

**SECTION 7.**  
**SMALL LEISURE CRAFT**

**DEFINITIONS**

For this section

1. you/your/yours/yourself means the person in whose name this policy is issued and spouse
2. vessel means the pleasure craft specified in the schedule comprising the hull, superstructure, fittings, machinery, engines, motors, boats, gear and equipment such as would normally be sold as one unit, including its trailer.

**COVER PROVIDED**

**1. INDEMNITY TO YOU**

- 1.1 If the vessel is lost or damaged by an insured event, we will by payment or at our choice by repair or replacement indemnify you. Repair or replacement shall be as close to the original specification as possible but we shall not be expected to achieve an exact restoration.
- 1.2 The amounts stated in the schedule constitute the basis for a total loss settlement and reflect the current market value of the vessel, her equipment or other items specified in the schedule.  
If the sum insured of the vessel is less than its market value at the time of insured loss or damage you will be your own insurer for the difference and will bear a rateable proportion of the loss.

**2. INSURED EVENTS**

The insured events are

- 1.1 Accident.
- 1.2 Fire.
- 1.3 Malicious acts.
- 1.4 Outboard motor(s) dropping off or falling overboard provided it is securely attached to the vessel at all times when in use by means of either bolts or galvanised steel chains or terylene rope in addition to its normal method of attachment.
- 1.5 Latent defect in the vessel or her machinery.
- 1.6 Negligence of any person.
- 1.7 Theft of the entire vessel or her boat(s).
- 1.8 Theft of outboard motor(s) provided it is securely locked onto the vessel or her boat(s) by an anti-theft device.
- 1.9 Theft of machinery including outboard motor(s), gear or equipment if stolen with the vessel or following forcible and violent entry into the vessel or place of storage.

provided that we shall not be liable under this section for more than the amount stated in the schedule in respect of any one accident or series of accidents arising out of any one event, with a maximum of P50 000.

### 3. SPECIAL EXTENSIONS

We will pay for

#### 3.1 Sighting expenses

The expense of sighting the underwater section of the hull after groundings, if reasonably incurred specially for that purpose, even if no damage is found.

#### 3.2 Emergency and salvage charges

All charges and expenses (up to the sum insured for the item concerned) reasonably and necessarily incurred in minimising or averting a loss which would be covered by this policy.

#### 3.3 Pollution

Loss or damage to the vessel directly caused by any Governmental Authority acting to prevent or minimise a pollution hazard or threat.

#### 3.4 Other vessels owned

If the vessel should come into collision with or require salvage services from another vessel owned wholly or in part by you, you will have the same rights under this section as if the other vessel was owned by someone else. In such a case, the liability for the collision or cost of salvage services shall be referred to a sole arbitrator to be agreed upon between you and us.

#### 3.5 Transit risks

Any or damage following transit by land (including loading and unloading) but excluding scratching and denting and liability to third parties, This section also extends to include claims made by third parties for death, injury or damage arising out of such loading or unloading operations.

However, we will not be liable whilst the vessel is:

3.5.1 being conveyed by a person who has no valid driver's licence unless the person concerned is charged with the theft or illegal use of the vehicle used for conveying the trailer

3.5.2 under the control of any person who is under the influence of intoxicating liquor or any drug.

#### 3.6 Yacht racing risks

The cost of repairing or replacing sails, masts, spars, standing and running rigging lost or damaged by an insured event whilst the vessel is racing, but we will only pay a maximum of two-thirds of the sum insured specified in the schedule (as applicable to such items).

If the loss or damage is caused by the vessel being stranded, sunk, burnt, on fire, in collision, or in contact with any external substance (ice included) other than water, we will pay the repair or replacement costs up to the limit of the sum insured after the deduction of any deductible and of depreciation in terms of paragraph 7.8 of Special conditions. "Replacement of Gear and Equipment".

#### 3.7 Medical expenses

Bodily injury sustained by any person on board the vessel as a result of an accident up to a maximum of P500 per person or PI 000 in all whichever is the lesser.

#### 4. SPECIAL EXCLUSIONS

We will not be liable for loss or damage

- 4.1. whilst the vessel is
  - 4.1.1 being used for any purpose other than private and pleasure
  - 4.1.2 let out on hire or charter or
  - 4.1.3 being towed on water except
    - 4.1.3.1 when in need of assistance
    - 4.1.3.2 for customary towage in connection with laying up fitting out or repairs
  - 4.1.4 towing or salvaging a vessel other than one in distress
  - 4.1.5 towing or salvaging a vessel (whether or not in distress) under a contract arranged prior to commencing towing or salvaging.
  - 4.1.6 participating in racing or speed tests, or any trials in connection therewith
  - 4.1.7 left moored or anchored unattended off an exposed beach or shore and it becomes stranded, sunk, swamped or breaks adrift
- 4.2 resulting from want of due diligence on your part
- 4.3 due to wear, tear, depreciation, corrosion
- 4.4 due to mechanical or electrical breakdown of machinery, engines, motors, batteries and their connections (other than the shaft and propeller) unless caused by:
  - 4.4.1 accidental incursion of water into the hull
  - 4.4.2 the vessel being stranded, sunk, burnt, on fire, in collision or in contact with any external substance (ice included) other than water
  - 4.4.3 accidents occurring whilst machinery, engines, batteries and their connections are being removed from or placed in the vessel or from or into a place of storage
  - 4.4.4 malicious acts
  - 4.4.5 fire or accidental damage whilst in store
- 4.5 to sails or protective coverings split by the wind or blown away whilst set, unless in consequence of damage to the spars to which the sails are bent or occasioned by the vessel being stranded, sunk, burnt, on fire, in collision or in contact with any external substance (ice included) other than water

- 4.6 to Masts, spars, sales, standing or running rigging whilst the vessel is racing unless such loss or damage is caused by the vessel being stranded, sunk, burnt, on fire, in collision or in contact with any external substance (ice included) other than water
- 4.7 for any part condemned solely because of a fault in design or construction
  - 4.8 due to any defect resulting from either negligence or breach of contract in respect of any repair or alteration work
  - 4.9 to personal effects, consumable stores, fishing gear or moorings
  - 4.10 theft of inflatable craft when deflated unless following forcible and violent entry into the vessel or place of storage or if stolen with the vessel. A vehicle is not considered a place of storage within the terms of this policy
  - 4.12 fire or explosion to a vessel fitted with inboard machinery unless the vessel is equipped in the engine room or engine space, tank space and galley, with a fire extinguishing system or one having controls at the steering position. Warranted that any fire extinguishing system must be properly installed and maintained in efficient working order.
  - 4.13 caused by the intake of foreign matter into the cooling system of the machinery engines or motor.

## **5. LIABILITY TO THIRD PARTIES**

### **COVER PROVIDED**

- 5.1 We will indemnify you or any person using the vessel or any water skier being towed or preparing to be towed by the insured vessel against all sums including, claimants costs and expenses which you shall become legally liable to pay in respect of-
  - 5.1.1 death of or bodily injury to any person other than yourself or other than as specified in exclusions 5.2.1. to 5.2.8.
  - 5.1.2 Loss of or damage to property not belonging to you or the permitted user.
  - 5.1.3 attempted or actual raising, removal or destruction of the wreck of the vessel or any neglect or failure to raise, remove or destroy the wreck.
  - 5.1.4 expenses incurred by you with our prior written consent in connection with official enquiries and coroners inquests.
  - 5.1.5 law costs, incurred with our prior written consent in defending any action or contesting liability whether or not such action proceeds in the criminal or civil court,

Our liability in respect of this section is limited to P500 000 in respect of any one claim or series of claims arising from one event.

### **SPECIAL EXCLUSIONS APPLICABLE TO LIABILITY TO THIRD PARTIES**

- 5.2 We will not indemnify you or the permitted user or water skier against claims resulting from legal liability for
  - 5.2.1 death or bodily injury in respect of any person employed in any capacity by you in connection with the vessel or similarly employed by any person using the vessel with your permission or similarly employed by any water skier

- 5.2.2 accidents arising from any person engaged in kiting or other airborne sport whilst being towed by the insured vessel or preparing to be towed by the insured vessel or preparing to be towed or until safely back on board the vessel
- 5.2.3 accidents arising while the vessel is in transit by mechanically propelled road vehicle, rail, ship or aircraft
- 5.2.4 accidents involving a trailer except when intentionally not coupled to a towing vehicle
- 5.2.5 death or bodily injury in respect of fare-paying passengers and loss of or damage to their property
- 5.2.6 damages or penalties arising under contract
- 5.2.7 fines or other penalties imposed under any statutory code or common law in respect of any offence committed
- 5.2.8 death or bodily injury to any person operating or employed by the operator of a shipyard, repair yard, stipway, yacht club, marina, sales agency or similar Organisation.

## 6. FIRST AMOUNT PAYABLE

The first amount payable for each and every loss or damage to the insured vessel arising from any one event shall be reduced by the amount of the first amount payable, 5% of the value of the vessel as specified in the schedule (subject to a minimum of P500) except in the case of an actual or constructive total loss (not resulting from an accident in the surf) which shall be payable in full without deduction of the deductible.

## 7. SPECIAL CONDITIONS

- 7.1 Territorial limits  
We will not be liable for loss, damage, injury or liability caused, sustained or incurred outside the territorial limits of the Republic of Botswana, Lesotho, South Africa, Swaziland, Malawi, Namibia and Zimbabwe.  
  
Subject to a maximum cruising range of 12 nautical miles from the coast of the Republic of South Africa or Namibia.
- 7.2 Repairs and tenders  
We shall have a right to veto concerning the place of repair or repairing firm and may also take tenders or may require tenders to be taken for the repair of the vessel. Any additional expenses arising from compliance with our requirements shall be refunded to you.
- 7.3 Constructive total loss  
In ascertaining whether the vessel is a constructive total loss the insured value will be taken as the repaired value, and nothing in respect of the damage or break-up value of the vessel or wreck will be taken into account. No claim for constructive total loss based on the cost of recovery and/or repair of the vessel shall be recoverable unless such cost would exceed the insured value.  
  
No settlement shall exceed the sums insured specified in the schedule.
- 7.4 Unrepaired damage  
In no case shall we be liable for unrepaired damage in addition to a subsequent total loss sustained during the period of insurance shown in the schedule.

- 7.5 In the event of immersion of the motor(s) in water it is your duty to ensure that such motors are immediately flushed out and restarted if practicable.
- 7.6 It is a condition of this insurance that
- 7.6.1 when the vessel is under way you or other competent person(s) shall be on board the vessel
  - 7.6.2 the vessel is conveyed-on a properly constructed and designed trailer while in transit
  - 7.6.3 when the vessel is being launched through surf it shall be fitted with two motors in workable and readily usable condition
- 7.7 **Left afloat clause**  
No cover is provided by this section for loss of or damage to the vessel or for liability to any third party or for any salvage services caused by the vessel being swamped, sunk or submerged whilst left unattended.
- 7.8 **Replacement of gear and equipment**  
Deductions on account of new material replacing old may be made at our discretion in respect of loss of or damage to
- 7.8.1 sails, spars, masts, protective covers, standing or running rigging and batteries
  - 7.8.2 outboard and inboard motors
- no settlement shall however exceed the values declared for insurance.
- 7.9 **Sale or transfer of ownership**  
If the vessel is sold or transferred to new ownership then, unless we agree in writing to continue the insurance, this section shall be cancelled from the time of the sale or transfer.  
If, however, the vessel has left her moorings or is at sea at the time of sale or transfer of ownership such cancellation will, if required by you, be suspended until arrival at the next port of call within the territorial limits and anchored or moored in good safety.
- 7.10 **Continuation**  
If the vessel is at sea or in distress or at a place of refuge at the time this insurance expires, cover will continue until the vessel arrives at the next port of call within the territorial limits and anchored or moored in good safety.
- 7.11 **Surveys**  
When the vessel is over 10 years old, we may request a copy of an up-to-date, independent, professional survey report, the survey being undertaken whilst the vessel is out of the water and at your expense. Thereafter survey reports may be requested at various intervals, at our discretion.
- 7.12 **Multihulls**  
In the event of damage to one or more of the hulls of the vessel, we will be liable only for the reasonable cost of repairs. No claim will be admitted for replacement of one or more of the hulls unless the cost of repairs will exceed the cost of replacement.