



The AXA Yacht Insurance Contract
Legal Protection Insurance
General Provisions

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LEGAL PROTECTION INSURANCE

This document sets out the terms of the **General Provisions** of **Legal Protection Insurance** provided by **AXA Corporate Solutions S.A.*** (“AXA”).

Your **Legal Protection Insurance** is made up of four sets of documents:

- The **AXA Corporate Solutions Questionnaire** (see pro forma at Annex I of the present Insurance Contract), duly completed and signed by you and
- These **General Provisions** and
- The **Particular Conditions** agreed with AXA and
- Any **Endorsements** agreed with AXA, after the contract of insurance has been made.

The **Particular Conditions** and the **Endorsements** will take precedence if they conflict in any way with these **General Provisions**.

PLEASE READ CAREFULLY THESE GENERAL PROVISIONS OF LEGAL PROTECTION INSURANCE, TOGETHER WITH THE PARTICULAR CONDITIONS AND ANY ENDORSEMENTS YOU HAVE AGREED WITH AXA, AS SOON AS YOU PURCHASE THIS COVER.

Legal Protection Insurance is only available from AXA if you have purchased insurance for **Marine Risks from AXA**. The terms of the AXA Yacht Insurance Contract shall take precedence if they conflict in any way with these **Legal Protection Insurance** terms.

****AXA Corporate Solutions Assurance S.A. is regulated by l’Autorité de Contrôle des Assurances et des Mutuelles, 61 rue Taitbout, 75436 Paris Cedex 09.***

DISCLOSURE OF INFORMATION

Important: You must provide all material information to AXA before AXA agrees to provide cover under these **General Provisions** and the other documents making up your contract of insurance. You must notify AXA of any material information, even if it has not been specifically requested in the **AXA Corporate Solutions Questionnaire**. You must also notify AXA immediately of any material change or increase in risk during the currency of this contract. AXA will be entitled to change the terms of this **Legal Protection Insurance** based on such changes, and if you do not agree to such changes AXA may terminate this contract.

Important: If any material information is not disclosed or if inaccurate or misleading information is provided to AXA before the contract is made, AXA will be entitled to avoid the contract. This will place you and AXA in the position that you would have been had the contract never been made. If you do not advise us of changes during the currency of this contract your insurance may no longer be valid and claims may not be payable.

CONDITIONS PRECEDENT AND WARRANTIES

Important: We draw your attention to the effect of certain important terms in these **General Provisions** which are called either “**Conditions Precedent**” or “**Warranties**”.

If you fail to comply with a **Condition Precedent**, AXA will be relieved of liability to pay a claim under this contract. However, the contract will remain valid and there will be no entitlement to a return of premium.

If a **Warranty** is not complied with, AXA will be relieved from any liability under the contract as from that date and no claims will be payable, as if the contract did not exist from that time, and there will be no entitlement to return of premium.

ALL NOTIFICATIONS, INCLUDING IN THE EVENT OF LOSS OR DAMAGE

All notifications, including in the event of loss or damage, must be sent immediately to AXA at the address, fax number and/or e-mail address set out in the **Particular Conditions**.

Important: There are certain steps which you must take, and some which you must not take in the event of loss or damage. Failure to comply with these obligations can mean that you will be unable to recover any payment under this contract.

HOTLINE

In the event of loss or damage you can contact us 24 hours a day, 7 days a week at the telephone number set out in the **Particular Conditions**.

INTRODUCTION AND SCOPE OF CONTRACT

This document sets out the **General Provisions** of the **Legal Protection Insurance** provided by AXA to complement the AXA Yacht Insurance Contract, which will operate subject to the **Particular Conditions** and any **Endorsements** agreed with AXA. The terms below form part of your contract with AXA.

This **Legal Protection Insurance** is not provided automatically. If you wish to obtain this cover, it must be expressly set out in the **Particular Conditions** of your AXA Yacht Insurance Contract. This **Legal Protection Insurance** is only available where you have purchased **Marine Risks** insurance as set out in Part I of the **General Provisions** of the AXA Yacht Insurance Contract.

1. Parties to the Contract

- 1.1 In this contract the term “You” or the “Insured” refers to the insured named in the **Particular Conditions**.
- 1.2 The insured will include the owner of the *Insured Vessel* which is to be used for private pleasure use or charter use and any person (or company) who, occasionally or habitually, has care and custody or use of the *Insured Vessel*, with the authorisation of the assured and/or the owner of the vessel.
- 1.3 The insurer of this **Legal Protection Insurance** is **AXA Corporate Solutions S.A.** whose registered office is at 4 rue Jules Lefebvre 75009, Paris, France, referred to in this **Legal Protection Insurance** as “AXA” or “Us” or “We”.
- 1.4 The services provided by AXA under this contract are administered by “Juridica” - 1 Place Victorien Sardou - 78166 Marly Le Roi Cedex, an autonomous and specialist corporation appointed by AXA.

2. Scope

- 2.1 This **Legal Protection Insurance** provides insurance cover for legal fees and expenses when you are acting as the operator of a pleasure vessel, subject to the **General Provisions** set out in this document and to the **Particular Conditions** and any **Endorsements**.
- 2.2 Coverage under these **General Provisions** is set out in 2 Sections. Section A sets out the scope of cover. Section B sets out General Conditions, Restrictions, Limitations and Exclusions to which the **Legal Protection Insurance** as a whole is subject. Section A is divided into 3 parts. Part I

describes cover in the event of a *Dispute*. Part II sets out our services in the case of a *Dispute* and Part III sets out the implementation of our services in the case of a *Dispute*.

- 2.3 Part I describes cover for *Disputes* in your capacity as an owner, for employment *Disputes*, for criminal proceedings and for civil proceedings. You should note the exclusions to cover which are set out there.
- 2.4 Part II describes our services in three sections: advice, seeking an amicable solution and in the case of legal proceedings.
- 2.5 Part III, in describing the implementation of services, sets out terms regarding the geographical extent of those services, certain conditions for implementation, the analysis of *Disputes* and decisions to be taken; and fees and expenses covered.

3. Prudent Uninsured

You must always act as a prudent uninsured and take reasonable care of and in the use of the *Insured Vessel*.

4. Premium

- 4.1 Premium is calculated on the basis of the information set out in your completed **AXA Corporate Solutions Questionnaire** and can be payable in one or more instalments at the date and place set out in the **Particular Conditions**.
- 4.2 **Important:** If premium, or an instalment of premium, is not paid within 45 days of the date when it falls due, the contract may be terminated on 7 days notice by AXA.
- 4.3 If your contract provides that a number of persons or companies shall pay premium their liability will be joint and several.
- 4.4 In case of *Total Loss* full premium for the entire period of the contract is deemed earned if AXA is liable for that loss. If AXA is not liable for the loss the premium is deemed earned on a proportionate basis calculated by reference to the time the contract was in force.

5. Termination

Important: This **Legal Protection Insurance** based on these **General Provisions** can be terminated in certain circumstances either automatically and immediately or on notice. Termination provisions are set out notably at Section B, para 6 and 7. In

the event that your AXA Yacht Insurance Contract for **Marine Risks** is terminated either automatically or on notice this contract will terminate automatically at the same date and time.

6. Claims and Disputes

6.1 AXA is committed to a policy of handling all claims under your contract promptly and fairly. In the event that any claim cannot be resolved by discussion or negotiation the *Dispute* shall be referred to mediation with a view to concluding a rapid and fair settlement in accordance with Section B, clause 10 below.

6.2 This **Legal Protection Insurance** contract will be governed by English law and subject to the exclusive jurisdiction of the English High Court of Justice in London.

7. Definitions

Certain terms in this contract are defined in Schedule I to this contract and marked *in italics*. Those definitions form part of these contract terms.

SECTION A

PART I - SCOPE OF COVER IN THE EVENT OF DISPUTE

1. Cover

This contract provides cover for legal fees and expenses when you are acting as the operator of a pleasure vessel for the categories of *Dispute* set out below, when the pleasure vessel boat is *In Commission*, laid up afloat, laid up on land (including in a shipyard) and during re-fit, repair and maintenance work and during salvage services provided to another vessel in difficulties, subject to the terms and conditions set out in this contract.

2. Disputes in your capacity as owner

This contract provides cover for legal fees and expenses in the event of a *Dispute* concerning the use, purchase, sale, repair, re-fit or maintenance and safekeeping of the *Insured Vessel*.

3. Employment Disputes

This contract provides cover for legal fees and expenses when you, in your capacity as a pleasure vessel operator, are involved in an individual *Dispute* with one of your employees concerning the conclusion, performance or failure to perform or the breaking of his or her contract of employment.

4. Criminal Proceedings

4.1 This contract provides cover for legal fees and expenses if criminal proceedings are brought against you arising from physical injury and/or damage to property caused to a *Third Party* and resulting from your activity as a pleasure vessel operator, unless you have separate legal liability insurance and that insurer intervenes to protect your interests. In this event there shall be no claim under this policy.

4.2 This contract will not provide cover if proceedings are brought against you for a deliberate criminal offence. However, we will reimburse you for the legal fees and expenses of your lawyer, in the event that in a final judgment, no longer subject to appeal, criminal proceedings against you are dismissed, you are discharged or it is otherwise established that the alleged offence was not deliberate. Such reimbursement shall only be made at the final conclusion of the matter.

5. Civil Proceedings

This contract provides cover for legal fees and expenses when legal proceedings are commenced against you in the case of damage caused to a *Third Party* resulting from your activity as a pleasure boat operator, if your own liability insurer is not covering you.

6. Limits

The cover under the terms set out above is subject to the limits set out in the section entitled "**Fees and Expenses Covered**" in Section A, Part III below and in the **Particular Conditions**.

7. Exclusions

There is no cover under this contract for any *Dispute*:

- 7.1 When the *Circumstances giving rise to the dispute* were known to you prior to the commencement of this contract.
- 7.2 Between you and the charterer of the vessel which are related to the use of the vessel when the vessel is under a charter.
- 7.3 Concerning your *Personal Effects* and those of your crew and guests, charterers and their guests who have embarked on board the vessel.
- 7.4 Concerning tax or customs dues.
- 7.5 Relating to your participation in the management of an association or a corporation, civil or commercial.
- 7.6 Relating to a collective labour *Dispute*.
- 7.7 Relating to the recovery of debts owed to you.
- 7.8 Relating to any guarantee you have issued or any security you have obtained.
- 7.9 As between insureds named in this policy.
- 7.10 You may have with **AXA Corporate Solutions Assurance S.A.** or any associated or affiliated company of AXA.
- 7.11 Based on non-payment of sums due by you, where neither your liability nor the amount cannot be seriously denied.
- 7.12 Arising from your bankruptcy or insolvency.

- 7.13 Relating to the purchase, holding or transfer of shares or transferable securities or documents of title.
- 7.14 Relating to intellectual property.
- 7.15 Relating to *Damage to the Environment*.
- 7.16 Relating to the handling and transport of the *Insured Vessel* other than as an essential part of re-fit, repair and maintenance work.

PART II - SERVICES IN THE CASE OF DISPUTE

Cover under this policy will operate as follows:

1. Advice

First, our in-house lawyer will analyse your situation. He will provide you with advice on your rights. He will assist you and organise the defence of your interests.

2. Seeking an Amicable Solution

Second, in the context of a strategy agreed with you, our in-house lawyer will take practical and legal steps to resolve your *Dispute*. He will seek an amicable solution within a reasonable time and make direct contact with your opponent. However, you will be assisted or represented by a lawyer when you or we are informed that your opponent is also legally represented.

3. Legal Proceedings

3.1 Third, when no satisfactory amicable solution can be concluded with your opponent, or if it is otherwise appropriate or necessary to commence legal proceedings, proceedings will be commenced. You are free to choose your own lawyer. In this regard:

3.1.1 You can choose a lawyer that you know. In this case you must inform us (and obtain our written agreement in advance before he is appointed) or

3.1.2 Having made a written request to AXA you can, if you wish, choose the lawyer who we suggest. He will be selected for his skill in the particular field concerned and/or his geographical proximity.

3.2 In both cases you will negotiate with the lawyer the amount of his fees and expenses which must be set out in a set of written *Terms of Engagement*. This is a **Condition Precedent** to AXA's liability under this contract.

3.3 **You must** keep us fully informed of progress in the *Dispute* in accordance with the terms of this contract. This is a **Condition Precedent** to AXA's liability under this contract.

3.4 We will pay legal fees and disbursements, including the fees and expenses of the lawyer, experts and bailiffs, in accordance with the provisions of the "**Fees and Expenses Covered**" set out in Section A, Part III below.

PART III - IMPLEMENTATION OF OUR SERVICES IN THE EVENT OF DISPUTE

1. The geographical extent of our services

- 1.1 This contract provides cover in respect of *Disputes* arising from facts and events occurring exclusively in the geographical limits defined in the **Particular Conditions** of your AXA Yacht Insurance Contract for **Marine Risks**.
- 1.2 In respect of *Disputes* arising from facts and events occurring outside those geographical limits and by exception to the provisions concerning “**Services in the event of disputes**” above and “**Fees and Expenses Covered**” below, this contract provides for the reimbursement of legal fees and expenses payable by you at the sole discretion of AXA and in any event only at the final conclusion of proceedings. Such reimbursement shall be subject to the limits set out in the **Particular Conditions**, by *Dispute* and by insurance year and upon presentation of supporting documentation including paid invoices and copy proceedings.

2. Conditions for the Implementation of Services

Cover is provided under this contract provided the following conditions are complied with:

- 2.1 **You must** declare to us promptly any *Dispute* arising between the date of commencement of this policy and the date of its cancellation, termination or expiry.
- 2.2 In order to enable us to analyse the information which you submit and provide advice to you on the steps to be taken in respect of any *Dispute* notified, you must obtain our agreement in advance before:
 - 2.2.1 Commencing proceedings.
 - 2.2.2 Taking any new step in the proceedings.
 - 2.2.3 Lodging any appeal.
- 2.3 AXA will have no liability under this contract unless the amount at stake, at the date of the notification of the *Dispute*, exceeds the amount specified in the **Particular Conditions**.
- 2.4 **You must** have no other liability insurance covering the defence of your interests in relation to the *Dispute* in question.
- 2.5 **You must** have obtained and maintained in good order any compulsory legal insurance which you are obliged to purchase.

3. Notice to us in the event of a Dispute

Cover is provided under this contract provided the following conditions are complied with:

- 3.1 **You must** notify us in writing of any *Dispute*, as soon as you are aware of it, sending to us in particular the references for your policy, the full contact details of the opponent, the references for any other policy of insurance which might cover the claim, a chronological description of the circumstances of the *Dispute*, all documents which would enable us to establish the facts, any information and any documents which would be useful for the handling of the *Dispute*.
- 3.2 **You must** send to us as soon as you receive it any notification, letter, summons, deed, writ, or claim form and any other legal documents which have been sent to you, delivered to you or served on you.
- 3.3 **Important:** Prompt compliance with the requirements above is important to preserve your rights and to maximise the prospects of any relevant recovery and is, therefore a **Condition Precedent** to AXA's liability under this contract.
- 3.4 **Exclusion:** this contract will not cover any *Dispute* where you have provided to us a false declaration of facts and/or circumstances and/or the situation which has given rise to the claim or more generally of any matters which might assist in the resolution of the *Dispute*.

4. Analysis of the Dispute and decisions on steps to be taken

- 4.1 After analysis of the information provided, we will consider the steps which might be considered in respect of your *Dispute* at each significant step. We will advise you of this and discuss it with you. You will have the benefit of our advice on the steps to be taken. In any particular case, and with your agreement, we will take the necessary steps.
- 4.2 In the event of a disagreement between us regarding the basis of your rights or the steps to be taken to resolve your claim, you can:
 - 4.2.1 Either start the legal proceedings which are the basis of the disagreement at your own expense or
 - 4.2.2 Submit the matter to a third person for review, as agreed between us. We will bear the cost of the review of your case by this *Third Party*.
- 4.3 If you obtain a final judgment which is more favourable to you than that which we have predicted (or which has been predicted by the third person referred to above) we will reimburse to you the legal fees and expenses

which you have incurred for the legal proceedings, but subject always to the conditions and limits set out in the section of this contract headed “**Fees and Expenses Covered**”.

- 4.4 You are entitled to appoint a lawyer of your own choice at any time there is a conflict of interest between you and us. In this case, we will pay the fees and expenses of this lawyer, save where there is a *Dispute* regarding the scope of cover provided by this contract. Such fees and expenses shall be subject always to the conditions and limits set out in the section “**Fees and Expenses covered**”.

5. Fees and expenses covered

- 5.1 Where there is *Dispute* covered by this contract and in respect of each year of insurance we will pay:

5.1.1 **Before legal proceedings are commenced:** the legal fees and expenses whether of lawyers, experts or court officers, but subject to the limits set out in the **Particular Conditions**, by *Dispute* and by year of insurance.

5.1.2 **After commencement of proceedings:** we will pay the cost of any expert report required by a Court and the legal fees and expenses of your lawyer, and any officer of justice, but subject to the limits stipulated in the **Particular Conditions** by *Dispute* and by year of insurance, and subject to the level of the relevant jurisdiction.

Assistance	See Particular Conditions	By intervention
Court of First Instance (including Mediation and conciliation which has not resulted in settlement)	See Particular Conditions	By <i>Dispute</i> *
Appeal	See Particular Conditions	By <i>Dispute</i> *
Further Appeal	See Particular Conditions	By <i>Dispute</i> *

*By *Dispute* in the above table we mean each individual set of proceedings between parties who are in conflict in respect of facts or matters and require their legal rights to be decided by a Court.

- 5.2 Legal fees and expenses of lawyers are subject to the limits set out in the table above and are payable on presentation to AXA of a signed set of *Terms of Engagement*. The following terms will also apply:

When you are not subject to VAT:

- 5.2.1 We will pay the retained lawyer directly on proof that proceedings have been commenced and production of any judgment issued or
- 5.2.2 We will reimburse you on production to us of supporting documentation including a paid invoice.

When you are subject to VAT:

- 5.2.3 You will pay the legal fees and expenses of the lawyer, including all taxes, and we will reimburse you on presentation of supporting documentation including a paid invoice.
- 5.3 When your lawyer requests payment on account, we may at our discretion pay in advance up to the lesser of either 50% of the amount set out in the table above or 50% of the amount which has been requested by the lawyer. We will pay the balance on presentation of the judgment or, if the matter is settled amicably, of any settlement agreement.
- 5.4 If you have interests in common and are a party in the same set of legal proceedings with a number of other persons in respect of the same claim against the same opponent, the sums payable to you by AXA will be calculated pro rata with the number of persons involved in those proceedings. Expenses will be reimbursed to you subject to the limits set out in the table above.
- 5.5 Your opponent may be required to pay legal costs or certain other expenses to you under the procedural or substantive rules of the relevant Court. We can recover such sums subject to the amount of the fees and expenses which we have expended for your interest. This principle of recovery is called subrogation. If you can demonstrate that you have incurred expenses in the conduct of legal proceedings you recover those expenses in priority to AXA.

Exclusions:

- 5.6 There is no cover under this contract for the following:
 - 5.6.1 Proportional costs which are deemed payable by you in your capacity as a creditor by a court officer.
 - 5.6.2 Contingent fees whatever they may be, calculated by reference to the amount at stake or the final result obtained.

- 5.6.3 Sums which are awarded against you by a Court representing certain expenses of the other party which are not considered as legal costs or judicial expenses or damages.
- 5.6.4 The legal fees and expenses of any second lawyer retained by your lawyer in the same country (for example in France this is called “postulation”).
- 5.6.5 Bail or its equivalent.
- 5.6.6 The cost of legal advice or legal steps taken before we have been notified of a *Dispute*, save in circumstances where this has been necessary on grounds of urgency.

SECTION B

GENERAL CONDITIONS, RESTRICTIONS, LIMITATIONS AND EXCLUSIONS

1. Change of Ownership

- 1.1 Cover under this contract will terminate automatically and this contract will be cancelled with immediate effect without notice if the *Insured Vessel* is:
- 1.1.1 Sold or transferred to new ownership or, where the *Insured Vessel* is owned by a company, there is a change in the controlling interests in that company.
- 1.1.2 Managed or partly managed by a party other than the insured and there is a change in the identity of the manager(s).
- 1.2 In either case there will be a net pro rata return of premium, calculated on a daily basis.
- 1.3 Notwithstanding the above, cover under this contract may be extended by prior agreement in writing of AXA if the *Insured Vessel* is at sea when ownership or management is changed or transferred.

2. Class

Where the *Insured Vessel* is classed with a Classification Society at the date of inception of this contract, you **warrant** that it shall remain classed with that Society throughout the duration of this contract and that you will:

- 2.1 Comply with the Rules of that Classification Society and with any requirement recommendation or restriction issued or imposed by that Society in accordance with those Rules and within any period or by any date stated by that Society for compliance.
- 2.2 Notify AXA and obtain AXA's prior written agreement to any intended change of Classification Society in respect of the *Insured Vessel*, and when giving such notice stating in full all and any outstanding requirements, recommendations and restrictions issued or imposed by that Society in respect of the *Insured Vessel*.
- 2.3 Notify the Classification Society as soon as practicable of any event or circumstance which might affect the class of the *Insured Vessel*, including (but not limited to) any event or circumstance which might cause that Society to impose or make any requirement, recommendation or restriction under its Rules.

3. Flag State and other rules, regulations and requirements

- 3.1 You **warrant** that if the *Insured Vessel* is subject to rules or regulations imposed by the Flag State or any other regulatory body, including any national Coastguard, the *Insured Vessel* will remain subject to those rules and regulations throughout the duration of this contract, whether those rules and regulations apply compulsorily or voluntarily.
- 3.2 You **warrant** that you will comply with any requirement, restriction or recommendation made by the Flag State or such other regulatory body.
- 3.3 You **warrant** that the *Insured Vessel* will remain registered with the same Flag State (as set out in the **Particular Conditions**) throughout the duration of this contract unless AXA agrees in writing in advance to any change of Flag State.

4. Competent Command

The *Insured Vessel* shall be either under the command of a professionally qualified person at all times, or under the command of a competent person whilst *In Commission*, save when the *Insured Vessel* is safely secured alongside.

5. Further Exclusions

- 5.1 There is no cover for legal fees and expenses under this contract for *Disputes* relating to loss, liability, damage, cost, expense:
- 5.1.1 Where the *Insured Vessel* is not used in accordance with the use set out in the **Particular Conditions**.
- 5.1.2 Where the *Insured Vessel* is not used in accordance with normal use nor in compliance with the applicable regulations.
- 5.1.3 Caused wilfully and intentionally or recklessly and with knowledge that such loss would probably result, by you, or by someone acting on your instructions or with your complicity.
- 5.1.4 Which arises from failure to abide by legislation and/or regulations in the following circumstances:
- 5.1.4.1 If you do not hold valid documents and/or appropriate navigation certificates or permits.
- 5.1.4.2 If the documents on board the *Insured Vessel* are not in order or not valid.

- 5.1.4.3 If ownership of your vessel is not in accordance with the applicable regulations.
- 5.1.4.4 If the number of persons on board exceeds the maximum stated by either the builders or the relevant legislation, whichever is the lesser.
- 5.1.4.5 If you navigate outside the geographical limits set out in the **Particular Conditions** or outside the limits stipulated by the relevant regulations, save in the case of emergency or in the case of rendering emergency salvage services to another vessel in distress for the purpose of saving life or property.
- 5.1.4.6 If you or the people on board are carrying out any illegal or unlawful activity or act.
- 5.1.4.7 If the *Insured Vessel* is used in such a manner, or engaged on a voyage, that exposes the vessel or the people on board to unreasonable or unnecessary risk or hazard.
- 5.1.5 Where the *Insured Vessel* is under your command and which arise where you are under the influence of alcohol or drugs which have not been medically prescribed.
- 5.1.6 Where the *Insured Vessel* is under the command of another person authorised by you where that person is under the influence of alcohol or drugs which have not been medically prescribed, and where you have failed to prevent such person from exercising command.
- 5.1.7 Which occurs during or on the occasion of participation of the *Insured Vessel* in any display, regatta, competition, speed trial or race and whether the *Insured Vessel* is used alone or as part of a team or in any other similar use, save as otherwise provided in the **Particular Conditions**.
- 5.1.8 Which arises from, or is caused by, or is in anyway related to the presence or use of any asbestos or any asbestos related product.
- 5.2 This contract further excludes *Disputes* arising from or related to:
 - 5.2.1 Confiscation, sequestration or requisition of the *Insured Vessel*.
 - 5.2.2 Fines, together with expenses relating to fines.
 - 5.2.3 Sanitary or disinfection operations.
 - 5.2.4 Depreciation, loss of use and Consequential Loss save to the extent that you have purchased loss of hire cover under Section A, Part IV of your AXA Yacht Insurance Contract.

Termination on notice

- 6.1 This contract may be terminated by either AXA or the insured giving seven (7) days notice (such termination becoming effective on the expiry of seven (7) days from midnight on the day on which notification is issued by AXA or received by AXA as the case may be). AXA agree however to reinstate this insurance subject to agreement between you and AXA of a new rate of premium and conditions, prior to the expiry of such notice of termination.
- 6.2 AXA can also terminate this contract on seven (7) days notice in the following circumstances:
- 6.2.1 If you do not comply voluntarily or otherwise with the terms and conditions of this contract.
- 6.2.2 If you do not pay your premium on the agreed date or dates.
- 6.2.3 In the event of an increase in risk during the course of this contract where AXA elects to refuse to continue coverage.
- 6.3 You or AXA can choose to terminate this contract on fourteen (14) days notice:
- 6.3.1 After the occurrence of loss or damage covered by this contract.
- 6.3.2 In the event of termination of another contract which has been underwritten by AXA for a similar risk or any other risk after loss.
- 6.4 Where termination is to be effected on notice under para 6.1 to 6.3 such notice will be effective at midnight on the expiry of seven (7) or fourteen (14) days from the date of issue by AXA or receipt by AXA, as the case may be.

Automatic termination

- 6.5 This contract will terminate automatically, whether or not notice of termination has been given, in the following circumstances:
- 6.5.1 Upon the occurrence of any hostile detonation of any nuclear weapon of war wheresoever and whensoever such detonation may occur and whether or not the *Insured Vessel* may be involved.
- 6.5.2 On the outbreak of war (whether there is a declaration of war or not) between any of the following nations: United Kingdom, USA, France, The Peoples Republic of China and the Russian Federation.
- 6.5.3 In the event the vessel is requisitioned either for title or use.

6.5.4 In the event of change of ownership Classification Society, Country of Registration or Flag.

6.5.5 In the event of *Total Loss* or *Disappearance* of the vessel.

6.6 A pro rata net return of premium shall be payable to the assured in the event of termination by notice or automatic termination under para 6 above or in the event of the sale of the vessel.

7. Time Limit

No legal proceedings can be commenced against AXA for the recovery of any claim under this contract unless commenced within 24 months of the date of the event or occurrence from which the claim arises. If legal proceedings are commenced after that date they will be time barred.

8. Rights of Third Parties

This contract does not and is not intended to confer any right or benefit on any *Third Party* under any applicable legislation including but not limited to the Contracts (Rights of Third Parties) Act 1999; and this contract can be terminated or amended without the consent of any *Third Party* by the agreement between the insured named in the **Particular Conditions** and AXA.

9. Amendments and Waivers

There shall be no amendment to these **General Provisions**, the **Particular Conditions** or any **Endorsement** otherwise than by **Endorsement** in writing. AXA will not waive nor be stopped or prevented from relying on any right or entitlement unless AXA expressly agrees to do so in writing.

10. Mediation Clause

In the event of any claim or *Dispute* between you and AXA arising out of or in connection with this contract (including questions of the existence, validity or termination of the contract or any other cause of action whatsoever) other than a claim by AXA under clause 20 below, and where it cannot be resolved by discussion or negotiation, the matter shall in the first instance be referred to mediation in London in accordance with the *LMAA* Mediation Terms 2002 (or any later version of those Terms) or the latest version of the *CEDR* Model Mediation Agreement without prejudice to your right or the right of AXA to commence legal proceedings.

11. Jurisdiction and Proper Law

This policy shall be governed by and construed in accordance with English law and subject to the exclusive jurisdiction of the English High Court in London.

SCHEDULE I

DEFINITIONS

Accessories: Goods and materials and accessories to navigation, fishing tackle and equipment, diving and sub-aqua equipment and sports equipment used for water sports on board the *Insured Vessel* or on land in a locked warehouse and which are not part of the vessel.

CEDR: Centre for Effective Dispute Resolution.

Circumstances Giving Rise to the Dispute: The circumstances giving rise to a *Dispute*, before any formal claim is made, arising from a breach of contract or duty which causes loss or damage to you or which you cause to a *Third Party*.

Damage to the Environment: The emission, dispersion or ejection or deposit of any substance whether solid, liquid or gaseous released into the environment, the atmosphere, the soil or water or the production of odours, noises, vibrations, variations in temperature, electromagnetic waves or radiation, exceeding what is permitted by the applicable law.

Disappearance: *Total Loss* of the *Insured Vessel* is deemed to have occurred if no news of the *Insured Vessel* is received for a period of 90 days.

Dispute: A conflict of interest, disaccord or the declination of a claim made by or against you and requiring you to assert your rights whether amicably or by litigation (whether to commence or to defend legal proceedings).

In Commission: The *Insured Vessel* is in commission when it has all its normal equipment and gear on board and is fitted out and ready for use.

Insured Vessel: The vessel identified in the **Particular Conditions** including its machinery, gear, equipment, fittings, running and static rigging and sails.

LMAA: London Maritime Arbitration Association.

Personal Effects: All objects and equipment whose existence you can prove belonging to insured persons which are not related to life on board nor to navigation of the vessel and which are not part of the original *Insured Vessel*, its tender(s) its fixtures, fittings, gear and equipment including wet weather gear.

Terms of Engagement: The terms of engagement between a lawyer and his client which sets out agreed fees and expenses and methods of payment. Signed terms of engagement are compulsory under this contract.

The Interests at Stake: The amount in *Dispute* excluding damages for delay, interest and/or other related demands. For contracts which provide for payment spread out in a number of periodical stages, the amount in *Dispute* will be treated as the amount related to any one stage.

Third Party/Parties: Any person or company which is not defined as an insured in this contract.

Total Loss: (actual and constructive)

- There is an actual total loss when the *Insured Vessel* is destroyed, so damaged as to cease to be a thing of the type insured or irrecoverable;
- There is a constructive total loss in the event of total *Disappearance* of the *Insured Vessel* (and/or its tenders) or where the cost of repair or replacing the *Insured Vessel* exceeds 80% of the agreed value stated in the **Particular Conditions**.