

Dear Y Yacht client,

It's that time of the year when your insurance renewal falls due. Having worked with Barrie for the last decade, I know he developed a tradition in recent years of writing to customers at renewal to provide an update on the general state of the yacht insurance market. I hope you will forgive my attempts at carrying this on.

Firstly, an introduction is appropriate. I began my career in insurance in 1991 at a small yacht insurance broker called St. Margaret's (you may remember them from the distant past). Like most people in the insurance world, it wasn't a career that I'd dreamed about my whole life but once I started to cut my teeth in the boat insurance industry I realised I enjoyed speaking to people and finding them good solutions and options. Yachts and motorboats simply aren't the same as household or motor products - boat owners had and still have a real passion about what they own and what they plan to do with it.

From there I moved to MS Amlin (yes, the same MS Amlin that provided the security for the Y Yacht account) and assisted in developing their UK yacht policy wording. I ended up running the MS Amlin UK yacht operation and during that time developed a relationship with Barrie and we underwrote the entire Y Yacht account successfully for many years.

As Barrie has intimated in the past, the UK yacht market has suffered horrifically since 2017 with loss of capacity, providers and various schemes. I know of at least 3 this year that have suffered that same fate. Essentially this is the feast and famine cycle that so often hinders the insurance market. Capacity and providers come into the market when profits are good and leave the market when it's loss making or margins are thin.

I genuinely shared Barrie's optimism that in 2021 we would see an improvement in market conditions with more choice and at least modest impacts on premiums, but alas we aren't there yet.

At Topsail, we share the previous Y Yacht philosophy and we'll do our utmost to put only quality, well established and financially secure options forward to our clients.

That's why we have access to three of the main global players in the UK yacht insurance market:

- Navigators and General (a trading name of Zurich Insurance Plc)
- Munich Re
- MS Amlin

In a market where prices are rising, there are some providers that look to 'improve' their offering in other ways to keep premiums low. Some of the most common are:

- Market Value policies that masquerade as Agreed Value
- Restricting cover on consequential losses i.e. your gearbox failure leading to a grounding etc.
- Exclusions referring to misconduct – what constitutes that in a court of law

I'm not in the business of naming and shaming those. It's up to all business owners to decide how they treat their clients. One thing I can testify over the years as being definitely true is that when a claim is a couple of thousands of pounds you may get some flexibility or the benefit of the doubt. If you're unfortunate enough to suffer an incident that could run into several thousands, Insurers may well apply policy exclusions to the letter.

Rest assured that we know price is important to all of you, especially in these difficult and troubling times. At Topsail we're going to do our absolute best to look after you including getting multiple quotes from different providers when it's appropriate. We can on occasions offer cheaper premiums for a higher excess if you do not want to claim for smaller amounts.

I'm more than happy to discuss any of your individual renewal requirements with you including ensuring that it's the right cover for you on a like for like basis. Typically, there can be variations in excess, values and other policy limits as well as limitations to cover as I mentioned above.

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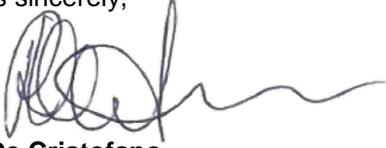
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Please don't hesitate to get in touch, I can be contacted directly on the email address or mobile number below.

I look forward to welcoming you on board in 2021.

Yours sincerely,



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