

§1 INSURED PROPERTY

The insurance is in respect of the vessel designated in the Schedule, her components and equipment, including machinery and dinghies, fixtures and fittings and accessories.

§ 2 SCOPE OF COVER

1. The insurance is effective within the cruising area specified in the Schedule. The cover includes any customary stay out of the water, e. g. at winter storage or shipyards including hauling out and launching.

2. Transport is covered as per § 4.

§ 3 INSURED RISKS

1. The insurance covers physical loss of or damage to the Insured Property arising out of stranding, sudden inrush of water, sinking, grounding as well as breakage, bending or distortion of masts, booms and spars, breakage of standing or running rigging, external accident, fire, scorching, smouldering, short-circuit, lightning, explosion, Acts of God (force majeure), burglary, robbery, piracy, theft of the vessel, malicious acts (e. g. vandalism) and collision with any fixed or floating object.

2. The insurance also covers theft of objects properly secured on deck or securely attached to the vessel. Theft of outboard motors is covered provided they are fastened to the vessel with a suitable anti-theft device.

Note: "external accident" in §3.1 above is defined as: "a sudden and unexpected intervention of any force external to the Insured Property".

§ 4 TRANSPORTATION OF THE INSURED PROPERTY

The insurance covers transportation by land of the vessel from its berth or mooring to its winter storage location and back, up to a one-way distance of 30km (25 miles), provided that the means of transportation is fit for purpose and the insured property is properly loaded and secured. Loose objects are covered against theft only if they are locked in a storage compartment or otherwise suitably secured.

§ 5 SALVAGE, WRECK REMOVAL COSTS AND OTHER EXPENSES

1. The Insurer will reimburse reasonable salvage costs as well as other expenses incurred by the Insured to avoid or reduce a claim (§ 10.3), regardless of the measures taken being successful or not. Furthermore, reasonable wreck removal and disposal costs are covered.

2. Indemnity will be paid for wreck removal costs under § 5 in addition to the indemnity in accordance with § 9, but up to a maximum of the sum insured.

§ 6 EXCLUSIONS

The insurance does not cover:

1. Loss or damage sustained 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. Loss or damage arising out of intentional acts or omissions of the Insured or as a result of recklessness of the Insured;

3. Loss or damage arising out of wear and tear, gradual deterioration, corrosion, osmosis, electrolysis, and lack of maintenance;

4. Loss or damage arising out of faulty construction, faulty manufacture, faulty materials. This exclusion only applies for the defective part.

5. Loss or damage caused by

- war, civil war or warlike occurrences as well as the presence of any kind of weapons of war brought about by war, civil war or warlike occurrences,

- hostile use of weapons of war, no matter if the use may be coherent with war, civil war or warlike occurrences,

- use of chemical, biological, bio-chemical substances or electromagnetic waves as weapons as well as use of any kind of electronic systems as a means for inflicting harm,

- terrorism and political acts of violence irrespective of the quantity of persons involved,

- riot, civil commotions, strike, lockout and labour disturbances,

- seizure, restraint or any other intervention by or under the order of the government,

- nuclear energy or radioactivity; this exclusion applies independent of whether the nuclear energy is used for peaceable or hostile purposes;

6. consequential loss or damages (e.g. reduced racing performance, depreciation, loss of use, loss of income),

7. cash, valuables, jewellery, fine art objects and antiques.

§ 7 DEDUCTIBLE

The deductible stated in the Schedule will apply to every claim.

§ 8 INSURED VALUE

1. For the first 36 months of the period of the contract, the insured value will be the replacement value that has been set down as an Agreed Fixed Value for the sums insured specified in the Schedule. For the remainder of the contract, the insured value will be the current market value.

2. The Insurer cannot argue under-insurance.

§ 9 AMOUNT OF INDEMNITY

1. In the event of an actual total loss or constructive total loss (costs of reinstatement exceed the sum insured) the sum insured (in accordance with § 8.1) will be paid.

2. If apart of the Insured Property suffers partial loss or damage, indemnity will be paid for the necessary materials and labour costs as follows:

- up to 3 years old, no "new for old" deductions,

- after 3 years, a deduction will be made of 20%,

- after 5 years, a deduction will be made of 35%,

- after 10 years, a deduction will be made of 50%.

The cost of transport to the nearest appropriate repair facility will be refunded without any deduction.

3. The Insurer is entitled to deduct from any claim settlement under § 9.1 and § 9.2 the realisable market value of any remaining items. The Insured cannot avoid this deduction by abandoning these remaining items to the Insurer.

§ 10 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 loss of or damage to the insured property.

2. Fire, explosion, theft and/or burglary, vandalism, robbery, piracy as well as misappropriation or fraudulent appropriation, must also be reported to the local police or other relevant authorities without delay and written confirmation of the incident report number or a copy of the entry made is to be obtained by the Insured. The Insurers shall have no liability for any incident not reported within 60 days as required above.

3. 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.

4. 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 representatives as many times as reasonably necessary and also to provide the Insurer with any information which the Insurer deems necessary to clarify the merits of the claim and the extent of its liability under this insurance contract.

5. The obligations in § 10.1 - § 10.4 above 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.

§ 11 CLAIM SETTLEMENT

1. The Insurer will proceed without delay with all necessary inquiries to clarify the merits of the claim and the extent of its liability under this insurance contract.

2. In the event of theft, burglary, robbery as well as misappropriation or fraudulent appropriation, the Insurer is not obliged to settle claims until two months have elapsed from the date of notification. If any item is recovered, the Insured is obliged to take it back only if the period between the date the claim was notified and the date the Insured is in the situation to get the item back at his disposal does not exceed four months.

3. If, in the context of a claim, any legal authorities commence an investigation and/or prosecution against the Insured, the Insurer is entitled to await the outcome before determining its liability under this insurance contract.

§ 12 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.

§ 13 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 Insured 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 of an owning company, this contract will 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 of insurance, 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 earliest within 14 days from the date when the Insurer has settled or rejected the claim.

4. If the contract of insurance is prematurely terminated in accordance with § 13.2 and § 13.3 above, a pro rata return of premium will be made except if there has been a claim, then the full annual premium shall be due to the Insurer.

§ 14 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.

§ 15 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.

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 judgement 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.