

# The Lock & Quay Policy

## A SUMMARY OF COVER

This summary does not contain the full terms and conditions of the policy but is intended to assist in understanding the cover available under the Lock & Quay Policy as well as outlining the main exclusions.

The full terms and conditions can be found in the policy wording, a copy of which is available on request.

The policy and not this summary is your contract with the Insurer.

### keyfacts

The Lock & Quay Policy is a 12 month policy providing business insurance for Marine Traders. The policy is underwritten by AmTrust Europe Ltd., (Sections 1 & 3) Allianz Global Corporate & Specialty AG (Section 2) and Faraday Reinsurance Co Ltd. (Sections 4A & 4B). Please consult your policy schedules for confirmation of the appropriate insurer for each section of cover. English Law applies to the contract.

You should select the sections and items for which you require cover. You are not automatically covered for every section. The sums insured you choose will be the limit of insurers' liability and should represent the full values at risk. If they do not, payments may be reduced in the event of a claim.

#### The following Sections and Sub-Sections are available

##### Section 1 Material Damage

This Section deals with physical loss or damage to your business property.

###### Section 1(A) – Business Property at your Premises

This covers All Risks of loss or damage to the items which you select for cover. These can include buildings, stock (including small craft in the buildings), computers and associated equipment, other business equipment and office contents, tools, machinery and plant (including yard plant), marina installations, boat moulds and other items you may specify. The sums insured on Buildings should include fixtures & fittings, underground services, foundations, architects' & surveyors' fees and the costs of removal of debris and shoring up. You can choose to link Building sums insured to the General Building Cost Index to protect them against inflation.

We do not cover loss or damage resulting from wear and tear, gradual deterioration, faulty workmanship, latent defect, mechanical or electrical breakdown. Subsidence is also excluded although this can be added as an extension of cover. Theft cover is restricted to theft following forcible and violent entry to or exit from buildings, although yard plant and boat moulds are covered in a locked compound. Weather damage is excluded for moveable property in the open (apart from yard plant) and for marina installations. If you choose to cover frozen food your freezer must be less than 15 years old.

###### Section 1(B) – Business Property away from the Premises

You can insure portable items that you take and use away from your premises such as photographic equipment and tools. You should state the geographical limits or location for which cover is required for each item. Cover is similar to that under Section 1(A) but loss by theft from unattended vehicles is restricted.

###### Section 1(C) – Goods in Transit

This section covers your goods against most risks of loss or damage whilst in transit within the United Kingdom by land, air or water. Transit can be by your own vehicles (or on trailers attached) or by haulier, rail or post. Particularly attractive or valuable items are normally excluded. Theft from vehicles left loaded overnight is excluded unless from a locked or attended garage or compound.

###### Section 1(D) – Exhibitions

Loss of or damage to exhibits, stock, stands and equipment at any exhibition in the United Kingdom can be covered including transit to and from. Reimbursement of incurred expenses resulting from damage at the exhibition can be included.

###### Section 1(E) – Glass

Breakage of all external and internal glass at the premises can be covered. Cover includes the cost of boarding up after a breakage, making good damage to frames and fittings, damage to goods on display and replacing lettering or designs on the glass. Illuminated signs can be covered.

##### Section 2 – Marine

###### Section 2(A) - Vessels

You can insure all vessels and their equipment, engines and trailers belonging to the business – vessels held in stock, workboats, rescue boats, yard boats, charter vessels and hire fleets. Cover is for physical loss or damage to your vessels caused by accident, latent defects, negligence,

malicious acts of third parties, theft of the entire vessel, or theft of machinery gear equipment and personal property following forcible and violent entry to or exit from the vessel.

Covered within the sum insured are salvage charges, wreck removal, bottom inspection and the cost of minimising a loss. Extensions of cover are available for demonstration and trial, transit risks, private use and for additional equipment hired out with the vessel.

Survey reports by a qualified marine surveyor may be required depending on age and construction of the vessels. Any increase in value over the price paid for a vessel may have to be substantiated by professional valuation.

You are not covered for loss or damage caused by wear, tear or depreciation, latent defects in your own work, insects, vermin or marine growth, osmosis, war, terrorism, your own malicious acts or those of your family or any person on board or having access to the vessel with your consent. Nor are you covered for damage to sails and protective covers caused by wind, mechanical breakdown to machinery or transit damage to vessels over 10 metres long unless agreed.

You are also insured for your legal liability, or that of any person using one of your vessels with your permission, to other persons (except for employees in the course of their employment by you) arising out of the use of the vessel up to the limit of indemnity stated on the schedule.

We do not cover divers in the water or third party claims while the vessel is on land being towed or transported.

#### Section 2(B) – Builders Risks

You are covered for physical loss or damage to vessels being fitted out or under construction including parts allocated to it. Cover is similar to that under Section 2(A). It extends to cover loss or damage to your vessels and third party liability while vessels are undergoing trials or delivery trips.

### **Section 3 – Financial Loss**

#### Section 3(A) – Business Interruption

Under this section you are covered for consequential loss of gross profit following loss or damage by an insured risk to property insured by sections 1 or 2. The extra costs of emergency measures to keep the business operating and to minimise the effects of the damage are also included up to the amount insured. Loss of outstanding debit balances can be included. Extensions of cover for loss of profit following damage elsewhere than at your premises can be included.

#### Section 3(B) – Loss of Money

This section covers loss of money by theft, robbery or accidental cause on the premises, in transit or at the homes of directors or authorised employees. It also covers loss or damage caused by theft to safes, cases or bags containing money and to personal effects or clothing worn by you or your employees. Personal Accident Benefits for injuries incurred as a result of robbery can be included.

#### Section 3(C) - Loss of Licence

If your premises are licensed for the sale of alcohol, you can insure for the depreciation in the value of your business caused by forfeiture of your licence or the refusal of any authority to renew the licence. Cover includes costs and expenses incurred in connection with any appeal against the decision. We do not cover you if the loss of licence stems from any act or neglect of your own or as a result of any redevelopment schemes.

#### Section 3(D) – Defective Title of Vessels

We cover your financial loss if you purchase or sell a vessel, or if you act as agent in the sale of a vessel, where it transpires that there is not good title to the vessel at the time of the transaction. There are certain precautions that you are required to take to try to establish good title to a vessel.

### **Section 4 - Liabilities**

#### Section 4(A) - Employers Liability

This section covers your legal liability for injury to employees, labour-only sub-contractors and voluntary helpers. Injury includes death, illness, disease or nervous shock occurring in the course of their employment. Legal costs in defending a prosecution under the Health & Safety at Work Legislation are included as are the costs of representation at a coroner's inquest or fatal accident hearing.

Employees are covered anywhere in the United Kingdom, or working elsewhere in the world if they are based in the United Kingdom, or for vessel crew anywhere in the cruising area you stipulate.

The limit of our liability in respect of any one event including legal costs and solicitors' fees is £10,000,000 (restricted to £5,000,000 in respect of Terrorism). This cover complies with current legislation relating to compulsory insurance.

We do not cover working in or on Offshore installations, sub-aqua work, Road Traffic Act injuries, working with asbestos or on large vessels.

#### Section 4(B) - Public Liability

##### (Including Boatyard and Product Liability)

Your legal liability for injury to third parties (excluding employees) and damage to their property which may arise out of your business activities is covered under this section. The limit of our liability will be shown on the policy schedule. The protection includes:

- liability caused by defects in the premises, plant, tackle, slipways, jetties or moorings used in the business or by careless use of cranes, hoists or other plant. Please note that all cranes and lifting plant must be the subject of Statutory Inspection for liability arising from their use to be covered.

- liability arising from the use of yardboats, including shifting and towing vessels within certain limits
- liability arising out of work done occurring during the period of the policy. We do not pay for the cost of making good faulty workmanship or design
- liability caused by goods sold, supplied, manufactured, repaired, tested, or serviced by you. We do not pay for the cost of replacing or repairing the faulty goods or materials which give rise to the claim nor for the cost of recalling faulty products
- car park liability
- liability for vessels in your custody
- liability incurred when working away anywhere in the UK or European Union, including overseas business trips (except for the USA and Canada) and at exhibitions in the UK
- demonstration, tuition or trial trips (subject to certain limits of speed, time and distance)
- liability for damage to premises hired or rented to you for the business
- liability incurred under the Defective Premises Act or Data Protection Act
- liability arising from sudden unintended and unexpected pollution
- liability assumed under indemnities and agreements or contracts, provided that we have been told of them in advance
- "injury" is extended to include wrongful eviction, accusation of shoplifting etc.
- "damage" includes economic loss arising from any obstruction, trespass, nuisance or interference with any right of way, air, light, water or other easement
- legal costs (including claimants' costs) arising out of any claim made on you for injury or damage, or out of any prosecution under the Health & Safety at Work Act 1974, the Consumer Protection Act, the Food Safety Act and the Corporate Manslaughter and Corporate Homicide Act 2007. Limits are placed on the amount of some of these costs.
- in the case of a partnership we will cover each partner for his or her liability to other partners
- cover can be extended to include liability for plant hired-in under CPA Conditions or similar terms up to a limit that is shown on the schedule

We will not cover legal liability arising from

- risks more specifically insured (e.g. Motor)
- loss of or damage to property belonging to, or leased or hired by you or your employees other than personal effects (including vehicles) of directors, visitors or employees
- libel, slander, infringement of copyright, patents, trade names, trade marks or registered design
- the non-performance, non-completion or delay in completion of any contract or agreement or the payment of fines, penalties or liquidated damages
- damage to vessels under construction or in course of assembly which you own, hire, lease, rent or manage or which are the subject of a brokerage agreement to which you are a party
- loss or damage to that part of any property on which you have been working where the loss or damage results from such work
- demonstration or trial of prototypes or original models designed built constructed or assembled by you
- loss, damage or delay to goods in transit except in connection with collection or delivery of a vessel sold, stored or worked upon by you
- salvage operations
- towing by any vessel of any thing (other than another vessel) or person
- surveys, condition reports, inspections or valuations on vessels
- products exported to or used in the USA or Canada
- products knowingly supplied or sale of goods for use in any offshore installation, petrochemical or nuclear industries, or in computers or process control equipment or in aircraft or spacecraft
- handling asbestos
- work carried out in hazardous locations or on vessels over 100 feet in length or £1,000,000 in value

In your working practices, you are required to comply with certain conditions. If you apply heat in any of your work you must take certain precautions which are set out in the policy. If you have a car park, disclaimer notices should be displayed. Craft on trailers left in your custody must be immobilised or kept in a lock-fast building and attached outboard motors be fitted with an anti-theft device. Any moorings you control must be examined at least annually, statutory plant must be inspected, your terms of business should be displayed and disclaimers displayed on jetties, pontoons and the like.

### **Warranties**

A warranty is a promise by you that some particular thing will or will not be done, or some condition will be fulfilled, or a particular state of affairs does or does not exist. A warranty must be strictly complied with. If it is not we will be discharged from liability from the date of the breach of warranty. You will need to refer to your policy schedule and policy wording to check if any warranties apply to your cover.

### **Excesses and Limits**

Some sections of your policy may be subject to excesses, which are amounts you must pay in the event of each and every claim. Certain claims limits may also apply. For property and vessel insurance the most we will pay is the sum insured set against the item on the policy schedule, for liability claims the Limit of our Liability shown on the policy schedule

### **General Exclusions**

We do not cover loss or damage caused by war, civil war, terrorism, radioactive contamination, nuclear explosions, electronic data problems, cyber attack, sonic bangs, biological and chemical contamination and pollution.

**Duties of Insured**

- To take all reasonable precautions to prevent loss or damage and to minimise it should it occur.
- To comply with all statutory obligations and regulations.
- To ensure that your premises and plant are sound, in good order and fit for purpose.
- To keep your vessels in a seaworthy condition and in a safe place when not under way
- To keep proper books of account.
- To advise insurers of any change with regard to information provided by you or your agent for the purposes of obtaining this insurance.
- To advise insurers truthfully of all facts known to you that are material to the risks they are undertaking.

**Cancellation Terms**

The policy or any section of it may be cancelled at any time by you or insurers. Insurers must give 15 days notice. If you cancel you will receive a proportionate refund of premium provided there has been no claim during the current period of insurance and subject to a minimum charge of £50. Some Sections, however, are subject to a minimum premium for which no return is allowed for mid-term cancellation.

**Claims Notification**

You must report all claims to Mercia Marine (Underwriting) Limited immediately. If you telephone please have your policy number ready to quote. In the event of a claim for theft or malicious damage or riot you should also notify promptly the local police and obtain a crime number. No admission of liability should be made for any injury or damage to third parties or their property.

**Complaints Procedure**

Insurers care about the service provided to policyholders and set themselves high standards. If you are dissatisfied in some way we would like to know. If you have a complaint, in the first place please contact the Managing Director, Mercia Marine (Underwriting) Limited, First Floor, Christ Church Hall, Avenue Road, Malvern WR14 3AY.

**Financial Ombudsman Service**

If you are not happy with the outcome of your complaint, you might be able to refer it to the Financial Ombudsman Service. Details of this will be provided to you at the time.

**Financial Services Compensation Scheme (FSCS)**

We are covered by **FSCS**. You may be entitled to compensation should we be unable to meet our obligations. Further information is available on [www.fscs.org.uk](http://www.fscs.org.uk) or you may contact the FSCS on 0207 7892 7300.