

§ 1 INSURED RISKS

1. Total loss of the entire vessel specified in the Schedule caused by an external accident, sinking, fire, lightning, an explosion, Acts of God (force majeure) or theft. Constructive total loss (the required reinstatement costs exceed the insured value in accordance with § 6.1) is also considered as total loss.

Note: "external accident" in § 1.1 above is defined as: "a sudden and unexpected intervention of any force external to the Insured Property".

Optional Extension*: "OUTBOARD" COVER

For outboard motors that are specified in the Schedule with a separate sum insured, a separate total-loss cover in accordance with § 1.1 applies provided that the motors are protected by an appropriate anti-theft protection device.

Optional Extension*: "TRAILER" COVER

For the trailer/launching trolley that is specified in the Schedule with a separate sum insured, a separate total-loss cover in accordance with § 1.1 applies provided that the trailer/launching trolley is protected by an appropriate anti-theft protection device.

2. The Insurer will indemnify the Insured for the reasonable costs of salvage and assistance by third parties that the policyholder may consider necessary in the event of a loss in order to avert or minimise the loss, regardless of the success of such efforts. The same will apply to the cost of wreck removal cost and disposal costs.

Either**: "WRECK REMOVAL COSTS "STANDARD" COVER

3. Indemnity will be paid for wreck removal costs under § 1.2 in addition to the indemnity in accordance with § 6.2, but up to a maximum of the sum insured.

Or**: "WRECK REMOVAL COSTS "EXTENDED" COVER

3. Unlimited indemnity will be paid for wreck removal costs under § 1.2 in addition to the indemnity in accordance with § 6.2.

§ 2 TRANSPORTATION

Either**: "TRANSPORTATION RISKS STANDARD" COVER

The insurance covers transportation by land of the Insured Property from its berth or mooring to its winter storage location and back, up to a one-way distance of 30 km (25 miles), provided that the means of transportation is fit for purpose and the Insured Property is properly loaded and secured.

Or**: "TRANSPORTATION RISKS EXTENDED" COVER

Land transport, as well as river and ferry transport of the vessel on a trailer, is covered within Europe, or within the wider cruising area specified in the Schedule, provided that the means of transportation is fit for purpose and the Insured Property is properly loaded and secured.

§ 3 SCOPE OF COVER

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.

§ 4 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, lack of maintenance;

4. Damage caused by

- war, civil war or warlike occurrences as well as by 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 of inflicting harm,

- terrorist and political acts of violence irrespective of the number of persons involved;

- riot, civil commotions, strikes, lock-outs and labour disturbances;

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

- nuclear energy including radioactive radiation resulting from nuclear reactions; this exclusion applies independent of whether the nuclear energy is used for peaceable or hostile purposes;

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

Optional*: WITHOUT "RACING" COVER

6. Loss or damage while the vessel is being used for racing.

§ 5 DEDUCTIBLE

In each damage claim, the Insured shall bear a deductible of 10% of the compensation and also of the reimbursement (under § 1.2).

§ 6 INSURED VALUE / LEVEL OF COMPENSATION

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. In case of damage the Agreed Fixed Value shall be in accordance with § 6.1 less realisable proceeds from remaining values. The Insured cannot avoid this deduction by abandoning these remaining items to the Insurer.

§ 7 PAYMENT OF COMPENSATION

1. In the event of theft, 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.

2. If, in the context of a claim, any 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.

§ 8 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. In the case of damage due to fire, explosion or theft, such damage must be reported without delay to the nearest police station or other relevant authorities 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 of 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 may be 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 the insurance contract.

5. The obligations in § 8.1 to § 8.4 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.

§ 9 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.

§ 10 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 automatically terminate. 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 § 10.2 and § 10.3 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.

§ 11 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.

§ 12 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 otherwise 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.

*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.