel or with any external object (ice included) other than water or by fire or explosion of the insured craft.

Racing Risks Extension (Sailing Craft Only)

If stated in the schedule as being included, this Policy extends to cover loss of or damage to sails masts spars and fittings attached thereto standing or running rigging and blocks whilst the insured craft is being used for racing. The Insured shall be responsible for the first \$20 000 of each and every claim under this Extension of the Policy in addition to the First Amount Payable stated in the Schedule.

SECTION 2 – LIABILITY TO THIRD PARTIES INCLUDING PASSENGERS

The Company will indemnify the Insured in respect of all claims made and law costs incurred by third parties and passengers for which the Insured shall by reason of interest in the craft become legally liable to pay for as a result of an accident causing:

- A. death or bodily injury to persons (other than members of the insured's household or any person carried for hire or reward in the insured craft unless specifically agreed by the Company and stated in the Schedule or any endorsement hereto)
- B. damage to property (other than property belonging to the Insured or held in trust by or in the custody or control of the Insured)
- C. damage to piers docks wharves and jetties and any attempted or actual raising removal or destruction of the wreck of the insured craft or any neglect failure to raise or destroy such wreck.

In addition the Company will indemnify the Insured in respect of all law costs and expenses incurred with the written consent of the Company in settling or defending any claim and for all salvage charges and necessary expenses incurred in minimizing or averting a loss that would form a claim under this Policy.

The cover provided by this Section of this Policy extends to any person (other than an person operating or employed by the navigator of a shipyard, repair yard, slipway, yacht or power boat club, sales agency or similar organization) navigating or in charge of the insured craft with the permission of the insured, provided:-

- a. that such person is not entitled to indemnity under any other Policy
- b. that such person shall as though he were the Insured observe, fulfill and be subject to the terms. Conditions, exceptions and warranties of this Policy in so far as they can apply.
- c. That such person has not been refused any craft insurance or continuance thereof by any insurance company or underwriter.

The maximum amount payable by the Company under this Section in respect of any one accident or number of accidents arising out of one cause shall be limited to the Limit of indemnity shown in the Schedule but unlimited during any one period of Insurance.

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Exceptions to Section 2

No claim shall be allowed in respect of: -

- a) accident to or any illness of any workmen employed in any capacity whatsoever by the Insured or by persons to whom the protection of this Policy is afforded.
- b) Any liability falling within the scope of any statutory motor vehicle insurance enactment or for which an indemnity is obtainable under any other form of motor vehicle or trailer insurance.
- c) Members of the Insured's family carried as passengers
- d) Loss or damage to any property belonging to other parties conveyed on or within the craft insured.
- e) Fare paying passengers (unless stated in the Schedule that vessel is used for Charter or Hire and Reward purposes)
- f) Members of the Insured's family carried as passengers
- g) Any legal liability of the Insured whilst the insured property is in transit.

Jurisdiction Clause

The indemnity provided by Section 2 of this Policy, Liability to Third Parties shall not apply to:

- a) Compensation for damages in respect of judgments which are not delivered by or obtained from a Court of competent jurisdiction within Zimbabwe.
- b) Costs and expenses of litigation recovered by any claimant from the Insured which are not incurred in and recoverable in Zimbabwe.

Water Skiers Extension

If stated in the Schedule as being included and notwithstanding anything to the contrary contained in General Exception (d) the Company will indemnify the Insured under Section 2 of this Policy in respect of: -

- a) Liability to persons engaged in water skiing whilst being towed by the Insured craft or whilst preparing to be towed or after being towed until safely on board the insured craft.
- b) Liability to Third Parties incurred by persons engaged in water skiing whilst being towed by the Insured craft or whilst preparing to be towed or after being towed until safely on board the insured craft.

The maximum liability of the Company under this Extension shall not exceed the limit of indemnity stated in the Schedule in respect of any one claim or series of claims arising out of or attributable to a single cause or event but shall be unlimited during any one period of insurance.

WARRANTIES

WARRANTED

a) **Maintenance of Craft/Due Care and Attention**

That the Insured shall maintain and keep the craft machinery motors gears and equipment in a proper state of seaworthiness and/or repair and shall maintain and keep the trailer in a proper state of road worthiness and/or repair and shall at all times exercise due care and diligence in safeguarding them and shall comply With all licencing regulations.

b) **Refueling**

That no naked flame or cigarette cigar or pipe smoking shall be permitted on board the craft during any refueling operation.

c) **Craft Not in Use**

When laid up and out of use

- (i) The craft shall be removed from the water or shall be securely anchored in a sheltered and safe anchorage.
- (ii) That mooring chains shall be lifted and checked by the Insured at least once every twelve months
- (iii) The outboard motor(s) shall be removed and stored in a place of safety under lock and key or securely chained bolted or padlocked to or through the transom.

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- (iv) All loose equipment shall be removed and stored in a place of safety under lock and key.

d) Unrepaired Damage

In no case shall the Company be liable for unrepaired damage in addition to a subsequent total loss sustained during the period covered by this Policy or any extension thereof

e) Operation of Craft

The Company shall not be liable for any loss damage or liability caused sustained or incurred whilst the insured craft is:-

- (i) Being operated by any person under the age of eighteen unless accompanied by an adult
- (ii) Being operated by the Insured whilst under the influence of intoxicating liquor or drugs
- (iii) Being operated with the general consent of the Insured by any person who to the Insured's knowledge is under the influence of intoxicating liquor or drugs.

f) Inboard Motors/Machinery

That if the craft is fitted with inboard machinery no liability shall attach to this Policy in respect of any claim caused by or arising through fire or explosion unless the craft is equipped in the control 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.

g) Competent Operators

When the insured craft is under way a competent person shall be on board and in charge of the craft. This warranty shall not apply in the event of any person taking the insured craft without the permission of the Insured.

h) Compliance with Inland Water Acts and Regulations

That the Insured shall at all times comply with the provisions of the Inland Water Shipping Act and Regulations and further that any person acting as Master of the insured craft with the Insured's permission shall as though he were the Insured observe fulfill and be subject to the terms of this Condition.

GENERAL CONDITIONS

1. Safety of Craft Following Loss or Damage

In the event of any loss of damage to the insured craft for which a claim is payable under this Policy the Insured shall take all reasonable steps to ensure the safety of the said craft.

2. Repairs or Alterations to Damaged Craft

The Insured shall not without the written consent of the Company repair or alter the damaged craft. The Company's representative(s) shall have the opportunity if desired of examining the craft and giving or obtaining an estimate of the necessary repairs.

3. Notice of Loss or Damage

The Insured shall give written notice to the Company of any accident or claim or proceedings immediately the same shall come to the knowledge of the insured or his representatives and shall with reasonable dispatch furnish all such other information as the Company may require.

4. Admission of Liability

No admission offer promise or payment of indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company which shall be entitled if it so desires to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in his name and for its own benefit any claim for indemnity or damages or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.

5. Payment of Limit of Indemnity

At any time after the happening of any event giving rise to a claim or series of claims under Section 2 of this Policy the Company may pay to the Insured the full amount of the Company's liability under that Section and relinquish the conduct of any defence settlement or proceedings and the Company shall not be responsible for any damage alleged to have been caused to the Insured in consequence of any alleged action or omission of the Company in connection with such defence settlement or of the Company relinquishing such conduct nor shall the Company be liable for any costs or expenses whatsoever incurred by the Insured or any claimant or other person after the Company shall have relinquished such conduct.

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6. Other Insurances

If at the time any claim arises under this Policy there is any other existing insurance covering the same loss damage or liability the Company shall not be liable to pay or contribute more than its rateable proportion of any loss damage compensation costs or expenses. Provided always that nothing in this condition shall impose on the Company any liability which but for this condition it would have been relieved under the proviso to the Extension relating to persons navigating or in charge with permission of the Insured.

7. Rights Against the Company

Unless otherwise expressly stated by endorsement hereon nothing contained herein shall give any rights against the Company to any person other than the Insured. The extension of the Company's liability in respect of any person other than the Insured shall give no right of claim hereunder to such person the intention being that the Insured shall in all cases claim for and on behalf of such person and the receipt of the Insured in any case shall absolutely discharge the Company's liability hereunder.

8. Cancellation of Policy

The Company may cancel this Policy by sending thirty days notice of cancellation by registered letter to the Insured (or the representative or agent of the insured) at his last known address and by similar notice to the Company the Insured may at any time cancel this Policy and in either event the Company will return to the Insured Pro-Rata portion of the premium for the unexpired period of insurance.

In the event of a claim having been submitted by the Insured during the then current period of insurance there shall be no refund of premium made on cancellation of the Policy by the Insured.

In the event of the total loss or constructive total loss of the craft, this Policy (or if there is more than one craft insured the cover for that particular craft) shall be cancelled and of no further force or effect.

9. Disclaimer of Liability

In the event of the Company disclaiming liability in respect of any claim and an action or suit be not commenced within three months after such disclaimer all benefit under this Policy in respect of such claim shall be forfeited. In no case whatsoever shall the Company be liable under this Policy after the expiration of twelve months from the happening of the event unless the claim is the subject of pending arbitration or is a claim under Section 2 of this Policy.

10. Observance of Terms and Conditions

The due observance and fulfillment of the terms provisions conditions warranties and endorsement of the Policy by the Insured in so far as they relate to anything to be done or complied with by him and the truth of the statements and answers in the said proposal shall be conditions precedent to any liability of the Company to make any payment under this Policy.

11. Currency

All sums of money stated in this Policy are in the currency of Zimbabwe.

12. Misrepresentation Omission Mis-Description

If this Policy or any renewal thereof has been obtained through omission to state any material fact or through any misstatement by the Insured or by any person acting on behalf of the Insured or if any declaration or statement made in support of any claim is untrue or suppressed, then this Policy shall be null and void and any benefit provided during any period of insurance under the policy is forfeited entirely and the Company shall not be liable to make any payment under the Policy.

13. Sale of Craft/Transfer of Ownership

In the event of the sale or transfer of ownership of the craft, this Policy is deemed cancelled from the date of such sale or transfer of ownership and a pro rata refund of premium shall be made.

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14. Spare Parts

In the event of loss or damage for which the Policy provides indemnity to the insured craft and/or its accessories necessitating the supply of a part or accessory not obtainable from stocks held in Zimbabwe or in the event of the Company exercising the option to pay in cash the amount of the loss or damage the liability of the Company in respect of such part or accessory shall be limited to: -

- (a) (i) The price quoted in the latest catalogue or price list issued by the manufacturer or his agents in Zimbabwe or
- (ii) If no such catalogue or manufacturer's price list exists the price last obtaining at the manufacturers works plus the reasonable cost of transport other wise than by air to Zimbabwe and the amount of the relative import duty.

- (b) The reasonable cost of fitting such part.

And it is specifically agreed that the Company shall not be liable for any other loss whatever arising and consequent upon inability to obtain any such part in Zimbabwe, save as stated above.

GENERAL EXCEPTIONS

Unless stated in the Schedule to be included or unless specially agreed by endorsement hereon, the Company shall not be liable in respect of:

- a) Any claim arising whilst the Insured craft is participating in racing or speed tests or any trials in connection therewith
- b) Any claim arising whilst the insured craft is let out on hire or charter unless specifically agreed by the Company and stated in the Schedule or any endorsement hereto
- c) Any claim arising whilst the insured craft is towing or being towed whilst waterborne except as is customary or when in need of assistance or when assisting craft in distress.
- d) Any liability to or incurred by persons engaged in water skiing, aquaplaning, parasailing or similar sports whilst being towed by the Insured craft or preparing to be towed or after being towed until safely on board the Insured craft. However, if the Water Skiers Extension is stated in the Schedule to be included, the words "water skiing" appearing in this exception shall not apply.

- e) Any claim in respect of loss or damage to the craft or liability to any third party or salvage charges caused by or arising from the craft being stranded, sunk, swamped, immersed or breaking adrift while left moored or anchored unattended off an exposed beach or shore.
- f) Any loss or expenditure incurred solely in remedying a fault in design or, damage resulting from faulty design or workmanship any additional expenditure incurred by reason of betterment or alteration in design or for the cost and expense of replacing or repairing any part condemned solely in consequence of a latent defect or fault or error in design or construction or faulty workmanship.
- g) Any loss or damage as a result of capture, seizure, arrest, restraint or detainment and the consequences thereof or any attempt thereat by a legally constituted authority; also from the consequences of hostilities or warlike operations, whether there be a declaration of war or not; or of civil war revolution, rebellion, insurrection or civil strife arising there from or piracy.
- h) Loss or damage caused by strikers, locked out workmen or persons taking part in labour disturbances, riots or civil commotions
- i) Loss damage liability or expense directly or indirectly caused by or contributed to by or arising from
 - 1) Ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel.
 - 2) The radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof
 - 3) Any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.