

Section 15

MARINE

1. Indemnity

This Section covers your Watercraft as shown on the Policy Schedule. We will indemnify you for any loss, damage, liability, costs and expenses while the Watercraft is In Commission and described under:

- 1.1. Insured Events
- 1.2. Additional Cover
- 1.3. Optional Additional Cover only if you have requested this cover and paid the additional premium. This will be shown on the Policy Schedule.

Subject to:

- 1.4. Basis of Indemnity
- 1.5. Type of Use

We will not indemnify you for any losses whatsoever as described under Exceptions.

2. Insured Events

The Insured Events are:

2.1. Own Damage

Loss of or damage to the Watercraft shown on the Policy Schedule due to or caused by:

- 2.1.1. Perils of the seas
- 2.1.2. Accidental Damage including due to loading, discharging or handling of stores, gear, equipment, machinery or fuel.
- 2.1.3. Malicious Damage
- 2.1.4. Jettison
- 2.1.5. Piracy
- 2.1.6. Impact by aircraft
- 2.1.7. Theft of the entire Watercraft
- 2.1.8. Burglary of the outboard motors, machinery, gear and equipment
- 2.1.9. Dropping off or falling overboard of outboard motors provided these are securely locked and/or bolted onto the Watercraft
- 2.1.10. Negligence of any person. This excludes negligence or breach of contract in respect of repair / alteration / maintenance of the Watercraft
- 2.1.11. Latent defect in the hull, machinery, breakage of shafts. This excludes the costs or replacing/repairing the defective part
- 2.1.12. Transit by road. This includes the loading/off-loading of the Watercraft on the conveying vehicle.

2.2. Third Party Liability

Your personal legal liability to pay compensation to a Third Party as a result of an accident caused by or in connection with such Watercraft. This includes such liability of any person using the Watercraft with your permission or any water-skier towed / preparing to be towed / embarking / disembarking. We will indemnify you for:

2.2.1. Their death or bodily injury

2.2.2. Loss or damage to their property

2.2.3. Liability in respect of attempted/actual or any neglect/failure to raise, remove or destroy a wreck

2.2.4. Your legal costs and expenses in respect of the above which are incurred with our written consent

2.2.5. Your costs and expenses in respect of official enquiries and coroners inquests which are incurred with our written consent.

2.3. Medical Expenses

Medical expenses in respect of any person in/on the Watercraft.

3. Type of Use

You or any person to whom you give consent/permission to use/commission the Watercraft may use the Watercraft for Private Purposes Only.

4. Basis of Indemnity

Unless stated otherwise on the Policy Schedule, we will indemnify you in respect of:

4.1. All Watercraft less than 4 years old:
Replacement Value

4.2. Any age Inflatable vessel and all other Watercraft 4 years and older:
Fair market value

Provided that:

4.5. Average is applicable if the Watercraft is under-insured.

4.6. Betterment will be applied to gear and equipment, sails, spars, masts, protective covers, rigging, batteries, electronics and equipment.

5. Additional Cover**5.1. Protection and Removal**

We will pay for the protection and removal costs of the Watercraft to the nearest repairer following an Insured Event.

5.2. Delivery after Repair

We will pay for the delivery costs of the Watercraft to your address as shown on the Policy Schedule if we have repaired it.

5.3. Recovery Costs

We will pay for the costs to recover the Watercraft if it is not a Total Loss or Constructive Total Loss.

5.4. Hull Inspection

We will pay for the sighting costs to inspect the underwater section of the hull after the Watercraft has stranded, sunk or collided even if no damage is found.

5.5. Emergency and Salvage Costs

We will pay for all charges and expenses (up to the Sum Insured) incurred to prevent or lessen loss/damage which is covered by this Policy.

5.6. Repatriation

If the Watercraft suffers loss/damage due to an Insured Event or a mechanical breakdown outside the borders of the Republic of South Africa, we will pay the repatriation costs of the Watercraft and its trailer back to the Republic of South Africa.

5.7. Pollution Prevention

We will pay for loss/damage to the Watercraft as a direct result of a Government acting to prevent / minimize a pollution threat caused by the Watercraft after it has been damaged by an Insured Event.

5.8. Finding/Raising

We may pay for the reasonable costs to find and/or raise or attempt to raise the Watercraft that has stranded, collided or sunk.

5.9. Personal Effects and Equipment

The cover is extended to include your and your passenger's personal effects which are not permanently kept on the Watercraft and would not normally be sold with the Watercraft. These include sailing gear (wet weather and leisure wear) and equipment like binoculars, navigational aids, safety equipment, telescopes and the like

But Excluding:

- 5.9.1. Perishables, consumable items of any nature and their stores
- 5.9.2. Money, credit cards, jewellery
- 5.9.3. Cellphones
- 5.9.4. Fishing, Diving gear.

6. Optional Additional Cover**6.1. Non Factory Fitted**

Cover is extended to include the non factory fitted accessories, conversions and specialised fitments described in the Policy Schedule. Indemnification for these items will be on an Agreed Value Basis.

6.2. Credit Shortfall

If the Watercraft is financed and is a Total Loss or Constructive Total Loss, we will pay the outstanding finance charges (shortfall) calculated to the month in which the claim is settled

But excluding:

- 6.2.1. Any residual amount recorded in the finance agreement
- 6.2.2. Any arrear instalments/rentals and interest thereon
- 6.2.3. Any amounts paid in advance of when due
- 6.2.4. Any refunds of insurance premiums due to the cancellation of such insurance
- 6.2.5. All other refunds or recoveries obtainable
- 6.2.6. And provided always that this cover shall not be applicable if:
- 6.2.7. The shortfall is as a result of a re-advance under the finance agreement
- 6.2.8. Any single instalment differs more than ten percent (10%) from any other instalment. This is not applicable to the last instalment.

6.3. Racing Risk

For a sailing vessel only, the cover is extended to include loss or damage to only its' masts, spars, sails, standing or running rigging while participating in an organised race (regatta). We will indemnify you on one of the following bases:

- 6.3.1. The full costs of repair/replacement if the damage is caused by the vessel being stranded, sunk, burnt, in a collision with any external substance (not water)
- 6.3.2. Two thirds (2/3) of the costs of repair/replacement if the damage is caused by any other cause other than above.

6.4. Personal Accident

The cover is extended to provide Compensation for the death, bodily injury or permanent disablement of any person who is aboard any Watercraft or who is in the process of boarding or disembarking from such vessel. The cover is as described in Section 6 Personal Accident whether that Section has been selected or not.

6.5. Sale or Transfer of Ownership

Cover is extended for the period we agree while the Watercraft is transferred to new ownership or delivered to a dealer with the intention to sell it.

7. Seaworthiness

You must take all reasonable steps to protect and maintain the Watercraft in a seaworthy condition as required by the laws and regulations prescribed by The South African Maritime Safety Association (SAMSA) regardless whether it is operating in South African territorial waters or not. Furthermore you will observe and comply with all statutory and all local requirements, in any country stipulated within the territorial limits, as may be in force, from time to time, in so far as they relate to the operation of the insured vessel.

8. Stolen Watercraft Indemnity Period

If the Watercraft is stolen/hijacked, we will only indemnify you four (4) weeks after you have reported the claim to us.

9. Skippers Licence and Offences

- 9.1. You/Skipper must at all times be in possession of a valid and applicable Certificate of Competence in terms of the Merchant Shipping Act (Act No.57 of 1951) or any replacement or similar applicable statute and must comply with the regulations thereof.
- 9.2. You must immediately and in writing notify us of:
 - 9.2.1. The endorsement, suspension or cancellation of any skipper's licence issued to you or the unauthorised skipper
 - 9.2.2. If any skipper of the watercraft is charged or convicted of reckless, negligent or inconsiderate skippering or skippering under the influence of alcohol or where his blood alcohol concentration exceeds the legal limit or such person fails a breathalyser test.

10. Fire Extinguishing System Warranty

A Watercraft fitted with inboard machinery (motors) must be equipped with a fire extinguishing system in the engine room/space, tank space and galley. Such system must operate automatically or have controls at the steering position. You warrant the aforementioned and that such system is properly installed and is maintained in an efficient working order.

11. Hull Replacement

A hull(s) will only be replaced if the cost of repairs exceeds the replacement cost.

12. Unrepaired Damage

We will not be liable for Unrepaired Damage in addition to a subsequent Total Loss or Constructive Total Loss. In such a case we will deduct reasonable depreciation, but not more than the reasonable cost of repairs, from the settlement amount.

13. Rubber/Inflatable Watercraft Repairs

If damage to the fabric of a rubber, inflatable or other watercraft is repairable, we will only pay for the cost of patching or repairing of such damage. We are not required to replace the entire portion.

14. Other Watercraft owned

If the Watercraft collides with or receives salvage services from another watercraft which you own wholly or in part, you will have the same rights under this Policy as if the other watercraft was owned by a third party. We will refer the matter to an arbitrator agreed between you and us to determine liability and salvage service costs.

15. Territorial Limits**15.1. Coastal Waters:**

Within fifty (50) nautical miles offshore, including coastal lagoons, rivers, estuaries and lakes of the Republic of South Africa, Namibia and Mozambique.

15.2. Inland Waters:

Inland waters of the Republic of South Africa, Namibia, Mozambique, Malawi, Botswana, Lesotho, Swaziland, Zimbabwe, Zambia, Tanzania and Kenya.

Unless to:

15.3. Assist other Watercraft in distress**15.4. Lifesaving operations.****16. Exceptions A : Skipper**

We will not be liable if you or the Skipper or other person in charge of the Watercraft (with your implicit or implied permission), at the time of the accident:

16.1. Was not in possession of a valid and applicable Certificate of Competence in terms of the Merchant Shipping Act (Act No.57 of 1951) or any replacement or similar applicable statute and was not complying with the regulations thereof unless under the direct and constant guidance and supervision of a responsible person in possession of such Certificate of Competence

16.2. Was under the influence of drugs or alcohol where the concentration of alcohol in the driver's blood exceeds the statutory limits in terms of legislation applying to the Territorial Limits in which the Watercraft is being used or the skipper fails a breathalyser test

16.3. Is in possession of a Certificate of Competence that has been cancelled or endorsed whether this cancellation/endorsement is on the Certificate itself or with the authorities or has been convicted of negligent or reckless skippering within a period of three (3) years before the date of the accident.

17. Exceptions B : Use of the Watercraft

We will not be liable if the Watercraft is used for:

17.1. Any use otherwise than as shown on the Policy Schedule and defined in the Types of Use clause

17.2. Power jumping and extreme beach landing

17.3. Hire, rented out, charter or reward

17.4. A houseboat

17.5. Out of Commission (Laid up) purposes

17.6. Towing or salvaging a vessel unless it is in distress

17.7. Towing or salvaging a vessel under a contract of reward which was arranged before the towing/salvaging began. This is regardless of whether the vessel is in distress or not.

18. Exceptions C : Watercraft

We will not be liable for any loss or damage to any Watercraft:

- 18.1. Due to major work or refurbishment unless agreed by us stated on the Policy Schedule
- 18.2. To sails/protective coverings which are split by the wind or blown away whilst set unless the spars on which these are set are also damaged or unless due to the Watercraft being stranded, sunk, burnt or in collision with any substance (including ice but not water)
- 18.3. Machinery Breakdown unless caused by:
 - 18.3.1. Mechanical or electrical breakdown unless it is caused by an Insured Event
 - 18.3.2. Malicious acts
 - 18.3.3. Fire or accidental damage whilst being stored
 - 18.3.4. Accidental damage whilst machinery, engines, motors, batteries and their extensions are being removed from/to Watercraft/place of storage
- 18.4. Theft of the Watercraft while it is on a trailer/trolley unless:
 - 18.4.1 fitted with an ant-theft device or otherwise immobilized; or
 - 18.4.2 kept in lock-fast premises
- 18.5. Theft of inflatable watercraft when deflated unless securely locked into the watercraft or place of storage and theft is accompanied by forcible and violent entry (burglary). A vehicle is not considered a place of storage
- 18.6. Due to gradual deterioration, lack of maintenance, wear and tear, progressive or rapid degeneration, prolonged friction, rust and corrosion
- 18.7. Due to the Watercraft being towed on water unless the Watercraft is in distress or for customary towing in respect of laying up, fitting out or repairs
- 18.8. In respect of the cost to remedy/rectify/replace/repair/alter any fault in design, construction or any condemned part
- 18.9. Caused by the Watercraft being swamped, sunk or submerged whilst left unattended off an exposed beach or shore. This includes any loss or damage to the Watercraft as well as for liability to any Third Party or for any salvage services.

19. Exceptions D : Third Party Liability

We are not liable for:

- 19.1. Death or bodily injury to:
 - 19.1.1. Your family member normally resident with you
 - 19.1.2. Your employee who is killed or injured during the course of his employment. This includes an employee of any person using the Watercraft with your permission or employed by a water skier
 - 19.1.3. Fare-paying passengers
 - 19.1.4. To the person using the Watercraft with your permission
 - 19.1.5. The water-skier being towed by the Watercraft.

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- 19.2. Damage to property:
 - 19.2.1. That belongs to you or held in you or your family's custody
 - 19.2.2. Of fare-paying passengers
 - 19.2.3. Of the permitted user or water-skier
 - 19.2.4. That is carried in/on or loaded on/off the Watercraft or any trailer/trolley attached thereto.
 - 19.3. Other:
 - 19.3.1. Fines, penalties punitive/exemplary damages issued under any statutory code or common law in respect of any offence committed
 - 19.3.2. Failure to provide security
 - 19.3.3. Accidents that arise from any person who is towed by the Watercraft in kiting or other airborne sport. This does not include accidents while such person is safely back on board the Watercraft.
 - 19.3.4. Accidents that arise while the Watercraft is in transit by a mechanically propelled vehicle, rail, ship or aircraft. Accidents while the Watercraft is stationary on a trailer/trolley, is not coupled to a towing vehicle and not on a public road is covered.
 - 19.3.5. Liability caused by a person operating or employed by the operator of a shipyard, repair yard, yacht club, marina, sales agency or similar organisation.