

# Hong Kong Helmsman Blue Pleasure Craft Insurance Policy



Please read this Policy carefully upon receipt and promptly request for any necessary amendments. If you require further information about this Policy and the *schedule*, please contact your insurance adviser, insurance intermediary or Zurich Insurance Company Ltd at +852 2968 2288.

## Welcome

Welcome to the expertise, service and security of Zurich Insurance Company Ltd. We are pleased to present our plain English Hong Kong Helmsman Blue pleasure craft insurance wording.

Zurich Insurance Company Ltd will insure the person(s) named in the *schedule* during the *period of insurance* for which we have accepted your premium, provided that all the terms and conditions of this Policy are complied with. This Policy is an annual marine pleasure craft insurance policy which will be renewed on your instructions subject to subsequent premium payments and our acceptance. You are responsible for the annual premium of any policy year when there is a claim made or service used.

Please inform us of any changes to the information provided upon completion of the Application Form and subsequent renewals as soon as they occur, since any change could affect your insurance cover.

## About this Policy

Your Application, this Policy and the *schedule* all make up your legal contract with us. It is important that you keep these documents in a safe place for future reference.

Certain words in this Policy have specific meanings. These meanings are given in this Policy. To help you identify these words in this Policy, we have printed them in italic throughout this Policy.

## Policy Wording

### Introduction

- A. If, in the *schedule*, more than one person is named as the insured, we will treat an act, omission, statement or claim by any one of those people as an act, omission, statement or claim by all of those people.
- B. Sections One to Four, Six, Seven and Eight always apply to this Policy.
- C. The definitions apply to this Policy as a whole and to all sections of this Policy.
- D. The *extensions* set out in Section Five of this Policy will only apply where:
  - (a) you apply for a particular *extension*;
  - (b) your application for a particular *extension* is accepted by us;
  - (c) the application of a particular *extension* is noted in the *schedule*; and
  - (d) you pay an adjusted premium as consideration for the *extension*.

## 1. Section One – Cover For Your Vessel

### What is insured

- 1.1 We will insure the *vessel* specified in the *schedule*, whilst the *vessel* is:
  - 1.1.1 afloat within the *geographical limits*; or
  - 1.1.2 on land anywhere within Hong Kong or any other overseas territory or country included in the *geographical limits* on the *schedule*, including at a marina, slipway or other location.
- 1.2 The *vessel* includes:
  - 1.2.1 the *hull*;
  - 1.2.2 *motor or motors and machinery*;
  - 1.2.3 *equipment and accessories*;
  - 1.2.4 *sails, masts, spars, standing and running rigging*;
  - 1.2.5 *tender and associated equipment*; and
  - 1.2.6 *auxiliary runabout or speedboat* (where applicable).

### What you are insured for

- 1.3 The *vessel* is insured against physical loss or damage, arising from an accidental cause. This includes physical loss or damage to the *vessel*, or any part of the *vessel* arising from:
  - 1.3.1 accidental damage;
  - 1.3.2 the accidental sinking or submerging of the *vessel*, provided that the *vessel* was seaworthy prior to the sinking or submersion;
  - 1.3.3 theft;
  - 1.3.4 malicious damage;
  - 1.3.5 loss or damage caused by a latent defect in the *hull, motor(s) or machinery* (excluding the cost and expense of replacing or repairing the latent defect), provided that the loss or damage has not resulted from lack of due diligence on your part;
  - 1.3.6 mechanical, electrical or electronic failure or overheating or seizing of *motor(s)* arising from an accidental cause unless otherwise excluded by this Policy;
  - 1.3.7 loss or damage caused by the negligence of a repairer engaged by you to repair the *vessel*;
  - 1.3.8 fire;
  - 1.3.9 lightning;
  - 1.3.10 jettison;
  - 1.3.11 piracy; or
  - 1.3.12 an order or direction of a government authority, acting in the public interest to prevent or mitigate a pollution hazard or threat.

## Additional Benefits

### Costs and Expenses

- 1.4 Subject to Conditions 1.5 and 1.6 (below), we will pay the following costs and expenses which are incurred in preventing or minimizing any loss or damage otherwise covered under this Policy:
  - 1.4.1 Relocation Expenses  
If the *vessel* suffers damage which is insured under Condition 1.3 (above), we will pay the reasonable expense(s) of:
    - 1.4.1.1 moving or towing the *vessel* to the nearest repairer or to another place that we nominate; and
    - 1.4.1.2 returning you and your immediate family to your city of residence, provided that the incident necessitates your return.
  - 1.4.2 Salvage and Mitigation  
If the *vessel* is exposed to immediate danger, or is damaged, or sinks, we will pay the reasonable expenses directly associated with:
    - 1.4.2.1 minimizing the loss or damage; or
    - 1.4.2.2 moving the *vessel* to safety, including emergency towing and salvage expenses.
  - 1.4.3 Search  
If the *vessel* is lost, presumed lost or in distress, and we decide that engaging a search *vessel* or aircraft is reasonable in the circumstances, we will pay the reasonable cost of chartering or hiring a search *vessel* or aircraft.
  - 1.4.4 Vessel Inspection  
If the *vessel* is stranded, we will pay the reasonable expense of inspecting the *hull* for damage.
  - 1.4.5 Motor Cleaning  
If the *motor* or outboard of the *vessel* is submerged and later recovered, we will pay the reasonable cost of dismantling, cleaning and oiling the *motor* or outboard, and drying electrical equipment and instruments.
- 1.5 We will only pay a cost or expense of the type set out in Condition 1.4 (above) if you obtain our authority and consent prior to incurring that expense, unless:
  - 1.5.1 you are unable to contact us;
  - 1.5.2 the *vessel* or person aboard the *vessel* is in an emergency situation; and
  - 1.5.3 you advise us of the emergency and any expense incurred immediately after taking such action.
- 1.6 Any amount(s) that we pay under Condition 1.4 (above) is/are in addition to the agreed *value*, but will not exceed in aggregate, the *additional value*.

### Marina Benefits

- 1.7 If the *vessel* is damaged or suffers a loss whilst it is berthed at:
  - 1.7.1 a marina; or
  - 1.7.2 the hardstand of a marina facility;which is noted in the *schedule* as the *vessel's* usual berth, we will not deduct the *excess*.

### Voluntary Rescue

- 1.8 We will cover accidental loss or damage to the *vessel* that is incurred whilst the *vessel* is used in a voluntary capacity to assist another *vessel* in distress.

### Yacht Social Racing – yachts only

- 1.9 If the *vessel* is a yacht, we will cover accidental loss or damage to the *vessel* that is incurred whilst the *vessel* is participating in a *yacht social race*.

### What you are not insured for

- 1.10 The *vessel* is not insured for any loss or damage that is caused by or arises out of:
  - 1.10.1 a failure by you or your appointee or agent to:
    - 1.10.1.1 exercise due diligence or care in respect of the *vessel*; or
    - 1.10.1.2 maintain the *vessel* in a seaworthy condition;
  - 1.10.2 vermin, insects, marine growth, timber rot, delamination, osmosis, deterioration, mould, corrosion, rust or electrolysis;
  - 1.10.3 depreciation or reduction in the value of the *vessel* due to age, condition or repair;
  - 1.10.4 an intentional act or acts by you or a person acting with your express or implied consent;
  - 1.10.5 lack of maintenance or normal wear and tear;
  - 1.10.6 theft of any part of the *vessel*, unless the part was located:
    - 1.10.6.1 in or on the *vessel* at the time of the theft; or
    - 1.10.6.1 in the usual place of storage of the *vessel* or its equipment, and you took reasonable precautions to prevent the theft;
  - 1.10.7 theft of any part of the *vessel* whilst such is in the care, custody and/or control of any independent third party or contractor who has not been engaged by you;
  - 1.10.8 loading, unloading, storage or transport of the *vessel* by a commercial carrier, unless you inform us of the proposed loading, unloading, storage or transport and we consent in writing to coverage;
  - 1.10.9 the force of wind or water on sails or protective covers, unless:
    - 1.10.9.1 the masts or spars of the *vessel* are damaged in the same incident; or
    - 1.10.9.2 the damage arises because the *vessel* is stranded or is involved in a collision;

- 1.10.10 the participation of the *vessel* in a race, competition, speed test or time trial, other than as specifically provided for in this Policy;
- 1.10.11 the theft of or damage to an outboard motor that is not secured to the *vessel*:
  - 1.10.11.1 in accordance with the instructions of the manufacturer; or
  - 1.10.11.2 in a reasonable and secure manner;
- 1.10.12 fire or explosion where the *vessel* is 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 automatically operated or having controls at the steering position and properly installed and maintained in efficient working order. This exclusion only applies to the *vessel* with a maximum designed speed exceeding 17 knots;
- 1.10.13 any event or matter which is excluded under Section Seven of this Policy.

#### How much we will pay you

- 1.11 Subject to Condition 1.13 (below), the *vessel* is insured for the *agreed value*.
- 1.12 Subject to Condition 1.6 (above), in the event of any claim, the maximum sum that we will pay you is the lesser of:
  - 1.12.1 the *agreed value* of the *vessel*;
  - 1.12.2 the aggregate sum of any *specified values*, where those *specified values* do not exceed the *agreed value* of the *vessel*; or
  - 1.12.3 the *additional value* as noted in the *schedule*.
- 1.13 If no *agreed value* is noted for the *vessel* in the *schedule*, the *agreed value* is deemed to be the current market value of the *vessel* at the time immediately prior to the loss or damage.

#### Total Loss

- 1.14 If it is determined that the *vessel* is an actual total loss or constructive total loss, we will pay at our discretion:
  - 1.14.1 the *agreed value* of the *vessel*;
  - 1.14.2 where no *agreed value* for the *vessel* is stated in the *schedule*, the current market value of the *vessel* at the time immediately prior to the loss or damage; or
  - 1.14.3 subject to Condition 1.16 (below), where the *vessel* is no more than 2 years old at the time of loss or damage, the cost of the *replacement vessel*, including registration and dealer delivery fees.
- 1.15 Where we pay the cost of the *replacement vessel* under Condition 1.14.3 (above), we will pay the:
  - 1.15.1 amount of finance owed in respect of the *vessel* to a financier whose interest is noted in the *schedule*; and
  - 1.15.2 registration and dealer delivery fees for the *replacement vessel*.
- 1.16 Any amount that we pay under Condition 1.14.3 (above) will be reduced by the amount of any sum that we pay to any financier under Condition 1.15.1 (above).
- 1.17 If we make a payment under Condition 1.14 (above), we may take possession of the *vessel* and acquire the sole benefit of any salvage on the *vessel*.
- 1.18 If we make a payment under Condition 1.14 (above), the balance if any of the full annual premium immediately becomes payable by the insured.

#### Partial Loss

- 1.19 If it is determined that the *vessel* is a partial loss, we may pay, at our discretion:
  - 1.19.1 the reasonable cost of repair or replacement of the *vessel*; or
  - 1.19.2 the *specified value* of the item or part that is damaged; or
  - 1.19.3 the current market value of the item or part, where no *specified value* is noted in the *schedule*.
- 1.20 If we make a payment under Condition 1.19 (above), we may take possession of the damaged item or part, and will acquire the sole benefit of any salvage on that item or part.
- 1.21 New for old – if the electrical or mechanical components of the *vessel's motor* cannot be repaired, we will pay the cost of new components, provided that:
  - 1.21.1 the *motor* is not more than 5 years old; and
  - 1.21.2 the aggregate cost of the components does not exceed the current market value of the *motor*.

## 2. Section Two – Cover For Your Contents, Personal Possessions and Sporting Equipment

#### What is insured

- 2.1 We will insure:
  - 2.1.1 the *contents* of the *vessel* that are on board the *vessel*;
  - 2.1.2 any *personal possessions* that are on board the *vessel*;
  - 2.1.3 *sporting equipment* that is:
    - 2.1.3.1 not in use; and
    - 2.1.3.2 on board the *vessel* or stored in the usual place of storage of the *vessel* or its equipment.

#### What you are insured for

- 2.2 The *contents*, *personal possessions* and *sporting equipment* are insured against:
  - 2.2.1 accidental loss or damage; and
  - 2.2.2 theft where:
    - 2.2.2.1 you took all reasonable steps to prevent the theft;
    - 2.2.2.2 a report is made to the police within 48 hours of your becoming aware of the theft, and we are provided with a copy of that report; and
    - 2.2.2.3 you have complied with any additional security measures noted in the *schedule*.
- 2.3 We may require additional security measures for any item of *contents*, *personal possessions* or *sporting equipment* that, in our reasonable opinion is of high value or requires additional security.

#### What you are not insured for

- 2.4 The *contents*, *personal possessions* or *sporting equipment* are not insured for any loss or damage that is caused by or arises out of:

- 2.4.1 a failure by you or your agent to:
  - 2.4.1.1 exercise due diligence or care in respect of the *vessel*; or
  - 2.4.1.2 maintain the *vessel* in a seaworthy condition;
- 2.4.2 theft, where the provisions of Condition 2.2.2 (above) are not complied with;
- 2.4.3 accidental loss or damage, or theft of any contents or *personal possessions* that were not on board the *vessel* at the time of loss, damage or theft;
- 2.4.4 accidental loss or damage, or theft of any *sporting equipment* that was not on board the *vessel* or stored in the usual place of storage of the *vessel* or its equipment at the time of loss, damage or theft;
- 2.4.5 any claim relating to cheques, credit or debit cards, financial instruments, jewellery, mobile telephones, money, personal data assistants or similar communications equipment, personal hand-held electronic games, portable audio-visual and/or musical devices, precious metals, the contents of a wallet or purse, spectacles and eye glassware, all forms of photographic/ video equipment;
- 2.4.6 loss, damage or theft of *sporting equipment* that is in use at the time of loss, damage or theft; or
- 2.4.7 any event or matter which is excluded under Section Seven of this Policy.

#### How much we will pay you

- 2.5 Where an *agreed value* is noted in the *schedule* for any *contents*, *personal possessions* or *sporting equipment*, we will pay the cost of replacing or repairing the item, provided that the cost of repair or replacement does not exceed the *agreed value* of the item or items.
- 2.6 We will deduct the excess from any amount that we pay under Condition 2.5 (above).
- 2.7 Where there is no *agreed value* noted in the *schedule* for an item of *contents*, *personal possessions* or *sporting equipment*, we will pay the cost of replacing or repairing the item to a maximum sum of:
  - 2.7.1 HKD3,000 for any one item of *personal possessions*;
  - 2.7.2 HKD5,000 for any one item of *contents* or *sporting equipment*; and
  - 2.7.3 HKD100,000 in total in a policy year, for all claims made in relation to items where no *agreed value* is noted in the *schedule*.
- 2.8 For any sums that we may pay under Condition 2.7 (above):
  - 2.8.1 we will deduct an excess of HKD1,000 for each and every occurrence; and
  - 2.8.2 for all items that are more than one year's old, the sum that we pay will be limited to the current market value of the item, having regard to its age and condition.

## 3. Section Three – Cover For Your Legal Liability

#### What you are insured for

- 3.1 We will insure you and any authorised person against legal liability for:
  - 3.1.1 accidental death or bodily injury to a person other than you;
  - 3.1.2 accidental death or bodily injury to you incurred when an *authorised person* is in control of the *vessel*; and
  - 3.1.3 accidental damage to the property of a third party caused by or results from the use of the *vessel*, limited to the maximum amount any one accident and/or occurrence as stated in the *schedule*. This will be the *Hong Kong* statutory obligatory minimum at the time of inception (or subsequent renewal) of this Policy, unless you have requested and it has been agreed to grant an increased level of legal liability cover.
- 3.2 We will also pay legal costs and expenses associated with events described in Condition 3.1 (above), where those costs and expenses are incurred with our prior written authority.

#### Additional Benefits

#### Substitute Vessel

- 3.3 We will insure you against legal liability for:
  - 3.3.1 accidental death or bodily injury to a person other than you; and
  - 3.3.2 accidental damage to property which is caused by or results from use of the *substitute vessel*, where:
    - 3.3.2.1 you have permission to use the *substitute vessel* from its owner; and
    - 3.3.2.2 the *vessel* is not being used at the time the loss arises; and
    - 3.3.2.3 the *substitute vessel* is the subject of a separate hull and liability insurance policy and such policy does not provide any cover to you for liability that arises out of your use of the *substitute vessel*, notwithstanding the "Other Insurance" Condition 22 in Section Eight of this Policy.
- 3.4 The cover set out in Condition 3.3.2 (above) does not include any accidental damage to the *substitute vessel* itself.

#### Wreck Removal

- 3.5 We will insure you against the legal liability for removal or recovery of the *vessel*, where it is damaged or sinks accidentally, and the law requires it to be removed. We will pay the reasonable costs of the removal or recovery of the wreck.

#### Pollution

- 3.6 We will insure you and any authorised person (subject to Condition 3.11 (below)) against legal liability for:
  - 3.6.1 pollution caused by a sudden and accidental discharge, spillage, leakage or emission of the *vessel's* fuel, lubricant or other petroleum product, or of the *vessel's* effluent or sewerage, provided that such discharge, spillage, leakage, or emission does not arise from intentional wilful conduct or gross negligence;
  - 3.6.2 liability to compensate a relevant government authority for the clean up costs of a pollution incident insured under Condition 3.6.1 (above).

#### Berth Occupiers' Liability

- 3.7 We will insure you against any liability which arises from the terms of a customary agreement for the *vessel* to occupy a berth, mooring or storage facility, provided that you do not own the berth, mooring or storage facility.

### What you are not insured for

- 3.8 You and any authorised person are not insured against any claim for or legal liability arising from or in any way connected with:
- 3.8.1 death, illness, bodily injury or property damage caused intentionally by any person covered by this Policy;
  - 3.8.2 fines or penalties;
  - 3.8.3 libel, slander or defamation;
  - 3.8.4 the carrying or transmission of any infectious disease or virus;
  - 3.8.5 aggravated, exemplary or punitive damages;
  - 3.8.6 death, illness or bodily injury arising from the ownership, lease, rent, occupation or use of a berth or air berth, except as otherwise specifically covered under this Policy;
  - 3.8.7 damage to or loss of property that belongs to or is in your control or that of any other person covered by this Policy;
  - 3.8.8 bodily injury, illness or death of any person who is covered or should have been covered by compulsory statutory employee's compensation insurance;
  - 3.8.9 a liability incurred by a service provider or tradesperson or supplies' contractor engaged by you for the repair, service, modification or maintenance of the vessel unless that service provider was in control of the vessel in an emergency for the purpose of avoiding or minimizing any loss or damage insured under this Policy;
  - 3.8.10 death, illness, bodily injury or property damage arising from the attachment, detachment or towing of a trailer by a motor vehicle;
  - 3.8.11 contractual liability where you would not otherwise have such liability but for the contract or agreement, unless we have agreed to specifically insure such contractual liability;
  - 3.8.12 scuba diving activities;
  - 3.8.13 pollution; except as otherwise specifically covered under this Policy;
  - 3.8.14 actions that are brought against you or other persons covered by this Policy in a court or tribunal outside Hong Kong, or are governed by laws other than the laws of Hong Kong, unless we have expressly agreed to extend the geographical limits of this Policy to include specifically designated international waters;
  - 3.8.15 any event or matter which is excluded under Section Seven of this Policy; or
  - 3.8.16 the vessel where it has been agreed to be covered under "Lay Up Cover Extension" Condition 12 in Section Five of this Policy.

### How much we will pay you

- 3.9 For any claims made under this Section, we will pay for:
- 3.9.1 damages or compensation ordered against you or an authorised person by a competent Hong Kong court or tribunal;
  - 3.9.2 settlement of a claim made against you or an authorised person, where we agree to the settlement; and
  - 3.9.3 legal fees and expenses incurred with our prior written agreement.
- 3.10 The maximum amount we will pay for each incident or series of incidents under this Section (inclusive of legal fees and expenses) is as set out in the schedule.
- 3.11 In any one policy year, the maximum amount we will pay under Condition 3.6 (above) is: HKD2,000,000 including all legal expenses.

## 4. Section Four – Personal Accident Cover

### What you are insured for

- 4.1 We will insure you for bodily injury that is caused by an accident arising from the use of the vessel and, within 12 calendar months of the accident, results in:
- 4.1.1 death or disappearance;
  - 4.1.2 permanent total disablement;
  - 4.1.3 loss of limb(s);
  - 4.1.4 permanent and total loss of sight in an eye; or
  - 4.1.5 permanent and total loss of the thumb or index finger; and related ambulance, medical, hospital or funeral expenses, provided that the accident is otherwise covered under this Policy.

### What you are not insured for

- 4.2 We will not insure you for bodily injury
- 4.2.1 or death resulting from or in any way connected with:
    - 4.2.1.1 intentional self-injury, suicide or attempted suicide;
    - 4.2.1.2 parasailing or any other airborne activity;
    - 4.2.1.3 scuba diving; or
    - 4.2.1.4 any event or matter which is excluded under Section Seven of this Policy.
  - 4.2.2 resulting in temporary partial disablement or temporary total disablement.

### How much we will pay you

- 4.3 We will pay:
- 4.3.1 in the event of death (including disappearance) – the sum of HKD100,000;
  - 4.3.2 in the event of an injury which results in the loss of a limb or limbs - the sum of HKD100,000;
  - 4.3.3 in the event of an injury which results in permanent and total loss of sight in an eye - the sum of HKD50,000;
  - 4.3.4 in the event of an injury which results in the permanent and total loss of the thumb or index finger - the sum of HKD20,000;
  - 4.3.5 up to HKD5,000 for related ambulance, medical and hospital expenses; and
  - 4.3.6 up to HKD10,000 for funeral expenses.
- 4.4 Where more than one person listed as a named insured in the schedule is injured or killed in the incident, the maximum amount payable to an individual named insured will be limited to the amount payable, divided by the number of named insureds who are injured or killed.
- 4.5 To qualify for a payment under this Section, the claimant must obtain medical attention from a qualified medical practitioner, and must satisfy medical examinations by a qualified medical practitioner selected or appointed by us.
- 4.6 The maximum amount we will pay under this Section in any 12 months' policy period is HKD150,000.
- 4.7 Benefit shall not be payable for more than one of the above events (listed in Condition 4.3 (above)) in respect of the same injury. Should more than one of the events occur from the same injury, we shall only be liable to pay the single greatest compensation.

For any events which we have paid for at less than 100% of the maximum amount, the sum insured shall be reduced by the amount paid from the date of the accident until the next due date expiration of this Policy. In no event should the aggregate of all percentages payable with respect to such insured person exceed the maximum amount stated in Condition 4.6 (above).

- 4.8 This Section will be totally invalid and will NOT provide any personal accident cover in instances where:
- 4.8.1 the Insured's name stated on the schedule is exclusively that of a corporation or company or other similar legal entity; and
  - 4.8.2 no individual insured person is also shown as a part of the Insured's name on the schedule.

## 5. Section Five – Optional Benefits

### Application of this Section

- 5.1 The extensions set out in this Section will only apply where:
- 5.1.1 you apply for a particular extension;
  - 5.1.2 your application for a particular extension is accepted by us;
  - 5.1.3 your application of a particular extension is noted in the schedule; and
  - 5.1.4 you pay an adjusted premium as consideration for the extension.
- 5.2 For the avoidance of doubt, the extensions set out in this Section are subject to the general provisions of this Policy including the General Exclusions set out in Section Seven of this Policy.

### Yacht Racing Risk Extension

- 5.3 We will insure accidental loss or damage to the vessel incurred whilst the vessel is racing.
- 5.4 This includes loss or damage to the vessel's:
- 5.4.1 sails;
  - 5.4.2 mast;
  - 5.4.3 spars; and
  - 5.4.4 standing and running rigging.
- 5.5 We will insure you for any legal liability that arises from racing the vessel, provided that it is not excluded under Condition 3.8 (above) or Section Seven of this Policy.
- 5.6 The amount that we will pay under Conditions 5.3 and 5.4 (above) is subject to any limits on how much we will pay set out in Conditions 1.12 to 1.20 (above) and to Conditions 3.9 to 3.11 (above) of this Policy.

### Water Skier Risk Extension

- 5.7 We will insure you or an authorised person against legal liability for:
- 5.7.1 death or bodily injury to a water skier or aqua planer (including you) towed by the vessel;
  - 5.7.2 death or bodily injury to any person arising out of or in any way connected with the activity of water skiing or aquaplaning; or
  - 5.7.3 damage to third party property arising out of or in any way connected with the activity of water skiing or aquaplaning.
- 5.8 We will insure the liability of the observer (if compliant with relevant local regulations), water skier or aqua planer whilst engaged in the activity of water skiing or aquaplaning.
- 5.9 We will insure loss or damage to the vessel whilst engaged in the activity of water skiing or aquaplaning under Section One of this Policy.
- 5.10 We will not provide any cover in relation to the water skiing or aquaplaning where:
- 5.10.1 the person in control of the vessel is not authorised or licensed;
  - 5.10.2 the observer is not legally competent as required by the relevant local regulations;
  - 5.10.3 an aerial device or ski ramp is used; or
  - 5.10.4 the activity involves competitive water skiing or aquaplaning.
- 5.11 The amount that we will pay under Conditions 5.7 to 5.9 (above), is subject to any limits on how much we will pay set out in Conditions 1.12 to 1.20 (above), Conditions 3.9 to 3.11 (above) and Conditions 4.3 to 4.7 (above) of this Policy.

### Lay Up Cover Extension

- 5.12 We will insure the vessel on restricted terms against accidental loss or damage whilst it is "laid up" within the boundaries of your home or at another location that we agree to.
- 5.13 The effect of this extension is to restrict cover to a specified location, on specified terms, for a specified period of time, in consideration of a monthly discounted premium.
- 5.14 This extension excludes any cover for your legal liability howsoever caused absolutely.

### Trailer and Transit Risks Extension

- 5.15 We will insure:
- 5.15.1 physical loss or damage to a trailer arising from an accidental cause including theft, malicious damage or fire; and
  - 5.15.2 physical loss or damage to the vessel and trailer where accidental damage occurs during transit by road, rail or ship; provided that the vessel is designed for transport or storage by trailer, and that a suitable trailer is used for that purpose.
- 5.16 The amount that we will pay under Condition 5.15 (above), is subject to any limits on how much we will pay set out in Conditions 1.12 to 1.20 (above) of this Policy or any other limit set out in the schedule.

### Berth Owner Risks Extension

- 5.17 We will insure loss or damage to a private berth, air berth or boat lifting device that:
- 5.17.1 you own;
  - 5.17.2 is used for the usual berthing of the vessel or its tender or its auxiliary speedboat (where applicable); and
  - 5.17.3 is declared to us and stated in the schedule.
- 5.18 We will insure you for any legal liability that you incur that arises from the use, ownership or occupation of a private berth, air berth or boat lifting device covered by Condition 5.17 (above).
- 5.19 The amount that we will pay under Conditions 5.17 and 5.18 (above), is subject to any limits on how much we will pay set out in Conditions 3.9 to 3.10 (above) of this Policy or any agreed value or other limit set out in the schedule.

## Machinery Breakdown Risk Extension

- 5.20 We will insure the cost of repairing or replacing the vessel's motor(s), machinery or refrigeration equipment, where:
- 5.20.1 the motor(s), machinery or refrigeration equipment suffers a sudden and unforeseen stoppage or breakdown that requires immediate repair or replacement;
  - 5.20.2 the motor(s), machinery or refrigeration equipment is not more than 10 years old;
  - 5.20.3 you provide us with proof that the motor(s), machinery or refrigeration equipment has been serviced and maintained in accordance with the manufacturer's recommendations; and
  - 5.20.4 the motor(s), machinery or refrigeration equipment is not under any (original or extended) warranty at the time of the loss.

## 6. Section Six – General Benefits

### Application of this Section

- 6.1 The general benefits set out in this Section apply in addition to any benefits set out in any other section of this Policy.

### Automatic Reinstatement

- 6.2 Where we have paid a claim under this Policy, the specified value for that item will automatically be reinstated for that item, provided that:
- 6.2.1 within a cover grace period of 21 days of buying the replacement item, you give us relevant written details; and
  - 6.2.2 you pay us any pro-rata additional premium that we ask for; such calculated from the date you acquire the item to the expiry date of the period of insurance; except where we have paid a total or constructive total loss (the payment of which will cause insurance to cease).

### Consignment Cover

- 6.3 Where you have consigned the care custody and control of the vessel to an accredited marine dealer or yacht broker for the purpose of selling the vessel, we will continue to provide cover under the terms of this Policy, provided that:
- 6.3.1 the vessel is kept at its normal berth or is relocated to a similar type of berth; and
  - 6.3.2 your rights of recourse against the marine dealer, yacht broker or any third party are preserved.

### Period of Insurance – Temporary Extension

- 6.4 Should the vessel at the expiry of this Policy be at sea or in distress or at a place of refuge and it is thereby difficult or unreasonable for you (or your authorised person) to make contact with us, we shall continue to provide cover under the terms of this Policy, provided that:
- 6.4.1 as soon as you are able to make contact with us or when the vessel arrives at its next port, you notify us within 24 hours and make arrangements to effect the renewal of this Policy; and
  - 6.4.2 you or your insurance adviser or intermediary has not contracted with another insurer for any alternative insurance cover on the vessel and associated benefits with effect from the expiry date of this Policy.

## 7. Section Seven – General Exclusions

### Application of this Section

- 7.1 These general exclusions apply to all sections of this Policy.
- 7.2 The general exclusions set out in this Section are in addition to any limit or exclusion set out in any other section of this Policy.

### When you are not covered under this Policy

- 7.3 You are not insured if or when the vessel:
- 7.3.1 travels outside the geographical limits stated in the schedule unless we agree that the vessel did so due to circumstances beyond the reasonable control of you or an authorised person, or as a result of an emergency;
  - 7.3.2 is being used for charter, hire, reward or another commercial purpose;
  - 7.3.3 is being operated illegally or used for an unlawful purpose, or in any way, fails to comply with all the requirements and regulations of the (Hong Kong) Merchant Shipping (Local Vessels) Compulsory Third Party Risk Insurance Regulations and subsequent amendments, and/or relevant international or local applicable regulations whilst navigating beyond Hong Kong territorial waters as would be specified in the schedule;
  - 7.3.4 is under the control of:
    - 7.3.4.1 a person who is unlicensed and the law requires that person to be licensed; or
    - 7.3.4.2 a person without adequate experience to reasonably control the vessel, unless you were not aware or should not have reasonably been aware that the person was unlicensed or inexperienced;
  - 7.3.5 is not seaworthy, and you knew or ought to have known that it was not seaworthy;
  - 7.3.6 is kept in an unsafe condition;
  - 7.3.7 is being used in racing or competition, other than as specifically provided in this Policy;
  - 7.3.8 is undergoing major repair or alteration, unless you give us prior notice of the proposed repairs or alterations and we agree to extend cover;
  - 7.3.9 is being loaded, unloaded, stored or transported on a trailer, unless the Trailer and Transit Risks Extension set out in Section Five of this Policy applies and has been complied with;
  - 7.3.10 is being used as a form of permanent or long term accommodation, unless you give us prior notice of the proposed activity and we agree to extend cover or delete this specific exclusion;
  - 7.3.11 is:
    - 7.3.11.1 travelling at in excess of 60 knots;
    - 7.3.11.2 being operated with an engine more powerful than recommended and specified by the hull manufacturer;
    - 7.3.11.3 being operated with more than the maximum number of passengers recommended and specified by the hull manufacturer;
  - 7.3.12 is under the control of a person who:

- 7.3.12.1 is under the influence of alcohol or drugs or both; and
  - 7.3.12.2 equals or exceeds any applicable legal limit for the presence or consumption of such substances; unless you did not know or should not have reasonably been aware that the person was under the influence of alcohol or drugs in excess of any applicable legal limit;
- 7.3.13 suffers loss or damage and you do not take reasonable steps to prevent further loss or damage.

- 7.4 In addition, you are not insured for any loss, damage, destruction, death, bodily injury, liability, cost or expense that has been directly or indirectly caused by or arises from:
- 7.4.1 an incident that falls outside of the period of insurance;
  - 7.4.2 you, a named insured or an authorised person acting recklessly, fraudulently, criminally or maliciously, or acting intentionally to cause loss or damage;
  - 7.4.3 any failure by you, a named insured or an authorised person to take reasonable care of the vessel or reasonable safety or security precautions;
  - 7.4.4 ionising radiations from or contamination by radioactivity from any nuclear fuel or any nuclear waste or from the combustion of nuclear fuel;
  - 7.4.5 the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
  - 7.4.6 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
  - 7.4.7 the radioactive, toxic, explosive, or other hazardous or contaminating properties of any radioactive matter;
  - 7.4.8 any chemical, biochemical, biological or electromagnetic weapon;
  - 7.4.9 asbestos;
  - 7.4.10 war, warlike activity, hostilities, rebellion, terrorism, insurrection or revolution;
  - 7.4.11 requisition, pre-emption of other lawful seizure, except as provided under Condition 1.3.12 (above);
  - 7.4.12 the towing of any persons or objects in the air, including parasailing;
  - 7.4.13 the towing of any persons or objects in water, including water skiing and aquaplaning, unless the Water Skier Risk Extension set out in Section Five of this Policy applies and has been complied with;
  - 7.4.14 theft of a trailer and/or the vessel aboard a trailer, unless you have taken reasonable precautions to prevent theft through the use of a wheel locking device or anti-tow device;
  - 7.4.15 a swing mooring that is inadequate or unsuitable for the vessel or that has not been serviced by a recognised service provider within the last 12 months;
  - 7.4.16 any claim involving fraud;
  - 7.4.17 fines, penalties, aggravated or punitive damages, unless otherwise provided for in this Policy; or
  - 7.4.18 any consequential loss that you suffer due to an inability to use the vessel, including any psychological, emotional or other injury or suffering, except as otherwise stated by this Policy.

## 8. Section Eight – Other Important Terms & Conditions

### What you are required to do

#### Keep Us Informed – Duty of Disclosure

- 8.1 You must comply with your contract of utmost good faith obligations of disclosure in accordance specifically with Sections 17 to 20 of the Marine Insurance Ordinance, Chapter 329 of the Laws of Hong Kong by which this insurance contract is governed.
- 8.2 You have the same duty to disclose those matters to us before you renew, extend, vary or reinstate this Policy.
- 8.3 Without limiting Condition 8.1 (above), you must inform us of any:
- 8.3.1 change to the risk of insuring the vessel;
  - 8.3.2 meaningful change in the condition or use of the vessel;
  - 8.3.3 material modification of the vessel;
  - 8.3.4 change of location or situation where the vessel is kept;
  - 8.3.5 change in the contents or other equipment and accessories insured under this Policy;
  - 8.3.6 revocation, cancellation or suspension of your boat/ motor vehicle license for any reason whatsoever, or the license of an authorised person; or
  - 8.3.7 any incident that is likely to lead to a claim being made under this Policy.
- 8.4 We may agree to effect a change to this Policy but only where we have agreed in writing and amended the schedule.

#### Pay the Premium

- 8.5 You must pay the premium by the required payment due date.

#### Comply with Hong Kong Typhoon Signal Notification

- 8.6 In the event that Typhoon Signal No.3 or upwards is hoisted, the vessel
- 8.6.1 must be securely moored at the mooring location indicated in the schedule; and/or
  - 8.6.2 if not already at the usual mooring indicated in the schedule, the vessel shall immediately sail for and moor at the mooring location stated in the schedule, or any Hong Kong Government Typhoon Shelter; and shall remain there until such signal has been lowered.

#### How to make a claim

- 8.7 You must notify us or your insurance adviser or intermediary of any incident that will or may give rise to a claim under this Policy, as soon as possible after the incident occurs. If you do not notify us within 30 days of the incident, we may reduce the amount we pay you to take into account the prejudice we have suffered from the delay.
- 8.8 You must also:
- 8.8.1 take all reasonable and responsible precautions to protect the vessel;
  - 8.8.2 take all reasonable and responsible precautions to prevent any further loss or damage from occurring;
  - 8.8.3 make a report to the police within 48 hours of your becoming aware of the theft if the vessel or personal possessions are lost, stolen, vandalized or maliciously damaged or if any person suffers a serious injury;

- 8.8.4 complete a claim form; and
  - 8.8.5 cooperate fully with us in the management of the claim, including by informing us of all relevant facts, providing us with copies of all relevant documentation, and complying with all of our reasonable instructions and directions.
- 8.9 You must not do any of the following without our permission:
- 8.9.1 make any admission of liability;
  - 8.9.2 make or accept any offer of payment from third parties;
  - 8.9.3 settle or attempt to settle any claim;
  - 8.9.4 defend or prosecute any claim; or
  - 8.9.5 repair or replace the vessel or any damaged or lost property that is subject to this Policy.

#### Our Rights of Recovery

- 8.10 After we have paid out a claim to you, we may have the right to pursue a right of recovery against a third party that we believe was responsible for the loss or damage. You are obliged to assist us and cooperate fully with us if we choose to pursue a recovery, which may include commencing legal action against the third party in your name. All expenses connected with a recovery action are for our account and if we are successful in recovering monies, we will pay you any amount remaining after taking into account our costs and the amount we paid to you for the claim.

#### Excess

- 8.11 The excess represents the proportion of risk which you retain. For each claim, you will pay the excess before we are required to pay you the remainder of the claim. The amount of your excess is shown in the schedule.
- 8.12 However, you will not need to pay an excess where a claim is paid:
- 8.12.1 under Section Three (Legal Liability) or Section Four (Personal Accident) of this Policy;
  - 8.12.2 for total loss or constructive total loss under Section One of this Policy;
  - 8.12.3 where you can show that you (or any other person able to take a benefit from this Policy) were not at fault and you can provide us the details of the person who was at fault;
  - 8.12.4 in relation to costs incurred in preventing or minimizing any loss or damage covered under this Policy (refer to Condition 1.4 (above)); or
  - 8.12.5 in relation to the vessel when it is moored at a marina facility which is its normal berth and which is stated in the schedule.

#### Assigning Your Rights

- 8.13 You cannot give anyone else an interest in this Policy without our written consent. Any person whose interest has been noted in the schedule is bound by the terms of this Policy.

#### Transfer of Interest

- 8.14 The cover provided under this Policy will cease immediately upon:
- 8.14.1 the transfer of your interest in the vessel;
  - 8.14.2 the sale of your interest in the vessel; or
  - 8.14.3 the gifting of your interest in the vessel.
- 8.15 Where the ownership of the vessel changes, but you maintain an interest in the vessel, you are obliged to notify us within 30 days of such change of ownership, in the absence of which, cover will automatically cease.

#### Changing Your Policy

- 8.16 This Policy can only be varied by agreement, in writing, signed by both us and you.
- 8.17 Any variations to this Policy must be noted in the schedule.

#### Cancelling Your Policy

- 8.18 You may cancel this Policy at any time by giving 30 days' notice in writing to us. However, we will require payment of premium for time on risk.
- 8.19 Where more than one person is named as "You", we will only cancel this Policy where each person named as "You" gives us notice in writing.
- 8.20 We may cancel this Policy by giving 30 days' written notice of cancellation by registered mail to you at your last known address.
- 8.21 If this Policy is cancelled in accordance with Condition 8.18 (above), where we have not paid you any claim during the period of insurance and no claim is pending, we will refund the proportion of premium that has been paid and relates to the remaining period of insurance.

#### Other Insurance

- 8.22 Provided that it is permitted by law, where two or more insurance policies cover the same risk, we will only pay the amount of the claim which exceeds the amount recovered under the other policy or policies, up to the limits provided for under this Policy.

#### Privacy

- 8.23 All personal data collected and held by us will be used in accordance with our privacy policy, as notified to you from time to time and available at the following website: [http://www.zurich.com.hk/eng/cs\\_nonlifepolicyservices\\_privacy.htm](http://www.zurich.com.hk/eng/cs_nonlifepolicyservices_privacy.htm)

#### Notices

- 8.24 If either you or we are required to give notice to the other party under this Policy, that notice must be:
- 8.24.1 in writing; and
  - 8.24.2 delivered to the other party in person; or posted or delivered to the party's business address or last known address.
- 8.25 If you change address, you must notify us of that change as soon as possible.

#### Law and Jurisdiction

- 8.26 Any dispute arising under this Policy shall be determined by the courts and in accordance with the laws of Hong Kong where this Policy was issued.

#### Termination of Coverage

- 8.27 Coverage under this Policy shall automatically terminate on the earliest of the dates specified below:
- 8.27.1 the date when any part of the premium pertaining to this Policy is not paid when due;

- 8.27.2 at your request, termination of coverage will be effective at the date specified in the written notice we received without contravening the Conditions 8.18 to 8.21 (above); and
- 8.27.3 the policy due date of this Policy unless you or your authorised broker or agent representative has earlier requested renewal of this Policy.

#### Alternative Dispute Resolution

- 8.28 In the event of a dispute arising out of this policy, the parties may settle the dispute through mediation in good faith in accordance with the relevant Practice Direction on civil mediation issued by the Judiciary of Hong Kong and applicable at the time of dispute. All unresolved disputes shall be determined by arbitration in accordance with the Arbitration Ordinance (Chapter 609), Laws of Hong Kong as amended from time to time. The arbitration shall be conducted in Hong Kong by a sole arbitrator to be agreed by the parties. It is expressly stated that the obtaining of an arbitral award is a condition precedent to any right of legal action arising out of this policy. Irrespective of the status or outcome of any form of alternative dispute resolution, if we deny or reject liability for any claim under this policy and you do not commence arbitration in the aforesaid manner within twelve (12) calendar months from the date of the our disclaimer, your claim shall then for all purposes be deemed to have been withdrawn or abandoned and shall not thereafter be recoverable under this policy.

#### Definitions

##### Agreed Value

Means the sum noted in the schedule, being the maximum that we will pay you in respect of the vessel.

##### Additional Value

Means the amount we agree to pay as a maximum aggregate amount for Additional Benefits (Condition 1.4), as noted in the schedule.

##### Authorised Person

A person you allow to use or be in control of the vessel.

##### Club

A yacht club or motor yacht club that is accredited by, affiliated with or a member of The Hong Kong Yachting Association or Hong Kong Sailing Federation or parallel equivalent sailing and/or motor boating association. The meaning includes equivalent bodies in overseas countries.

##### Contents

Means an item on board the vessel that is:

- (a) listed in the schedule as contents;
- (b) is in the nature of a chattel or removable household item, including a barbecue, crockery or cutlery glassware, manchester, microwave oven, personal computer, portable television, refrigerator, sound system; or
- (c) alcohol or wine appropriate to the circumstances; but not including:
  - (i) any furniture (other than in the case of live-aboard craft), where such would be listed in contents;
  - (ii) curious, works of art, clocks, collections, trinkets or antiques that are not listed in the schedule;
  - (iii) cheques, credit or debit cards, financial instruments, jewellery, mobile telephones, money, personal data assistants or similar electronic communications equipment, personal hand-held electronic games, portable audio-visual and/or musical devices, precious metals, the contents of a wallet or purse, spectacles and eye glassware, all forms of photographic/ video equipment; and
  - (iv) any item or property that is being used for the purposes of a business, trade or profession.

##### Disappearance

Means that if your body has not been found within one (1) year after the date of the disappearance due to sinking or wrecking of the vessel either at its usual mooring or at sea and under such circumstances as would otherwise be covered under Sections One and Four of this Policy, it will be presumed that you have suffered death resulting from injury caused by an accident covered by this Policy at the time of such disappearance, sinking or wrecking.

##### Equipment and Accessories

Means items generally intended for use on the vessel and not permanently affixed to the vessel. They include:

- (a) safety equipment required by law,
- (b) electronic navigation equipment including depth sounders, fish finders, GPS, radar, auto pilot, computers used for navigation purposes,
- (c) marine radios and transceivers,
- (d) tools,
- (e) boat covers and canopies,
- (f) batteries, and
- (g) anchors and other ground tackle.

##### Excess

The excess represents the proportion of risk which you retain. For each claim, you will pay the excess (subject to Condition 8.12) before we are required to pay you the remainder of the claim. The amount of your excess is shown in the schedule.

##### Extension

Optional cover of a type set out in Section Five of this Policy, the application of which must be noted in the schedule.

##### Geographical Limits

Means the area within the boundary as stated in the schedule.

##### Hong Kong

The Hong Kong Special Administrative Region of the People's Republic of China.

##### Hull

Means the hull, deck, cabin, and fixtures of a vessel, other than those items expressly included in the definition of the vessel.

**Motor or Motors and Machinery**

Means outboard and inboard engines as described in the *schedule* and includes the stern drive unit, shaft, propeller, gearbox, wiring harness, instruments, batteries, control cables, portable fuel tanks and generator.

**Period of Insurance**

The period for which we have accepted your premium as stated in the *schedule*.

**Permanent Total Disablement**

Means you have been unable to carry out any occupation for which you are suited by reason of your education, training or experience for a period of at least 12 consecutive months and you remain unable to do so for a continuous indefinite period solely and directly as a result of the injury caused by the accident and which is caused other than by loss of limb(s) or eyesight.

**Personal Possessions**

Means personal items:

- (a) belonging to you, your immediate family, the skipper or crew of the vessel or passengers on board the vessel, including binoculars, items of clothing, footwear, personal computer, wallets or purses;
- (b) but not including:
  - (i) the contents of wallets or purses; or
  - (ii) credit or debit cards, jewellery, mobile phones, money, personal data assistants or similar communications equipment, personal hand-held electronic games, portable audio-visual and/or musical devices, precious metals, spectacles and eye glassware, and all forms of photographic and video equipment;
  - (iii) any item or property that is being used for the purposes of a business, trade or profession.

**Policy Effective Date**

The first date of *period of insurance*.

**Replacement Vessel**

Means:

- (a) a new vessel of the same make, type and model of the vessel, that is available locally; or
- (b) where no vessel of the same make, type and model of the vessel is available locally, a vessel which in our reasonable opinion, is of an equivalent make, type and model to the vessel insured under this Policy.

**Schedule**

Is the document which sets out the details of your insurance cover. You receive a schedule when you first take out your insurance cover and will receive a renewal certificate when this Policy is renewed. Any change to this Policy will be noted by endorsement.

**Specified Value**

Means the agreed value of any part of the vessel as noted in the *schedule*, including the agreed value of the hull, motors, equipment and accessories, mast, spars, sails, rigging or tender.

**Sporting Equipment**

Means water ski equipment (including water skis, toboggans and inflatable devices), fishing equipment (including rods, reels, tackle boxes and tackle), canoes, kayaks, surf skis and diving equipment (including tanks, regulators, buoyancy devices and wet/dry suits) owned by you, your immediate family, the skipper or crew of the vessel or passengers on board the vessel, and which are used for recreational purposes on or from the vessel.

**Substitute Vessel**

A vessel that:

- (a) is not the vessel insured by this Policy; and
- (b) you or your immediate family, or any legal entity controlled by you or your immediate family, do not own or have an interest in; and
- (c) which you are in control or possession of with the permission of the owner of the vessel.

**Tender**

Means an auxiliary boat that is:

- (a) used as a means of transport between the vessel and the shore, or a general service boat for the vessel; and
- (b) is usually stowed on the vessel and is identified with the vessel; but
- (c) is not a speedboat, has a maximum designed speed below 17 knots, and is not used for recreational purposes.

**Temporary Partial Disablement**

Shall mean the prevention of an insured person from attending to a substantial part of his/her daily business or his/her usual occupation or if he/she has no business or usual occupation, from attending to any duties which would normally be carried out by him/her in his/her daily life. The disability must occur within 12 consecutive months from the date of sustaining such injury.

**Temporary Total Disablement**

Shall mean the prevention of an insured person from attending to a substantial part of his/her daily business or his/her usual occupation or if he/she has no business or usual occupation, from attending to any duties which would normally be carried out by him/her in his/her daily life. The disability must occur within 12 consecutive months from the date of sustaining such injury.

**Vessel**

The boat noted in the *schedule*. It includes:

- (a) the hull;
- (b) its motor or motors and machinery;
- (c) equipment and accessories;
- (d) its sails, masts, spars, standing and running rigging; and
- (e) its tender and associated equipment.

**We, Our or Us**

Zurich Insurance Company Ltd

**Yacht Social Race**

Means a race for yachts, held by a club, where:

- (a) the race course or distance is no more than 25 nautical miles;
- (b) the rules of racing apply; and
- (c) spinnakers are not permitted to be used in the race.

**You, Your**

Means the person or persons named in the *schedule* as the named insured.

## **COMMUNICABLE DISEASE ENDORSEMENT**

### **(For use on property policies)**

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
  - 2.1. for a Communicable Disease, or
  - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
  - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
  - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
  - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

LMA5393  
25 March 2020