

TERMS OF BUSINESS AGREEMENT

Introduction

Yachtline is pleased to welcome you aboard as our customer. We will do everything we can to assist you during the time you hold a Policy of Insurance provided through our agency. This section sets out the basis on which we will provide our services to you and clarifies our regulatory status. It also contains certain responsibilities that you have to us and to insurers.

We specifically draw your attention to the following headings which detail the actions you must take in order to ensure that this policy properly provides you with the insurance protection you need:

- 1 Your Proposal Form and your demands and needs for insurance cover**
- 2 Your Responsibilities**
- 3 Policy Documentation**

The Financial Services Authority

Yachtline is authorised and regulated by the Financial Services Authority. We are permitted to carry out non investment insurance contracts as an intermediary. Our FSA register number is 312927. More information is available on the FSA website www.fsa.gov.uk/register or by telephone on 0845 606 1234.

Yachtline's Service as Intermediary

Yachtline acts as agent for a limited number of insurance companies, and is authorised by these organisations to provide policies of insurance for pleasurecraft. In providing you with this policy, we do not seek to recommend our own policy over other policies available, but seek to provide you with sufficient information for you to make an informed choice between our policy and those available from other insurers. Since we do not offer the whole range of policies available on the market, we are not in a position to advise or recommend which policy of the range available you may wish to take up.

If you wish to take up a Yachtline Policy of Insurance, we will do everything we can to assist you in maintaining and operating your policy.

We are authorised to collect premiums and claims funds on behalf of the insurers for whom we act. Should we be unable to meet our financial obligations, this will not affect your rights to make claims against those insurers.

Ownership

Yachtline Limited is 90% owned by Sinclair Robertson Ltd, a U.K. Limited Company.

Premium Quotations

If you wish to consider insuring with Yachtline, we will send you a premium quotation, which will tell you the total price to be paid. Any fees, UK taxes or other charges will be shown on the quotation. Full payment of premium, taxes and other fees or charges is due within 15 days of cover commencing (unless otherwise specifically agreed). Premium quotations or renewal quotations are not legally binding – they are there to advise you of the terms underwriters will consider if you wish to insure with Yachtline.

Premium quotations may be valid for a specified period and may be subject to requests for additional information as required by insurers. Consequently premium quotations may be subject to change in respect of the amount of premium indicated and/or the terms and conditions that are applied.

Renewals

If you are already insured by Yachtline we will send you a renewal quotation at least twenty-one days before your policy expires. **The renewal quotation will be based on the information we hold about your policy, and we ask you to read it very carefully to ensure that all the information is correct. If any material fact is incorrect or not included, this may invalidate your cover.** The renewal quotation is not legally binding - it informs you of the terms the insurer will consider if you wish to insure through Yachtline. If you wish to renew your policy, please confirm that the renewal quotation has the correct information on it and that the cover conforms to your demands and needs for insurance. To ensure cover is continued, you must settle your premium to Yachtline within fifteen days of renewal date.

Your Proposal Form and Your Demands and Needs for Insurance Cover

The information we have received from you is detailed in your Proposal Form. Included in the Proposal Form is a statement setting out what we understand to be your demands and needs for insurance cover. This statement is there to help us understand what cover you need, and for you to understand what cover we can provide.

Where we cannot meet all your demands and needs, we will draw this to your attention as soon as we can. We will show on your Proposal Form and demands and needs statement any cover you have asked for that we have not been able to provide.

The Proposal Form and demands and needs section have been compiled from information you have given us, or from our record of your existing policy.

To ensure that we have correctly recorded this information and understood your demands and needs for insurance cover please read it through very carefully and ensure that it is accurate and correct. If there is any incorrect information, or if we have failed to record one of your demands or needs please let us know immediately.

Your Responsibilities

We are required to tell you that it is your duty as our customer to disclose all material facts. You must ensure that the information, statements and answers you have given Yachtline are correct.

In particular, your Proposal Form and demands and needs statement describes the information we believe you have given us, and you must ensure that it is correct and accurate.

Every proposer or insured must disclose any information which might influence the insurer in deciding whether or not to accept the risk, what the terms of the policy should be, or what premium to charge. If you fail to disclose all material facts, this may render the policy void from the start date of the contract and may entitle the insurer to refuse to pay your claims. All such material facts should be disclosed to us at proposal, renewal or at any time during the period of insurance when you become aware of them.

Examples of material facts are:

- 1 Change in moorings or navigation;
- 2 Change in the type of use, such as charter work;
- 3 If your vessel is for sale and the asking price is different from the insured value;
- 4 Full disclosure of any claims you may have made in the past.

These are only examples, and this is not meant to be an exhaustive list. If you are not sure whether a fact is material, you should disclose it, or should you need guidance please do contact us.

Policy Documentation

You should read all insurance policy documentation we send to you carefully. Please ensure you understand the policy terms, conditions and warranties in them.

A Yachtline Policy Wording is issued with every new Certificate of Insurance and these documents together with the Proposal Form, form the basis of the insurance contract purchased. We strongly advise you to read these documents carefully and contact Yachtline should you have any queries so that we can explain them to you. A breach of the terms, conditions and warranties may enable insurers to terminate your policy from the date of that breach, and/or repudiate a claim under your policy.

We have summarised the significant benefits and limitations of your Policy of Insurance in our Summary of the Key Facts which you will find at the front of the Policy Wording. This summary is there to assist you and does not form part of our legal contract with you. The full terms, conditions and exclusions of the policy are defined by the Policy Wording.

We advise you to read the Certificate of Insurance and the Policy Wording to ensure that they meet your requirements. If they do not, you have a 15 day cooling off period after you have received the policy during which you can cancel the contract.

Cancellation of Insurances and Cooling Off Period

Your policy documents will detail your rights to cancel any insurance you have taken out. You will be entitled to 15 days “cooling off” period during which you may decide not to proceed with the purchase of the insurance contract. The period commences from either the day of conclusion of the contract, or the day on which you receive the full policy terms and conditions whichever is the latter.

To cancel this insurance contract within the cooling off period please write, fax or e-mail us. You will find our details on the first page of this policy. **Please note, you must return any relevant Certificate of Insurance to us.** If you do cancel this insurance within the cooling off period, you may be charged a proportion of any of our fees that you have incurred.

The insurance contract can be cancelled at any time by either party in writing giving notice of cancellation (usually 30 days) within the policy terms. If you wish to give notice of cancellation, please write, fax or e-mail us and return any relevant Certificate of Insurance to us. If we, or insurers wish to cancel the insurance contract we/they shall write to you at the last known address we/they have for you on our/their records. See below for premium returns.

In the event you fail to pay the premium by the due date, the insurance may be cancelled automatically or by insurers giving notice of cancellation.

Return Premiums

Return premiums may arise if an insurance risk is reduced or a policy cancelled as laid out in the preceding section. Insurers may refuse to allow a return premium if any claims have been made under the current policy.

If you sell the vessel during the period of insurance, a premium refund based on the unused policy period will be made, subject to section 6.10 and proof of sale.

If you decide during the 15 day “cooling off period” not to proceed with the purchase of the insurance contract, then we will refund any premium you have paid.

If the policy is cancelled for any other reason than those described above, return premiums are at the discretion of the insurers depending on the precise policy terms and conditions.

In all cases where a return of premium is made, we reserve the right to charge you all or a proportion of our fees that you have incurred.

Notification of Incidents and Claims

You should note the required procedures in the event of a claim, which will be stated in the policy documentation. Generally, insurers require immediate notification of a claim or circumstances that might lead to a claim. You should make this notification whether or not you believe you may be liable.

Claims Handling Arrangements

Please refer to our Claims advice on pages 6 and 7 and also Policy Section 6.9

We shall use our best endeavours when acting on your behalf in relation to a claim and to handle all elements of the claim with due care and attention.

We will advise you as soon as possible of insurers’ requirements concerning claims, including the provision of information required to establish the nature and extent of a loss.

If there are any conflicts of interest, we shall only handle a claim on your behalf after we have disclosed to you all the information you require to enable you to decide whether to give your informed consent, and you have given that consent. Where it is not possible for us to manage the conflict we will withdraw from acting for you.

We will forward to you, without delay, any payments received from insurers in respect of any claim.

We will provide you with any assistance in submitting a claim and seeking to obtain reimbursement for you. However, in the event that an insurer becomes insolvent or delays making a settlement, we do not accept liability for any unpaid amounts.

Security (Solvency Of Insurers)

We do not guarantee the solvency of any insurer we place business with. If an insurer with whom you have a policy becomes insolvent, you may still be liable for any unpaid premiums and we may be unable to collect any return premiums or claims that might be due to you.

Payment For Our Services

Our remuneration may be a fee and/or brokerage, which is a percentage of the insurance premium paid by you and allowed to us by the insurer with whom the insurance is placed. Brokerage and fees are earned for arranging the policy and we will be entitled to retain all fees and brokerage in respect of the full policy period in relation to policies placed by us.

If you would like to know the amount of brokerage that we are paid in respect of your insurance contract this information is available on request.

We may, in certain circumstances, be paid other remuneration which may include a profit commission dependent on the profitability of the insurer account when that is known, or in respect of premium financing, we may derive additional income from a finance provider depending upon the total amount of premiums financed by it. This does not affect our position in relation to our responsibilities under the law of agency.

Insurance Money

We have agreed with certain insurers to collect and hold premiums from you as agents of the insurers. Therefore, once we have collected premiums from you, under the terms of our agreements with insurers those premiums are treated as being paid by you and received by the insurer. We remit the premiums to insurers, after deduction of any brokerage due to us, in accordance with the terms of our agreements with insurers.

Interest

Any interest earned on client money held by us and any investment returns on any segregated investments will be retained by us for our own use.

Confidentiality of Personal Data

All personal information supplied by you will be treated in confidence by Yachtline and the insurers shown in your certificate of insurance. Your information will not be disclosed to any third parties except where your consent has been received or where permitted by law. In order to provide you with our products and services this information will be held in the data systems of Yachtline and the insurers shown in your certificate of insurance, or their respective subcontractors. The insurers may pass your personal data to other companies for processing on their behalf. Some of these companies may be based outside Europe in other countries which may not have laws to protect your personal data, but in all cases insurers will ensure that it is kept securely and only used for the purposes for which you provided it. Details of these companies and the countries involved can be provided to you on request.

Data Processed for Marketing Purposes

We do not pass on any data to be used by third parties for marketing purposes.

Access To Your Records By Insurers

Under the terms of the majority of insurers' agency agreements, we may be obliged to provide insurers with access to records and/or documents we maintain and hold on your behalf. You acknowledge this situation and consent to the provision of such information to Insurers where they have a contractual right to it unless you advise us to the contrary by writing to us at the above address.

Money Laundering / Proceeds of Crime Act

UK Money laundering regulations require us to obtain evidence of the identity of clients for whom we act at the start of a business relationship. This might, for example, be sight of a current signed passport and two utility bills. For companies (other than listed ones), evidence of identity will usually comprise of certificate of incorporation, a list of directors, a list of shareholders and the registered address.

We are obliged to report to the National Criminal Intelligence Service any evidence or suspicion of money laundering at the first opportunity and we are prohibited from disclosing any such report.

Claims payment will be made in favour of you. If you require a payment to be made to a third party then you must confirm the required payee name and details and provide a brief explanation for your request.

Governing Law

This Agreement shall be governed by the laws of England and Wales and the parties agree herewith that any dispute arising out of it shall be subject to the exclusive jurisdiction of the English Courts.

Complaints and Compensation

We care about the service that we provide to our customers and set ourselves high standards. If we do not meet your expectations and you are dissatisfied in some way, then we would like to know. If you follow the steps outlined below, your complaint will be dealt with in the most efficient manner.

❖ Step one

Speak to the person at Yachtline or at your brokers or agent handling your insurance. Have your Policy or claim number ready as a reference.

❖ Step two

If the matter is not resolved to your satisfaction, please write to The Compliance Officer, Yachtline Ltd.

Telephone: +44 (0)20 7403 3884

Fax: +44 (0)20 7403 3885

Email: yachtline@yachtline.co.uk

❖ Step three

If you are still not satisfied, you may refer the matter to the Financial Ombudsman Service (unless you are a commercial customer with a group annual turnover of £1m or more, a charity with an annual income of £1 million or more or a trustee with a net asset value of £1m or more). You may contact The Financial Ombudsman Service at South Quay Plaza, 183 Marsh Wall, London E14 9SR, telephone 0845 080 1800, fax 020 7964 1001.

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of insurance, size of business (if a commercial customer) and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS at 7th floor Lloyds Chambers, Portsoken Street, London E1 8BN, telephone 020 7892 7300, fax 020 7892 7301, email enquiries@fscs.org.uk.