

Definitions for these Third Party Liability Clauses

“Insured” means: the Owner(s) of the Vessel, and/or person(s) named in the Schedule, and/or any person involved in operating or in control of the Vessel, tender/dinghy, life rafts or any watercraft used in connection with the Vessel, with his express permission.

“Legal Liability” means: any act or omission for which an Insured may be held legally liable, which may be determined and quantified by judgment of the Court or agreed with the prior written consent of the Insurers.

“Policyholder” means: the person(s) named in the Schedule, provided that person has an insurable interest in the Vessel.

“Third Party” means: any person other than the Insured or policyholder.

“Vessel” means: the vessel named in the Schedule.

§ 1 COVER

The Insurer agrees to indemnify the Insured against legal liabilities to a third party incurred as a result of the ownership, operation or control of the Vessel, arising out of accidents which occur during the policy period and which result in a) personal injury or loss of life, or b) loss of or damage to a Third Party's vessel or property. This insurance particularly includes: legal liability arising out of the ownership or use of tenders, water sport and diving equipment used in connection with the Vessel; legal liability arising from the towing of water-skiers and parasailors; legal liability for the direct or indirect consequences of alterations in the physical, chemical or biological quality of waters (hereafter “water pollution”); legal liability for damages to independent contractors and workers incurred whilst carrying out work on the Vessel.

§ 2 SCOPE OF COVER

The insurance cover is effective within European Inland waterways and up to 200 nautical miles from the shoreline of European Coastal and Turkish Mediterranean waters.

§ 3 EXTENT OF COVER

1. It is the Insurer's duty to investigate the liability claim and indemnify the Insured for its legal liability. Furthermore, the Insurer will also pay legal costs and expenses incurred in defending any legal action for which a claim has been accepted under this policy, and any costs of legal representation at Official Enquiries or Coroners' inquests, provided that the prior instruction of lawyers is approved of in writing by the Insurer.

2. The Insurer is authorised to settle and/or defend claims as defined in § 3.1 on behalf of the Insured. If the Insured prevents the termination of a liability claim dispute which the Insurer wishes to settle by means of acknowledgement, payment or compromise, then the Insurer will not be liable for the resulting additional expenditure concerning the liability claim, interest and costs.

3. The maximum compensatory payment granted by the Insurer for each claim shall be the sum insured specified in the Schedule. A series of claims arising out of one cause and time period is deemed to be one event. The Insurer's expenditure for costs, including costs and expenses for avoiding or reducing the claim, will not be deducted as compensatory payment from the sums insured. The total amount of compensatory payment for all claim events in any one policy year is limited to the sums insured noted in the policy.

4. The following special provision applies to all liability claims which are asserted under American or Canadian law, irrespective of the place of jurisdiction:

In such a situation the limit of indemnity that is shown in the policy document will be reduced to USD 500,000.00. By express prior agreement, this reduced limit of indemnity can be set higher and if so, the increased

limit of indemnity will be set out clearly in the Schedule. However, in such a situation, expenditure paid by the insurer for the cost (as a departure from § 3.3) will be set off as benefits against the relevant limits of indemnity, i.e. even if the costs have been incurred with the written approval of the Insurer.

§ 4 EXCLUSIONS

Excluded from the insurance are:

1. Liability claims arising from loss events occurring whilst the Vessel is being used other than for private pleasure purposes (e.g. use of the Vessel for hire or reward or in bare-boat charter / skipper charter is excluded);

2. Liability claims if, at the time of the event giving rise to liability, the Vessel is

a) operated by a person who does not possess the necessary license required by the relevant authorities, whereby the Insurer's duty towards the other insured persons continues if the Insured or owner had reasonable grounds to believe that the operator of the Vessel had the relevant license or if an unauthorised person operated the Vessel,

b) participating in, training or testing for, motor boat races or speed trials

Optional: With Cover Racing

c) being used for racing.

3. Liability claims arising from the use of diving equipment, if the person using such equipment is not in possession of a recognised qualification and/or license.

4. Liability claims of the Insured.

5. Liability claims which arise solely by reason of an agreement into which the Insured has entered.

6. Fines, criminal penalties or multiple, exemplary or punitive damages.

7. Liability claims made by crew members employed on the Vessel.

8. Liability claims arising from water pollution caused by accidental spillage during the process of fuelling or transferring lubricating oil to the Vessel, the deliberate act of discharging or throwing overboard for any reason any object or substances or any other deliberate or intentional actions.

9. Any liability that has been caused intentionally by the Insured or that has arisen as a result of the recklessness of the Insured.

§ 5 OBLIGATIONS IN THE CASE OF AN INSURED EVENT

1. The Insured is obliged to notify the Insurer without delay of every circumstance which may give rise to an occurrence which could result in a liability claim being covered under this contract.

2. The Insured is obliged to take all such measures considered appropriate and reasonable to avoid or reduce the claim and to comply with any reasonable instructions given by the Insurer.

3. The Insured is obliged to provide the Insurer with detailed and true reports regarding the circumstances of the insured event. Upon demand, the Insured is further obliged to be interviewed by the Insurers or their appointed representatives as many times as may be reasonably necessary and also to provide the Insurer with any information and documents which the Insurer deems necessary to clarify the merits of the claim and the extent of his legal liability under the insurance contract.

4. In the case of litigation regarding the liability claim, the Insured is obliged to entrust the Insurer with the conduct of the case where permitted by law.

5. The obligations in § 5.1 - § 5.4 are conditions precedent to the Insurer's liability under this insurance contract. So, if one of these obligations is not complied with, the Insurer shall be relieved of any obligation to indemnify the Insured.

§ 6 INCEPTION OF COVER

The insurance will commence when the premium (or the first instalment if the Insurers agree in writing to accept payment of the annual premium by instalments) is paid, but, at the earliest, at the time specified in the Schedule.

§ 7 DURATION OF THE CONTRACT, CANCELLATION

1. This contract is effective for one year and is automatically renewed annually unless notice of cancellation has been given in writing by either party at least one month prior to the renewal date. From the commencement of the second insurance year, the Policyholder can cancel the contract in writing at any time, with immediate effect.

2. If the Vessel is transferred to new ownership or there is a change in the controlling interest in the owning company, this contract will automatically terminate on the date of transfer. The Insured will immediately notify the Insurer of the actual date of transfer, enclosing a copy of the contract of sale, so that any refund of premium may be calculated.

3. In the event of a claim under this contract, each party is entitled to give notice of cancellation of the contract. Notice must be given in writing and is effective 14 days after receipt. This right to give notice of cancellation is forfeited if it has not been exercised at the latest within 14 days of the claim when the Insurer has settled or rejected the claim.

4. If the contract of insurance is prematurely terminated in accordance with §7.2 or §7.3 above, a pro rata return of premium will be made, except if there has been a claim, then the full premium shall be due to the insurer.

§ 8 NOTICES, DECLARATORY ACTS

All statements and declaratory acts by the Insured within the framework of this contract shall be deemed legally executed to the Insurer when made to YACHTING24.

§ 9 GENERAL CONDITIONS

1. Payments by the Insurer and Insured will be made in the currency of the sum insured and premium noted in the Schedule. This also applies if the covered liability claim has to be paid to the claimant in another currency.

2. The parties are free to choose the applicable law, but unless agreed and specified to the contrary in the Schedule, this contract of insurance shall be governed by English law. This contract of insurance shall be subject to the exclusive jurisdiction of the courts of England and Wales.

3. The benefits under this contract may not be assigned to third parties without the Insurer's express agreement in writing.

4. If the contract is placed with more than one Insurer, each Insurer is liable only for his share under this contract, i.e. there shall be no joint liability. Any agreement between the Leading Insurer and the Insured is binding for all other participating Insurers. The Leading Insurer is authorised by the participating insurers to conduct all lawsuits including with respect to their shares as Claimant or Defendant. A legal judgment that has been given against or in favour of the Leading Insurer will, therefore, be recognised by the participating insurers as being binding upon them, also.

*Optional: The following condition clause will only apply if the cover in question is valid

*Either / Or: Depending on the cover, only one of the two clauses will come into force.