

PLEASURECRAFT INSURANCE POLICY AGREEMENT - Form OYP-3

(Rev. Feb 1, 2012)

DEFINITIONS

The following definitions apply throughout this policy:

"You", "your" and "Insured Person" means the person(s) named as Insured on the Declarations Page and, while living in the same household, his or her spouse, the relatives of either or any person under age 21 in their care, and any other person or organization using the **Insured Property** with **your** permission and without compensation. No liability coverage is provided for a paid master or paid crew member of **yours** or of the Insured Vessel, or for any person, organization or agent operating a repair yard, marina, yacht club, sales or chartering agency or other marine business. However, you are covered for your legal liability arising out of damages caused to others by a non-insured person, organization or agent. Only the person named on the Declarations Page may take legal action against us.

"We", "Our" and "Us" mean the Insurance Company.

"Insured Property" means the yacht, trailer, tender, auxiliary motor, and personal effects, as described on the Declarations Page and subject to the terms and conditions set out herein.

"Total Loss" means the specific property is completely lost or destroyed or the cost of recovering and repairing is greater than the value stated in the Declarations.

"Uninsured Boater" and "Uninsured owner or operator" means an owner or operator of a boat other than the **Insured Vessel** named in this policy who is legally responsible for the accident, and: to whom no liability policy applies; or who cannot be identified.

"Actual Cash Value" means the cost of replacement less any depreciation, and in determining depreciation we will consider the condition immediately before the damage, the resale value, and the normal life expectancy.

"Personal Effects" means property acquired primarily for use on the Insured Vessel and which is used primarily on the **Insured Vessel**. **Personal Effects** include any fishing equipment attached to the hull or not.

"Parasailing" means using **your** vessel to tow a person in a device designed for flight.

"Waterskiing" means using **your** vessel to tow a person on water skis and the like, or floatation devices.

"Material Fact" means that if the true facts had been known to us pursuant to a policy requirement or other requirement, **we** in good faith would not have issued the policy, would not have issued it at the same premium rate, would not have issued a policy in as large an amount, or would not have provided coverage with respect the hazard resulting in the loss.

“Occurrence” means one loss or accident, including continuous or repeated exposure to substantially the same distinct harmful conditions during the policy period, which results in bodily injury or direct physical tangible loss to the insured property. Conditions lasting longer than 72 hours will be deemed as more than one occurrence.

SAMPLE

INSURING AGREEMENT

We provide the insurance described in this policy and any endorsements attached, based on the information declared in the application for insurance, for payment of the premium and subject to the terms and conditions set out herein. This policy contains general conditions and warranties which apply at all times. The Insurer has agreed to accept the risk of insuring the watercraft on the condition precedent that the Insured will comply strictly and literally with these warranties and conditions. If the insured breaches any of these warranties or conditions, the Insurer at its option will not pay any claim arising thereafter, regardless of whether or not such breach is causative or in any way connected to such claim.

DEDUCTIBLE

Each claim for loss or damage, under any coverage, shall be adjusted separately and from each adjusted claim we will deduct the amount of the Deductible shown in the Declarations for that coverage. Two or more losses resulting from the same accident or occurrence shall be treated as one claim. The deductible will not be applied if there is a total loss. Where the loss involves only the tender and/or its motor, the auxiliary outboard motor, or electronic navigation equipment, the deductible shall be limited to \$250.

RESTRICTIONS ON THE USE OF THE YACHT – WARRANTIES:

In order to keep this policy in effect, you and any insured person, must make, and must keep, certain promises. These are known as warranties. If any of these warranties are violated, coverage will be terminated from the time of such violation and no coverage will be afforded under this policy. Subsequent correction of the violation will not reinstate the coverage. It is therefore warranted that:

1. the insured property will be used solely for private pleasure purposes. The yacht will not be chartered, leased or used for any commercial purposes or for hire unless otherwise agreed by us;
2. the insured property will be used only within the Navigation Limits stated in the Declarations unless otherwise agreed by us;
3. the insured property will not be used in any race or speed test while under power. The yacht may, however, participate in "predicted log" competitions and insured sailboats may engage in racing under sail without prejudice to this insurance;
4. a) any propane, alcohol or kerosene equipment used on your yacht will be installed as per the National Fire and Protection Association Standards or equivalent;
a) with respect to propane, alcohol or kerosene equipment with a pilot light, the system will be shut off at the manual shut off valve at the source of the fuel at all times when the yacht is left unattended;
5. if the insured property is Laid-up ashore, the insured property:
 - a) will not be used for living on board;
 - b) will be safely secured for storage;
6. the insured property will be kept in a seaworthy condition whenever afloat or being operated;
7. the insured property will not be used in any illegal or criminal activity by an insured person;

GENERAL EXCLUSIONS

This section contains exclusions that apply to all coverages provided by this policy.

We will not cover:

1. loss that results from the lawful or unlawful capture, seizure, requisition or detainment of the insured property by a civil authority, or an attempt at any of these;
2. loss that results from war or any warlike operation. This includes declared and undeclared war, civil war, revolution or any civil unrest;
3. loss that is caused in whole or in part, either directly or indirectly, by a nuclear reaction or nuclear radiation;
4. loss or damage caused by strikers, locked out workmen or persons taking part in labour disturbances, riots or civil commotions.
5. any liability for which you or an insured person becomes liable as a result of discharging or releasing any fuel, chemicals, waste or other pollutants unless the discharge is sudden and accidental;
6. any loss, damage, liability or expense of any kind arising out of the use of the insured property for parasailing or similar;
7. any loss or damage resulting from your intentional or criminal acts;
8. any loss or damage to the **Insured Property** or any liability resulting from any injury, death, or third party property damage, if all operators of the **Insured Property** are not in compliance with all government regulations and licensing requirements.

HULL INSURANCE

Property That is Covered: We will cover your yacht and, if described in the Declarations, your yacht's tender, dinghy, liferaft, auxiliary motor and trailer.

General Average and Salvage Charges: We will pay General Average and Salvage Charges, where properly and reasonably incurred, but not exceeding the amount shown in the Declarations.

Causes of Loss That Are Covered: We will cover accidental direct physical tangible loss or damage to the insured property from any external cause.

Causes of Loss That Are Not Covered: We will not cover loss or damage from any of the following:

1. a lack of reasonable care in the maintenance or operation of your yacht, or your intentional misuse of the yacht;
2. Wear and tear, gradual deterioration, faulty repair or faulty workmanship, marring, denting, corrosion, mold, rot, osmosis, blistering, delamination, electrolysis, galvanic action, or any inherent vice; however **we** will cover consequential property damage resulting from any fire, sinking, submersion, demasting, collision or stranding;
3. loss or damage caused by or in consequence of freezing, however we will cover damage to the machinery provided the insured had hired a professional marine repair facility to annually winterize this machinery and can document this by way of a paid invoice;;
4. theft by persons to whom you entrust the insured property;
5. an increase in costs due to obsolescence, and in no event shall there be coverage for loss due to failure to recognize the date change to year 2000 or any other date;
6. to electrical apparatus, including wiring, caused by electricity other than lightning, unless fire ensues and then only for property damage arising by such ensuing fire.
7. to spars and/or sails while racing;
8. diminution in value.

Latent Defect: We will not cover loss or damage caused by or resulting from latent defect unless a reasonably

thorough prior inspection by the insured could not have discovered such a defect, and such defect causes loss not otherwise excluded in this policy, then we shall pay for the resulting loss. In no event shall there be any liability under this policy for the cost or expense of replacing or repairing any defective part.

EMERGENCY TOWING ENDORSEMENT

If Emergency Towing cover is indicated on the Declarations Page then we will pay up to the amount indicated on the Declarations Page per occurrence toward the cost of towing the Insured Vessel to the nearest repair facility, irrespective of the cause of breakdown. Subject to presentation of receipted bills and acceptable evidence of loss.

SAMPLE

BASIS OF CLAIM PAYMENT

In the event of:

A. Total or Constructive Total Loss

We agree to pay **you** the agreed value as shown on the Declarations Page and **we** have the right to the remaining **Insured Property**. There shall be no recovery unless all said property is lost absolutely or unless the expense of recovering and repairing the **Insured Property** shall exceed the amount stated on the Declarations Page. **Our** liability will be the lesser of the amount shown on the Declarations Page; or the amount necessary to repair or replace the vessel.

B. Repairs for Partial Loss:

We will pay the reasonable cost of repairs, except that depreciation shall apply to the repair or replacement of the following items: sails, canvas, protective covers and fabric, batteries. Depreciation shall also apply to outboard motors, inflatable watercraft, beginning with the fourth year from the year of manufacture. **We** have the option to make or reimburse for repairs or replacements or to pay **you** directly based on an agreed estimate of loss. **We** reserve the right to repair or replace the **Insured Property**. Under no circumstances will **our** liability exceed the amount indicated on the Declarations Page.

UNREPAIRED DAMAGE

If the damage to the insured yacht or its equipment is not repaired:

1. we will not be liable for more than the actual cash value of the damaged parts. That value will not exceed what it would cost to repair the damaged property with material of like kind and quality;
2. we will not pay for unrepaired damage in addition to a payment for a subsequent total loss of the yacht and its equipment;
3. we will not be liable for any unrepaired damage that amounts to more than the amount of insurance shown for your yacht at the time this insurance terminates.

REPAIR CLAUSE

If the hull of the insured vessel is made in whole or in part of plywood, plastic, fiberglass or other material of similar nature in the event of property damage caused by a peril insured against we will only be liable for repairs made by applying suitable patches to the damaged hull area in accordance with good repair practice. We will not be liable for the cost or expense of painting or impregnating colour beyond the immediate damaged area or areas. These principles shall also govern in determining whether or not the insured vessel is a constructive total loss.

We have the option to make or reimburse for repairs or replacements, or to pay **you** directly based on the lowest bid to repair, subject to any **Actual Cash Value** settlement restriction contained herein. **We** reserve the right to repair or replace the **Insured Property**. Under no circumstances will **our** liability exceed the amount indicated on the Declarations Page.

PERSONAL EFFECTS INSURANCE

Property That Is Covered: We will cover direct physical loss or damage caused by or resulting from one or more of the perils set forth in this policy to any personal effects of the insured and his immediate family, and at the insured's option guests or volunteer crew, provided such property is aboard the yacht, or while being laden upon or unladen from the yacht.

Property That Is Not Covered: We will not cover under any circumstances any loss for currency, travellers' cheques, passports, securities, evidence of debt, valuable papers, documents, jewelry, furs, cameras, fine arts and cellular telephones. Neither shall we cover any loss, damage or expense caused by or resulting from wear and tear, gradual deterioration, inherent vice, changes in temperature, dampness or dryness of the atmosphere, mechanical failure or an electrical disturbance unless directly caused by lightning.

Valuation: We shall pay the reasonable cost to repair or replace with material of like kind and quality up to the Limit of Coverage shown on the Declaration Page after applying the deductible. In the event the property is not replaced, our limit will be the depreciated cash value.

Other Insurance: In the event there is other valid and collectible insurance, this coverage shall be excess over the same up to the limit specified in the Declarations.

LAND TRANSPORTATION

We will only cover the insured property and any trailer within a radius of 2,000 kilometers from the location your vessel is usually laid-up. Any extended distance will be described in the Declaration Page, if applicable. Any use or operation of the vessel remains subject to the Warranties section, Navigational Warranty, as specified in this policy and on the Declarations page.

PROTECTION AND INDEMNITY INSURANCE

We will reimburse insured persons who become legally liable for damages arising from their ownership or use of the yacht for:

1. bodily injury or death;
2. loss or damage to any property, whether it is on board your yacht or not. This includes loss or damage to any fixed or moveable object, such as a float or a dock, and any property that is on that object;
3. costs that result from the attempt or actual raising, removal or destruction of the wreck of your yacht if required by law;
4. the rescue of you, your passengers and members of your crew.
5. if your liability is contested in any suit or action, we will pay the ensuing costs provided that you have obtained our prior written approval. We have the right to select the attorneys. We have the right to settle a claim or suit.

Payment for Losses: In the Declarations you will find your coverage limit for Protection and Indemnity. Regardless of the number of insured persons, this is the most we will pay for any losses which arise from any one accident or series of accidents caused by the same event.

Claims That Are Not Covered: We will not cover:

1. any liability you or any insured person have assumed under any contract or agreement;
2. any person for bodily injury or property damage intentionally caused by that person;
3. any liability for bodily injury to any insured person;
4. any liability for damage to property owned or rented by, or in the care, custody and control of any insured person;
5. any bodily injury to or the death of workmen or any other persons employed in any capacity whatsoever by you in, on or about, or in connection with the yacht or any work or repair to it, if benefits are required or available under a workers compensation law;
6. any fine or other penalty which any government body requires you to pay;
7. property damage or bodily injury arising out of the transportation of the vessel on land;

8. the cost of the containment, clean-up and resulting property damage and assessments related to the discharge, leakage or spillage of petroleum products, chemicals or other substances on any kind or nature;
9. bodily injury or property damage resulting from parasailing, site sailing, kite tubing, hang gliding, or similar activity involving tethered flight including subsequent release of objects or people.

Obligation to Pay: We will not pay any amount under this section unless the insured persons' obligation to pay has been determined by judgment against the insured person after trial or by written agreement between the insured person, the claimant and us.

If You Use Someone's Vessel: If, as an individual, you or members of your family who reside with you have permission to use someone else's yacht for private pleasure, this section of the policy and its limits will apply during such use. We will pay for losses only after all other insurance covering the loss has been exhausted. This limitation will apply whether you or the yacht's owner has the other insurance. But we will not pay for damage to or loss of the other person's yacht.

Costs: In the case of the liability of the Insured shall be contested in any suit or action, this company will also pay such ensuing costs, subject always to the provisions of the "**Cooperation with Us**" clause under "**General Conditions**". We will have the right to select the attorneys. We have the right to settle a claim or suit. If we ask, you must attend hearings and trials. You must assist us in obtaining and giving evidence, obtaining witnesses and in making settlements.

Federal Longshoremen's and Harbour Workers' Compensation Act of the United States of America: We will provide you with coverage required by the Federal Longshoremen's and Harbour Workers' Compensation Act. We will cover you as long as your responsibility arises from your ownership or use of your yacht. The Longshoremen's and Harbour Workers' Compensation Act is Public Act No. 803 of the 69th Congress, approved March 4, 1927. It also includes any amendments which are in force while this policy is in effect. We will comply with all the provisions of this Act, and with any rules, regulations, orders and decisions of the Office of Workers' Compensation Programs, of the U.S. Department of Labor.

POLLUTION /SPILL LIABILITY

We agree to pay up to the amount indicated on the Declarations Page for Spill Liability, for the containment, clean-up, property damage and assessments related to any sudden and accidental spillage or leakage of petroleum products, chemicals or other substances of any kind, from the Insured Property for which the Insured Person becomes legally liable through the ownership, maintenance or use of the Insured Vessel. We will settle or defend any claim or suit which asks for these covered expenses or damages. However, this cover is void if an insured fails or refuses to provide all reasonable cooperation and assistance requested by an official in connection with the containment and clean-up activities. Our duty to settle and defend ends when the limit indicated on the Declarations Page is exhausted. This cover does not apply to the following:

1. liability resulting from the transportation of the Insured Vessel on land;
2. liability caused by or resulting from an intentional act or fines or penalties or any claim for punitive damages or costs of defense arising out of a criminal or civil violation of law;
3. liability resulting from the discharge, emission, spillage or leakage of any radioactive material or substance of any kind;
4. liability for bodily injury.

MEDICAL PAYMENTS INSURANCE

If any person is injured while boarding, on board, or alighting from the insured Yacht, we will pay reasonable medical and funeral expenses if incurred within one year after the date of injury. The amount of \$5,000.00 is the most we will pay for any one accident.

Who Will Be Paid: Medical payments may be made directly to the injured person or to the person or organization that provided the treatment.

No Admission of Liability: The fact that we make a medical payment does not mean that legal responsibility for the injury is admitted.

When We Will Not Make Medical Payments: Medical expenses are not covered:

1. We will not make a medical payment when the insured has contractually assumed liability to the injured person.
2. We will not pay under this section for injuries suffered by persons employed to maintain or repair the Yacht or by any other employees while they are engaged in their employment.
3. We will not pay under this section for injuries to the extent by which benefits are payable under any Provincial or Federal medical scheme.

UNINSURED BOATER INSURANCE

If an amount is indicated on the Declarations Page for “**Uninsured Boater Coverage**”, **we** will pay up to that amount for damages, which, because of bodily injury received aboard **your Insured Vessel, you** are legally entitled to recover from the **Uninsured Boater**.

We do not provide **Uninsured Boater** coverage:

1. for claims settled without **our** written consent;
2. if the **Uninsured Boater** is owned or operated by a governmental body or agency or employee or any contractor/subcontractor of any governmental body or agency or employee of such contractor/subcontractor;
3. for boats owned by or furnished for regular use by any one falling under the definition of **Insured Person** for the purposes of this policy; or,
4. for anyone using the **Insured Property** without the permission of the **Insured Person**.

This coverage will not apply directly or indirectly to the benefit of any insurer under any state or federal compensation law or act.

Payment under this coverage shall be reduced by:

1. all sums paid by or on behalf of those legally responsible;
2. all sums paid by any state or federal compensation law or act; or,
3. all sums paid under the Liability or Medical Payments coverages of this policy.

The amount on the Declarations Page is the maximum **we** will pay, regardless of the number of **Insured Persons**, claims made, or boats involved in any once accident, or series of accidents arising out of the same event.

ACCIDENTAL DEATH BENEFITS

If, as a direct result of the vessel insured hereunder stranding, sinking, burning or being in collision, the owner, spouse, or any minor children lose their lives, we shall pay in the event of such occurrence:

\$10,000 for the death of an owner;

\$ 5,000 for the death of a spouse;

\$ 1,000 for the death of each minor child.

Such payments shall be made to the estate of the demised.

LOSS OF USE

We shall pay up to \$50 per day (maximum of \$500 per occurrence) to rent a replacement if the insured vessel is damaged in an accident covered by this policy. Appropriate receipts for rental of a vessel of similar kind and quality must be presented for reimbursement.

COVERAGE EXTENSION – NEWLY ACQUIRED VESSEL

If you purchase a vessel of similar kind during the policy period either in addition to or to replace the existing vessel and trailer, we will automatically provide coverage under the Hull, Protection and Indemnity, Pollution/Spill Liability, Medical Payments, Uninsured Boater, Accidental Death Benefits and Loss of Use sections of this policy, subject to all other terms and conditions as expressed in the complete policy. Coverage for the new vessel and trailer will be for a period of 10 calendar days from the date of purchase, upon which coverage expires unless agreed by us in writing in the form of a new or revised Declarations Page noting the new

vessel. During the 10 day automatic coverage period, all limits will remain as per the existing Declarations Page with the exception of the Hull section, wherein we will provide coverage up to an amount equal to the existing limit for Hull Insurance in addition to the current limit. In no event will our liability exceed the purchase price of the newly acquired vessel. We must insure all your owned vessels for this coverage extension to be available. This clause does not provide coverage for the acquisition of any jet drive personal watercraft and will not provide coverage for any vessel with a maximum capable speed of in excess of 55 miles per hour.

IN THE EVENT OF A LOSS

If you or an insured person have a loss or a claim that may be covered under this policy, you or the insured person must:

Notify Us: Immediately notify your agent or us of the loss or claim. Immediately provide us with a written notice which shall state:

1. with respect to the incident, where, when and how;
2. the property concerned and the nature of the loss;
3. the names and addresses of injured persons and the nature of the injuries;
4. the names and addresses of witnesses.

Submit to us within 30 days of the occurrence a sworn written statement which sets forth to the best of your knowledge and belief:

1. a full description of the loss or claim;
2. the time and place of the accident or event;
3. the names and addresses of anyone injured and any witnesses.

Notify the Authorities: If an injury or collision is involved notify the Coast Guard. If a theft or suspected theft or fire is involved, notify the police or the fire department.

Salvage/Mitigation: You and any insured person have a duty, in the event of any loss, damage or occurrence, to protect the insured property from further loss. We will pay all costs and expenses reasonably incurred in minimizing or averting a greater loss which would have formed a claim under this policy. If repairs are made, have the repair yard save all the parts which were replaced. We may want to inspect them.

Inspection: You must permit us to inspect the damages before repairs are made. You must not make any repairs which are unnecessary to actually protect the property from further damage without our prior permission. If you do, we do not have to reimburse you for your expenses.

Preserve Our Right To Recover: You may have the right to recover for a loss from someone else. Once we pay your loss under this policy, this right of recovery will belong to us. You must do everything possible to preserve our right to recover.

Cooperate with Us: You must obtain repair specifications, bids and estimates from alternate sources if requested. You must cooperate in the investigation, defense or settlement of any loss and agree to be examined under oath if we request.

Abandoned Property: We are not obligated to accept any property which you abandon.

Misrepresentations: If you wilfully make any false statement in a proof of loss your right to indemnity will be impaired.

IF YOU FAIL TO COMPLY WITH ANY OF THESE PROVISIONS, THERE WILL BE NO RECOVERY UNDER THIS POLICY.

GENERAL TERMS AND CONDITIONS

This part of your policy contains some general terms which apply to your entire policy.

Premium: If your yacht is a total loss all premiums shall be earned by us.

Cooperation with Us: In the event of a loss covered by this policy, you must cooperate with us fully. Do not assume any obligations, admit any responsibility or make any settlement or payments without first getting our written permission. However, you must take the reasonable steps which are necessary to protect any damaged property. If you receive any legal papers in connection with a claim or a suit, you must send us copies immediately.

Transfer of Your Interest: You agree not to do either of these things without our prior written permission:

1. transfer any interest you may have in your yacht to another person or organization;
2. transfer this policy, or any part of it, to any other person or organization.

"Transfer" includes any assignment or pledge as a security for debt.

Hold Harmless Agreements: **We** agree that **you** may sign standard Hold Harmless Agreements with marinas, yacht clubs, and similar authorities where such agreements are necessary and customary, but only in respect of moorage and storage.

Limitation of Actions: No suit or action on this policy or for the recovery of any claim hereunder shall be sustainable in any Court of Law unless all terms, conditions and warranties in this policy are complied with and unless commenced within twelve (12) months next after the event giving rise to the claim. Provided that where such limitation of time is prohibited by the laws of the province wherein this policy is issued, then and in that event no suit or action under this policy shall be sustained unless commenced within the shortest limitation permitted under the laws of such province. Only the person(s) named in the Declaration Page(s) may take legal action against us.

Changes in Policy: This policy contains all the agreements between you and us. No changes may be made unless agreed by us in writing.

Conformity to Statutes: Any provision in this policy that conflicts with any provincial statute is hereby amended to conform to the minimum requirements of that statute.

Cancellation: You may cancel this policy by returning it to us or our authorized representative and stating, in writing, the future date you want it to be cancelled. We may cancel this policy by written notice to you sent by registered mail to the address shown in this policy, or last known address. Cancellation by us will be effective as of the date shown on the cancellation notice but not less than fifteen (15) days after the date of registered mailing the notice. The registered mailing of notice is sufficient proof of notice of cancellation. Delivery of notice shall be equivalent to registered mailing. When you request cancellation, the return premium will be based on our short-rate table. When we cancel, the return premium will be pro rata of the annual premium.

Misrepresentation and Concealment: If any **material fact** or circumstance is misrepresented, omitted, concealed or incorrectly stated intentionally or otherwise by **you**, or on **your** behalf, all insurance provided by this policy shall be void from inception and premium refunded.

Policy Period: This policy applies only to losses which occur during the period stated on the Declarations Page.

Continuation: Should **your** vessel, at expiration date (not by cancellation), be at sea or in distress, **we** shall continue to hold covered until landed and after twenty four (24) hours in a safe berth.

No Benefit to Bailee: No person or organization having custody of the **Insured Property** and being compensated for services shall benefit from this insurance.

Insurance Under More Than One Policy: If there is any other insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess over any other collectible insurance.

Right to Recovery: If **we** make a payment under this policy and the person to or for whom payment was made has a right to recover damages from another, **we** shall be subrogated to that right. That person shall do whatever is necessary to enable **us** to exercise **our** rights and do nothing to prejudice them.

Non-Waiver Provision: No action on **our** part, after a loss to recover or save the property from further loss, nor any action which **we** may take in connection with the investigation of any loss, shall be considered as a waiver of any of **our** rights under this policy.

Severability Clause: If any clause, word, phrase, provision or portion of this Policy shall be found to be unenforceable or invalid for any reason whatsoever, by any court of competent jurisdiction or by any arbitration panel, such determination shall not affect any other clauses, word, phrase, provision or portion of this Policy, and each shall remain in full force and effect.

Currency Clause: The currency applicable to this policy is Canadian dollars.

INSTITUTE RADIOACTIVE CONTAMINATION, CHEMICAL, BIOLOGICAL, BIO-CHEMICAL AND ELECTROMAGNETIC WEAPONS EXCLUSION CLAUSE

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;

the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;

any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;

the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes;

any chemical, biological, bio-chemical, or electromagnetic weapon.

INSTITUTE CYBER ATTACK EXCLUSION CLAUSE (10/11/03)

- 1.1 Subject only to clause 1.2 below, in no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.
- 1.2 Where this clause is endorsed on policies covering risks of war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power, or terrorism or any person acting from a political motive, Clause 1.1 shall not operate to exclude losses (which would otherwise be covered) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

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