

Customer information terms and conditions

Top cover

Pleasure craft insurances

Dear Customer,

You are planning to take out water sports insurance with European Insurance & Services. We thank you for placing your trust in us.

We intend to compile legally separate insurance policies in one contract. The proposal form has been set up accordingly. The insurance contract has one single insurance number that is used to manage the different types of insurance compiled in the contract. Therefore it is only possible to have one common contract period. Each type of cover can also be insured independently. This means that insurance for which there was initially no interest can be included at a later date (during the contract period). The different types of insurance can be cancelled separately in accordance with the prescribed notice period. There are separate terms and conditions that apply to each specific type of cover. Information on each specific type of insurance is provided below.

We believe that it is inherent in a long-term and trusting partnership that we provide the other party with comprehensive and straightforward information before the contract is accepted. This brochure supplies you with the relevant insurance terms and conditions and the important corresponding customer information in accordance with the German Insurance Regulatory Law.

The following is intended to provide you with a quick overview of the insurance terms and conditions and other important information.

Important Notice (Proof of Insurance):

Some countries have laws prescribing water sports liability insurance and require proof of insurance. This is relevant in particular to trips to Italy, Switzerland, Croatia, Greece, Spain, and France. You can consult our team about these regulations free of charge before undertaking such trips.

Please feel free to contact me or my team at any time. We will be glad to answer any questions you may have.

Sincerely



Boris Quiotek
Managing director
EIS European Insurance & Services GmbH

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Product Information

This product information provides you with a concise overview of EIS water sports insurance conditions. Please note that **this information is not complete**. Complete information would consist of the following:

- Policy
- Proposal
- Offer
- Product Information
- General Customer Information
- The Basic Cover Terms and Conditions for Comprehensive Yacht Insurance 2011 and the Basic Yacht Liability Insurance Conditions 2011
- The Conditions for Basic Yacht Passenger Accident Insurance
- The additional clauses to the insurance conditions
- Information on Data Processing

The information is applied in the order that it appears in the list, with each item designated having precedence over the item that follows it.

We intend to compile legally separate insurance contracts in one contract. The proposal form has been set up accordingly. The insurance contract has one single insurance number that is used to manage the different branches of insurance compiled in the contract. Therefore it is only possible to have one common contract period.

1. Type of Insurance Policy Offered

We offer yacht liability insurance, comprehensive yacht insurance, and yacht passenger accident insurance.

2. Insured Risk

2.1. Yacht Liability Insurance

The term "liability" refers to the obligation to pay compensation. This obligation arises from individual statutory provisions stating that anyone who causes damage to another must compensate the other party for that damage (e.g. claims arising where you are at fault for ramming into another ship, and possibly even seriously injuring crew members, when entering the harbour).

The insurance covers – within the scope of the specific policy – your statutory liability arising from keeping, possessing, and using the yacht, and the dinghies/tenders with auxiliary motors of up to 60 hp, designated in the policy. The insurance applies to the navigational area specified in the policy. The risk with respect to water-skiers and the sailing regatta risk.

Liability insurance is intended to protect you from any compensation claims brought against you. This means that the insurance company takes care of what needs to be done in such a case.: it investigates the question of whether you are under an obligation to pay compensation and what the amount of the compensation is;

if you are liable, the insurance compensates for the damage by paying up to the insured amount stated in the policy;

if you are not liable, the insurance company wards off unjustified claims to compensation.

In the case of a legal dispute, the insurance company conducts the case for you and bears the costs.

Please find more details under §§ 1 and 2 No. 5 of the Yacht Liability Insurance Conditions 2011.

2.2. Comprehensive Yacht Insurance

The insurance covers – within the scope of the specific policy all items specified in the contract Please find more details under §§ 1 - 3 of the Terms and Conditions for Comprehensive Yacht Insurance 2011.

2.3. Yacht Passenger Accident Insurance

The insurance covers – within the scope of the specific policy

– injuries to the insured persons as the result of an accident that occurs while the yacht is being used. The insured sum is divided by the number of persons on board. You will find more details under § 1- § 4 of the Conditions for Yacht Passenger Accident Insurance.

3. Premium Details

The premium is calculated in accordance with your individual risk and the agreed scope of the insurance. The annual premium for the yacht insurance, please refer to the offer. The premium is an annual premium. The first premium is due immediately within two weeks after receiving the policy. The subsequent premiums are due as stipulated in the policy or the invoices. If the subsequent premiums are to be paid on a yearly basis, the time specified for payment in the policy will apply accordingly to the next year. A failure to pay the premiums on time could jeopardize your insurance cover. Please read the details in the relevant conditions (§ 2 for Yacht Liability Insurance, § 10 for Comprehensive Yacht Insurance, and § 10 for Yacht Passenger Accident Insurance).

4. Cover Exclusions

4.1. Yacht Liability Insurance

It is not possible for any liability insurance to cover everything. Every liability insurance has exclusions. You will find a list of what is not covered under the section "Exclusions" in § 3 of the Yacht Liability Insurance Conditions 2011. Some of these exclusions are, for example:

- liability claims that go beyond the scope of the statutory liability.
- damage/loss you yourself sustained
- damage/loss caused intentionally
- damage/loss you have caused with respect to family members (e.g. spouse/partner and children)
- penalties and administrative fines.

This is not a complete list.

4.2. Comprehensive Yacht Insurance

It is not possible for comprehensive insurance to cover everything. Every comprehensive insurance has exclusions. You will find a list of what is not covered under the section "Exclusions" in § 4 of the Terms and Conditions for Comprehensive Yacht Insurance 2011. Some of these exclusions are, for example:

- damage/loss arising when the insured objects are used for anything other than private pleasure or sporting activities (e.g. use as a charter yacht), unless another use has expressly been specified in the policy.
- damage/loss as a result of white-water rides, crossing weirs, as well as participation in motor boat races and the exercises in connection with such races.
- damage/loss caused intentionally by the policyholder. If the policyholder causes the damage/loss through gross negligence, the insurer is entitled to reduce the compensation payment in proportion to the extent of the negligence. However, the insurer waived up to a loss of 5,000 EUR to the objection of gross negligence.

This is not a complete list.

4.3. Yacht Passenger Accident Insurance

The insurance cannot cover every possible situation, since the premiums would then be too high. You will find details on the exclusions in § 6 of the Conditions for Yacht Passenger Accident Insurance. The insurance does not cover, for example:

an insured person being injured as the result of an accident that occurs when the insured person intentionally commits or attempts to commit a criminal offence

an insured person being injured as the result of an accident that occurs due to a mental disorder or disturbance; there is also no cover for accidents as a result of drug abuse, nor as a result of a stroke, an epileptic attack or any other spastic attack or convulsion that affects the insured person's whole body.

However, the insurance does cover cases where

- the disorder, disturbance or attack was caused by an accident that is covered under the terms of this contract (this does not apply to compensation for medical emergency expenses abroad). The policyholder must demonstrate that this was a serious possibility and prove that sailing under the influence of alcohol was not causally connected to the accident.
- an accident occurs as the result of mental impairment based on drunkenness, provided that the blood alcohol level at the time of the accident was below 1.1 parts per thousand.

This is not a complete list.

5. Duties

Certain duties must be complied with at the time of conclusion of the insurance contract, during the term of the contract, and upon the occurrence of an insured event.

5.1. Duties When Concluding the Contract

When concluding the insurance contract, we request – in written form, e.g. by letter, fax, or e-mail – information on risk-related circumstances that are of significance to us. Our questions must be answered completely and truthfully.

Negligent, grossly negligent, or intentional non-compliance with a duty may entitle us to withdraw from the contract, cancel the contract, reduce compensation or deny compensation completely, change the contract terms or adjust the premium. Carefully consider which risks apply to you. We will be glad to assist you in assessing your individual needs.

You will find more details in the relevant insurance conditions (§ 5 of the Yacht Liability Insurance Conditions 2011, § 14 of the Terms and Conditions for Comprehensive Yacht Insurance 2011, and § 7 of the Yacht Passenger Accident Insurance)

5.2. Duties during the Term of the Contract

You may not, under the terms of the Yacht Liability Insurance and the Comprehensive Yacht Insurance, sail the insured vessel if you do not possess an official sailing licence for the vessel and/or for the navigational area. You also may not sail the insured vessel if you are not fit to do so due to the influence of alcoholic beverages or other intoxicating substances. Please find more details on your duties in the relevant insurance conditions (§ 7 of the Yacht Liability Insurance Conditions 2011 and § 15 of the Terms and Conditions for Comprehensive Yacht Insurance 2011).

5.3. Duties after Occurrence of an Insured Event

5.3.1. Yacht Liability Insurance

The insurer must be informed of any insured event within one week of its occurrence, even if a claim for compensation has not yet been asserted. If a third party has applied to have a default notice issued against you by a court or an order issued against you by an administrative authority, you must immediately enter an objection. You are to inform the insurer within one week if any judicial proceedings are initiated against you, any proceedings are instituted against you by a public prosecutor or government/administrative office, any default notice is issued against you or if you are served with notice of third-party intervention in court proceedings. You have an obligation to inform the insurer of any circumstances that, in the insurer's view, are important for handling the claim, and must provide the insurer with any documents requested insofar as obtaining these documents can reasonably be expected of you. You will find more details and further information on your duties in § 7 of the Yacht Liability Insurance Conditions 2011.

5.3.2. Comprehensive Yacht Insurance

The insurer must be notified immediately of any insured event in writing, and, in cases where loss/damage in the amount of €2,500 or more may be expected, first in advance by telephone. More details and further information on your duties are provided under the section "Policyholder's Duties" in § 15 of the Terms and Conditions for Comprehensive Yacht Insurance 2011.

5.3.3. Yacht Passenger Accident Insurance

If an accident has occurred for which the insurer will likely be liable to pay compensation, the policyholder or the insured person must immediately contact a doctor, follow the doctor's

orders, and notify the insurer of what has happened. The accident notification form you receive must be filled out completely and truthfully and returned to the insurer without delay. Details and further information on your duties can be found in § 8 of the Conditions for Yacht Passenger Accident Insurance.

5.4. Legal Consequences of a Failure to Fulfil Duties Prior to and After the Occurrence of an Insured Event

Be sure to comply carefully with your duties, since this is critical to ensuring that the insurance contract can be carried out. A failure to fulfil a duty can, therefore, have serious consequences for you. Depending on which duty is not fulfilled and the extent of your fault for the non-compliance, you can lose part or even all of your cover or the insurers may be entitled to withdraw from or cancel the contract.

There are more details on your duties and the legal consequences of a failure to fulfil a duty in the relevant insurance conditions (§ 8 of the Yacht Liability Insurance Conditions, § 15 of the Terms and Conditions for Comprehensive Yacht Insurance, and §§ 8, 9 of the Conditions for Yacht Passenger Accident Insurance).

6. Commencement and Termination of the Insurance Contract

6.1. Commencement of the Insurance Contract

The insurance cover for each type of insurance begins at the time stipulated in the policy. However, in the case of yacht liability insurance and comprehensive yacht insurance, cover will only begin if you have paid the first premium or if you are not responsible for a failure to pay. Please see the relevant insurance conditions for details (§ 2 of the Yacht Liability Insurance Conditions 2011, § 10 of the Terms and Conditions for Comprehensive Yacht Insurance 2011, and § 11 of the Conditions for Yacht Passenger Accident Insurance).

6.2. Termination of the Insurance Contract

Cover ends with termination of the insurance contract as well as in other cases stipulated by contract or by law. The insurance cover automatically expires in the case of a complete and lasting cessation of the insured risk.

6.2.1. Right of Cancellation with respect to Yacht Liability Insurance

If your contract is subject to automatic renewal each year for another year, the parties to the contract can cancel the contract by giving notice of at least three months before the respective insurance year expires. If there is a contract term of more than three years, the contract may already be cancelled effective at the end of the third year or effective at the end of any following year. Notice of cancellation must be received by the other party no later than three months before the end of the respective insurance year. If the contract is concluded for an indefinite period, it may only be terminated by either party with respect to the end of the current insurance period and by observing a period of notice of three months. Moreover, both parties have the possibility of terminating the contract after the occurrence of an insured event. Please see the details in § 10 of the Yacht Liability Insurance Conditions 2011.

6.2.2. Right of Cancellation with respect to Comprehensive Yacht Insurance

The contract may be terminated by either party by giving at least three months' written notice before the end of the respective insurance year. After the occurrence of an insured event, both contractual parties are entitled, until one month after the insurer has paid or denied compensation, to exceptional termination of the insurance contract. The insurer must observe a notice period of one month.

If the yacht is sold, the buyer and the insurance company have a right of special termination of 14 days from the time of becoming aware of the transfer of ownership. Please appreciate the fact that we can only transfer the contract and settle accounts once we have been informed of the sale and cannot carry out the transfer and accounting with retroactive effect.

Please see details in this respect in § 13 of the Terms and Conditions for Comprehensive Yacht Insurance 2011.

6.2.3. Right of Cancellation with respect to Yacht Passenger Accident Insurance

The contract may be terminated by either party by giving at least three months' written notice before the end of the respective insurance year. Please see the details in § 10 of the Conditions for Yacht Passenger Accident Insurance.

General information to EIS

EIS European Insurance & Services GmbH

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E-mail: germany@eis-insurance.com

Web: www.eis-insurance.com

Managing director: Dipl.-Kfm. Boris Quiotek

Jurisdiction: Berlin

Commercial Register: Berlin-Charlottenburg HRB 72 784

VAT registration number DE 204117005

Insurance premiums are exempt from VAT within the meaning of Section 4 No. 11 of the German Turnover Tax Law (*Umsatzsteuergesetz – UStG*).

Licensed in accordance with Section 34d (1) German Industrial Code (*Gewerbeordnung – GewO*), supervisory authority: DIHK Berlin, Deutscher Industrie- und Handelskammertag (*German Association of Chambers of Industry and Commerce*), Breite Str. 29, 10178 Berlin – Register No. D-9FYT-HRYN8-73.

Member of the Berlin Chamber of Industry and Commerce

Designation of occupation: insurance agent and *assekureur* pursuant to Section 34d German Industrial Code, Federal Republic of Germany, with licence for all EU states.

User information

Validity and acceptance of the application

The application will be reviewed by EIS who expressly reserve the right to its acceptance. EIS will confirm the acceptance of the application after a positive review by sending the policy and the invoice. The applicant is bound to the application for 14 days unless the application is rescinded in writing.

Contract independence

On account of the completed Yacht comprehensive liability, comprehensive and collision insurance each of the contracts are legally independent. They can have different maturities and can be completed and cancelled independently.

Contractual basis

The mutual rights and duties are determined by the addenda, insurance policy, the respective clauses and the yacht liability, comprehensive and collision insurance conditions and the product and consumer information, in that order. The policyholder agrees to communicate with EIS strictly via e-mail.

Cancellation policy

You may rescind your policy declaration within two weeks without providing a reason in written form (e.g. letter, fax, e-mail). The period commences on the day after receipt of the insurance policy, the contractual provisions including the insurance terms and conditions and these instructions in written form. The timely sending of the rescission is sufficient to comply with the grace period. The rescission must be addressed to EIS European Insurance & Services GmbH, Scharfe Lanke 109-131, D-13595 Berlin.

In the case of rescission taking effect your insurance cover ends and you will be refunded the part of your premium valid for the period after receipt of the rescission. The part of your premium that is valid for the period prior to receiving the rescission may be withheld if you have agreed that the insurance cover commences before the expiry of the period of rescission. If such an agreement has not been granted, or if the insurance coverage commences after expiry of the rescission period, services or benefits received by both parties are to be returned. The right of rescission is excluded if both sides completed the contract upon your express request before you exercised your right of rescission. There is no right of rescission for contracts with a period of validity of less than one month.

Declaration of consent according to the Federal Data Protection Act

I agree that, to the required extent, EIS may pass on data which stem from application documents or from the execution of the document (premiums, events of loss, risk/contractual changes) to insurers, reinsurers and claim adjusters and that general data regarding the application, contract and services may be saved, as far as this serves the purpose of the orderly execution of my insurance matters. Without any impact on the contract and revocable at any time I also agree that EIS may use my data for advise and support in other financial services.

Contract language

The contract language is German or English. All communication is carried out exclusively in these two languages.

Applicable law

The law of the Federal Republic of Germany applies to the insurance contracts.

Court of jurisdiction

Place of jurisdiction for insurance contract claims is the seat of the insurer.

Complaints and supervisory authorities

The following bodies are available for non-judicial assistance in clarifying differences of opinion regarding insurance:

Ombudsmen and Supervisory Authorities

The following insurance ombudsman offices provide assistance in settling out of court any differences on insurance issues:

Versicherungsbundsmann e.V. (*Insurance Ombudsman*)

Postfach 080632, 10006 Berlin

www.versicherungsbundsmann.de

Ombudsman für private Kranken- und Pflegeversicherung (*Ombudsman for Private Health and Long-Term Care Insurance*), Kronenstraße 13, 10117 Berlin

www.pkv-ombudsmann.de

As supervisory authority:

Bundesanstalt für Finanzdienstleistungsaufsicht (BAFin – *German Federal Financial Supervisory Authority*), Graurheindorfer Straße 108, 53117 Bonn

www.bafin.de

WHO ARE WE? HOW WE WORK?

Dear Customer,

We are required by law to provide you with information on our company and our business. Therefore, please read the following and feel free to contact us if you have any questions.

Status as Insurance Intermediary

EIS represents insurers as a “tied insurance agent” (multiple agent) within the meaning of Section 34d (1) of the German Industrial Code (*Gewerbeordnung – GewO*). The work done by EIS is comparable to that of an underwriting agent or “*assekureur*” with extensive powers of attorney from the insurers. The yacht owner can therefore be certain that declarations made to EIS are deemed received by the insurer, and premium payments made to EIS are deemed paid to the insurer. EIS offers all services – from conclusion of the contract to the payment of benefits in the case of a claim – through the competent hands of a decision-maker.

EIS is registered under Register No. D-9FYT-HRYN8-73 as an insurance agent pursuant to Section 34d (1) of the German Industrial Code. Information on insurance intermediaries in the register can be inspected at the German Association of Chambers of Industry and Commerce: *Deutscher Industrie- und Handelskammertag (DIHK) e.V.*, Breite Str. 29, 10178 Berlin, Tel.: 0180 500 5850 (14 ct./min. on the German landline; mobile rate not exceeding 0.42 EUR/min.), www.vermittlerregister.info.

Information and market relationships on which we base our services EIS is a specialist in yacht insurance. EIS not only creates the concepts for the yacht insurance it offers, but converts the ideas developed for cover, through co-operation with the insurers, into insurance products.

As trendsetters, the specialists at EIS are constantly devising general insurance conditions at new tariffs and adapting these general conditions to the changing demands of the yacht owners and developments in the market. The insurance cover is therefore tailored to the customers' needs.

We would like to note that EIS offers exclusively insurance products of its own that have been developed together with the affiliated insurers and cannot provide a more extensive selection of other insurers or products.

The insurer associated with each insurance product is indicated in your policy. We work together with the following insurers:

Allianz esa – Allianz Versicherung AG, Friedrichsplatz 2, D-74177 Bad Friedrichshall;

East-West Assekuranz AG, Mauerstraße 83/84, 10117 Berlin;

Gothaer Allgemeine Versicherung AG, Gothaer Allee 1, D-50969 Cologne;

Lloyd's Versicherer London, H W Woods Ltd., 38 St Mary Axe, UK-EC3A8BH London;

Schweizer-National Versicherungs-AG, Querstraße 8 – 10, D-60322 Frankfurt;

UNIQA Versicherungen AG, Untere Donaustrasse 21, A-1029 Vienna.

YHB – Top – Yacht Liability Insurance Conditions

A. Insurance Cover (§§ 1-3)

§ 1 Object of the Insurance

§ 2 Commencement and Scope of Cover, Payment

§ 3 Exclusions

B. The Insured Event / Policyholder's Duties / Policyholder's Pre-Contractual Duty of Disclosure (§§ 4-8)

§ 4 The Insured Event

§ 5 Policyholder's Pre-Contractual Duty of Disclosure

§ 6 Increase in Risk

§ 7 Duties after Occurrence of an Insured Event

§ 8 Legal Consequences of Failure to Fulfil a Duty

C. Other Provisions (§§ 9-14)

§ 9 Premium in case of Premature Termination of Contract

§ 10 Duration of Contract, Termination, Cessation of the Insured Risk, Double Insurance

§ 11 Limitation of Actions

§ 12 Applicable Law

§ 13 Competent Court

§ 14 Notifications and Declarations of Intent

A. Insurance Cover

§ 1 Object of the Insurance

1.1. The insurer grants the policyholder cover for compensation claims brought against him by third parties based on statutory liability provisions under private law due to the occurrence of a damaging event during the insurance period which has resulted in death, injury, or damage to health (personal injury) or in damage to or loss of property (property damage).

1.2. The cover extends to the policyholder's statutory third-party liability as owner from keeping, ownership and use of the insured yacht for the navigational area stipulated in the policy.

The cover includes:

1.2.a. the personal statutory liability of the skipper in charge and of the other persons authorized to operate the vessel.

1.2.b. possession and use of dinghies with auxiliary motors of up to 60 hp.

1.2.c. the statutory liability arising from towing water-skiers and parasailors.

1.2.d. the personal statutory liability of water-skiers if and during the time they are being towed behind the vessel.

1.2.e. the statutory liability for damage incurred during participation in sailing regattas or boat transport in connection with such events.

1.2.f. the statutory liability of the insured persons when, in response to a call for help from a vessel in distress, damage occurs to the vessel in distress as a result of the measures taken to help, e.g. securing/using a tow line.

1.2.g. the personal statutory liability of the policyholder and the co-insured persons arising from sailing or operating a vessel belonging to a third party that the policyholder has chartered or borrowed (without payment in return) or sails by way of favour. Damage to/loss of the chartered or borrowed yacht and/or its equipment, inventory and gear is limited to damage caused by gross negligence and to an insured sum in the amount of EUR 100,000. The policyholder shall pay an excess of EUR 2,500 in each instance of damage/loss of this type. This insurance cover shall only be granted subsequent to (subsidiary to) any other insurance cover that may exist.

1.2.h. in partial deviation from §3 No. 3.2.2.a – also liability claims of co-insured persons with respect to each other for personal injury - provided the events are not related to occupational accidents within the scope of the policyholder's business operations – and for property damage where the damage exceeds EUR 150. Damage to the insured vessel is not covered. (but see § 3 No. 3.2)

1.2.i. the statutory liability – notwithstanding § 3 No. 3.1.4.a – arising from damage to hired storage areas and moorings that were hired for the private purpose of storing or mooring the boat/the yacht. The policyholder shall pay an excess of EUR 250 in each instance of damage/loss of this type.

1.2.j. the statutory liability within the scope of the contract for financial loss due to insured events which occurred during the insurance period (but see § 3 No. 3.1.10).

1.3. Damage Incurred Abroad

The insurer shall pay compensation in the currency used in the policy to stipulate the insured sum and the premium. The insurer's obligation shall be deemed fulfilled at such point in time when a foreign bank has been instructed to effect payment.

Notwithstanding the above, in cases where a vessel is temporarily seized in a foreign port, any security or deposit to be paid shall be insured only up to a currency equivalent of a maximum of EUR 75,000.

The third-party liability cover for personal injury and property damage in U.S. territory is limited to EUR 1,000,000, including legal aid and court costs. Claims arising from decisions with penal character, in particular punitive or exemplary damages, are excluded from cover.

1.4. Water Pollution Damage

1.4.1. With financial loss being treated in the same way as property damage, the insurance covers within the scope of the contract the policyholder's statutory liability for direct or indirect consequences of changes in the physical, chemical or biological properties of a body of water, including ground water (water pollution damage). Included under the cover is water pollution damage caused by fuel from the permanently fixed tanks or from the jerrycans or supplementary tanks of the insured vessel, provided that the policyholder can prove that the pollution caused by fuel escaping from a damaged tank was the result of a sudden and unpredictable event, for which it is possible to specify the time and place of the event.

1.4.2. The insurance does not cover liability claims against those persons (the policyholder or any of the co-insured) who brought the damage about by knowingly failing to comply with any law, regulation, or any order or instruction of authorities directed at the policyholder relating to water pollution control.

1.4.3. The insurance does not cover liability claims for damage caused directly or indirectly by war or other hostile acts, riots, civil unrest, general strikes, or damage that is a direct result of any order or intervention of a government or public authority.

1.4.4. The insurance does not cover damage as a result of:

- normal trouble-free operations
- vaporisation or evaporation processes
- draining, dripping or splashing processes
- introducing or using water-polluting substances in the water in order to save other legal interests.

1.4.5. "Public law" claims are deemed insured even without civil law liability on the part of the policyholder. The cover for such damage is limited to EUR 15,000 per claim.

§ 2 Commencement and Scope of Cover, Payment

2.1. Commencement of Cover

Insurance cover begins at the time specified in the policy if the policyholder pays the initial or single premium on time within two weeks after receipt of the policy or is not responsible for a failure to pay.

2.2. Payment and Consequences of Late Payment / Initial Premium

2.2.1. The initial or single premium is due without delay two weeks after the policyholder has received the policy. If it has been agreed that the annual premium will be paid in instalments, only the first instalment of the first annual premium is considered to be the initial premium.

2.2.2. If the policyholder fails to pay the initial or single premium on time, but pays at a later date, the insurance cover shall only begin at that later date. This shall not apply if the policyholder can prove that he is not responsible for the delay in payment. If an insured event occurs when the initial or single premium has not been paid, the insurer shall only then be under no obligation to pay if the insurer has informed the policyholder of the legal consequence of a failure to pay through special written notice, e.g. by letter, fax, or e-mail, or has provided clear and obvious notice to this effect in the insurance policy.

2.2.3. If the policyholder does not pay the initial or single premium on time, the insurer may withdraw from the contract as long

as the premium is not paid. The insurer may not withdraw from the contract if the policyholder can prove that he is not responsible for the failure to pay.

2.3. Payment and Consequences of Late Payment / Subsequent Premium

- 2.3.1. In the case of payment by instalments, the subsequent premiums are due on the dates specified in the policy or invoice. If renewal payments are subject to automatic renewal, the time for payment specified in the policy shall also apply to the following year. Payment is deemed to be on time if it is made by the time specified in the policy or the premium invoice.
- 2.3.2. If a premium subsequent to the initial premium is not paid on time, the policyholder is, without any payment reminder being required, automatically in default, unless he is not responsible for the late payment.
If a premium subsequent to the initial premium is not paid on time, the insurer can issue a payment reminder at the policyholder's expense and inform the policyholder in written form, e.g. by letter, fax, or e-mail, of a grace period for payment that must be at least two weeks. The provision is only valid if the outstanding sums of the premium, the interest and costs are itemized in detail and the legal consequences associated with expiry of the deadline pursuant to § 2 No. 2.3.3 and § 2 No. 2.3.4 are indicated in the reminder. The insurer is entitled to demand compensation for the loss incurred due to the default in payment.
- 2.3.3. If the policyholder remains in default upon expiry of the grace period, there is no insurance cover from this time on until payment is made, provided the insurer informed the policyholder of this consequence when requesting payment in accordance with § 2 No. 2.3.2, second paragraph.
- 2.3.4. If the policyholder remains in default upon expiry of this grace period, the insurer may cancel the contract without notice, provided the insurer informed the policyholder of this consequence when requesting payment in accordance with § 2 No. 2.3.2, third paragraph.
- 2.3.5. If the insurer has cancelled the contract and the policyholder then pays the amount requested within one month, the contract shall continue. However, there is no insurance cover for any insured event which has occurred in the time between the expiry of the period for payment and the payment.

2.4. Partial Payment and Consequences of Late Payment

If it has been agreed that the annual premium will be paid in instalments, all outstanding instalments are due immediately if the policyholder is in default with payment of two instalments.
The insurer shall furthermore be entitled to demand annual payment of the premiums for the future.

2.5. Insurance Benefits / Insurer's Power of Attorney

- 2.5.1. The insurance covers examination of the question of liability, the warding off of unjustified claims for compensation, and indemnification of the policyholder for legitimate obligations to pay compensation. An obligation to pay compensation is legitimate if the policyholder is liable to pay compensation by reason of a legal provision, a final court decision, an acknowledgement of the obligation, or on the basis of a settlement, and if the obligation is by way of such reason legally binding on the insurer. Acknowledgements and settlements made or concluded by the policyholder without the consent of the insurer shall only be binding on the insurer insofar as the claim would have existed even if there had been no acknowledgement or settlement.
If it has been established that the policyholder has an obligation to pay compensation that is binding on the insurer, the insurer will indemnify the policyholder against the third-party claim within two weeks.
- 2.5.2. The insurer is authorized to make any declarations on behalf of the policyholder that it deems necessary to settle the claim or to ward off the claims for damages. Should an insured event give rise to a legal dispute over compensation claims against the policyholder, the insurer shall be authorized to conduct the case. The insurer will litigate at its own expense on behalf of the policyholder.
- 2.5.3. If a damaging event which might result in a liability claim that is covered by the insurance gives rise to criminal proceedings, and the insurer requests or consents to the

appointment of defence counsel for the policyholder, the insurer shall bear the costs of this appointment in accordance with the standard fee scale or the higher costs of the defence counsel specifically agreed on with the insurer.

- 2.5.4. If the policyholder or a co-insured obtains the right to demand a discontinuance or a reduction of compensation by periodical payments, the insurer is authorized to exercise this right.

2.6. Limitation of Benefits

- 2.6.1. The compensation payable by the insurer is limited for each insured event to the insured sum agreed on. This also applies when the cover extends to several persons who are liable to pay compensation.
- 2.6.2. Unless otherwise agreed, the compensation payable by the insurer for all insured events together in one insurance year is limited to twice the amount of the insured sum agreed on.
- 2.6.3. Two or more insured events occurring during the insurance period shall constitute one insured event that occurred at the time of the first of these insured events if these events
- have the same cause
 - have intrinsically related causes, in particular with regard to circumstances of fact and time, or
- 2.6.4. If specifically agreed, the policyholder shall pay a part of the compensation for each insured event in an amount stipulated in the policy (excess). Unless otherwise agreed, the insurer is in such cases as well under an obligation to ward off unjustified claims for compensation.
- 2.6.5. Expenses incurred by the insurer for costs will not be deducted from the insured sum.
- 2.6.6. If the legitimate claims for compensation arising from an insured event exceed the insured sum, the insurer will bear the litigation costs on the basis of the ratio of the insured sum to the total sum of these claims.
- 2.6.7. If the policyholder must make periodical payments to the injured party and the capital value of these payments exceeds either the insured sum or the remainder of the insured sum after deduction of any other payments arising from the insured event, the insurer shall only reimburse the periodical payments on the basis of the ratio of the insured sum, or its remainder, to the capital value of the periodical payments.
- 2.6.8. The calculation of the value of the periodical payments shall be made in accordance with the corresponding provision of the German ordinance relating to motor vehicle liability insurance (Kraftfahrzeug-Pflichtversicherungsverordnung) as amended and in force at the time of the insured event.
- 2.6.9. When calculating the portion of the periodical payments that is to be paid by the policyholder if the capital value of these payments exceeds the insured sum or the remainder of the insured sum after deduction of other payments, these other payments will be deducted in full from the insured amount.
- 2.6.10. If the acknowledgement, satisfaction, or settlement demanded by the insurer in handling a liability claim fails due to the policyholder's conduct, the insurer will not be liable, from the time of the policyholder's refusal on, for any additional costs, compensation payments, and interest incurred due to the policyholder's refusal.

§ 3 Exclusions

3.1. Unless otherwise expressly provided in the insurance policy, its amendments, or these insurance conditions, the insurance does not cover:

- 3.1.1. liability claims which due to contractual agreement or special consent go beyond the policyholder's statutory liability
- 3.1.2. claims for salaries, pensions, wages and other fixed emoluments, maintenance allowance, medical treatment in case of inability to work, claims to social assistance (see, for example, sections 616 and 617 German Civil Code; section 63 German Commercial Code; sections 39 and 42 German Seamen's Law; and the relevant provisions of the German Industrial Code, Book VII of the German Social Code and the German Federal Social Security Act) as well as claims based on German laws regulating compensation for damage as a result of riots (*Tumultschadengesetze*).
- 3.1.3. liability claims arising from property damage caused by discharging of waste water
- 3.1.4. claims arising from damage to third-party property and any resulting financial loss if

- 3.1.4.a. the policyholder hired, rented, leased, or borrowed the property, acquired possession of the property by unlawful interference, or had possession of the property on the basis of a special custody agreement. However, see the exception provided under § 1 No. 1.2.g. and 1.2.i.
- 3.1.4.b. the damage/loss
- is caused through work done on the property by the policyholder in the context of his business or profession (alterations, repair, transport, testing, or similar activity); in respect of immovable property, this exclusion shall only apply if this property or parts of this property were directly affected by the activity;
 - is caused through the policyholder using this property to carry out work in the context of his business or profession (as a tool, auxiliary aid, place to deposit material, or similar): in respect of immovable property, this exclusion shall only apply if this property or parts of this property were directly affected by the use;
 - is caused by work done in the context of the policyholder's business or profession and the property or – if immovable property is concerned – parts of this property were in the immediate area of influence of the activity; this exclusion does not apply if the policyholder can prove that at the time of the activity he had taken the precautions that clearly would have been necessary to avoid damage. If the conditions for the above exclusions are fulfilled with respect to the policyholder's salaried or wage-earning employees, servants, authorized representatives, or agents or persons commissioned by the policyholder, there is likewise no insurance cover in such cases, with this absence of cover applying to both the policyholder and any persons co-insured under the insurance contract
 - The insurance does not cover claims
 - for performance of a contract, subsequent performance, based on undertaking to remedy a defect oneself or commissioning another to remedy the defect, rescission, price reduction, for compensation in lieu of performance;
 - for damage caused in order to be able to remedy a defect
 - for loss of use of the subject-matter of the contract or for failure to obtain the result that was to be achieved by performance of the contract
 - for compensation of futile expenses due to reliance on proper performance of the contract;
 - for compensation of financial loss due to delay in performance;
 - for other substitute performance in lieu of fulfilment of the contract. This shall apply even when statutory claims are involved.
- 3.1.5. Liability claims based on damage related directly or indirectly to high-energy ionising radiation (e.g. alpha, beta, and gamma radiation emitted from radioactive substances and neutrons or radiation generated by particle accelerators) as well as to laser and maser radiation*)
- 3.1.6. claims based on damage caused by asbestos or substances or products containing asbestos
- 3.1.7. Damage/loss incurred as a result of using flammable or explosive substances in a manner contrary to the regulations.
- 3.1.8. the personal statutory liability of parasailors.
- 3.1.9. the following damage/loss in connection with financial loss (§1 No. 1.2.j)
- damage/loss arising from either goods produced or supplied or services rendered by the policyholder (or by a third party acting on his behalf or for his account);
 - damage/loss arising from emissions (e.g. noise, odours, vibrations);
 - activities involving planning, advising, overseeing/being in charge of construction or assembly, carrying out inspections or providing expert opinions;
 - activities in connection with financial, credit, insurance, real property, leasing or similar financial business, arising from payment transactions of any kind, from being in charge of cash accounts, as well as punishable breaches of trust and embezzlement;
- infringement of industrial property rights and copyrights as well as violation of antitrust law/restrictive practices law and law on competition;
 - granting of licenses and patents;
 - a failure to observe any deadlines, or any times set for appointments, estimates and quotations;
 - advice, recommendations or instructions to economically affiliated companies, from the inadequacy and/or absence of control activities;
 - activities connected with data processing, rationalization and automation, supplying information, translation, providing travel information and organizing trips;
 - knowingly failing to comply with laws, regulations or ordinances, with instructions or conditions of a customer or client, or any other deliberate breach of a duty;
 - losing property, including e.g. money, securities, and valuables, as well as checks and credit cards.
- 3.1.10. liability claims based on damage/loss arising from animosities, intimidation, harassment, unequal treatment, or any other kind of discrimination.
- 3.1.11. Liability claims arising during participation in motor boat racing and during a training cruise at this.
- 3.1.12. Liability claims if the driver of the insured vehicle is not in possession of a valid driver's license.
- 3.2. The insurance provides no cover for:**
- 3.2.1. insurance claims of any person who intentionally caused the damage/loss.
- 3.2.2. Liability claims
- 3.2.2.a. against the policyholder arising from claims of family members of the policyholder who live with him in the same household, or of persons who belong to the group of persons co-insured under the insurance contract;
- 3.2.2.b. between two or more policyholders under the same insurance contract;
- 3.2.2.c. of legal representatives of policyholders who have no or only limited legal capacity;
- 3.2.2.d. of partners of the policyholder;
- 3.2.2.e. of legal representatives of the policyholder if the latter is a legal entity under private or public law or an association without legal personality,
- 3.2.2.f. of liquidators of the policyholder
- Family members are deemed to be spouses, partners within the meaning of the German Civil Partnership Act (*Lebenspartnerschaftsgesetz*) or comparable partnerships under the laws of other states, parents and children, adoptive parents and adopted children, parents-in-law, sons-in-law, daughters-in-law, stepparents and stepchildren, grandparents and grandchildren, siblings, and foster parents and foster children (persons who have a bond with each other, similar to that between parent and child, from living together like a family in a long-term relationship).
- The exclusions in b) to f) also extend to liability claims of family members of the persons mentioned in those provisions if they live together in the same household.
- 3.2.3. Liability claims arising in that the policyholder failed to remedy particularly hazardous circumstances within a reasonable period of time, though the insurer could reasonably demand and did demand that the policyholder remedy the situation. Circumstances that have led to damage/loss are automatically held to be particularly hazardous.

B. The Insured Event / Policyholder's Duties / Policyholder's Pre-Contractual Duty of Disclosure

§ 4 The Insured Event

The damaging event is the event that directly resulted in the damage/loss sustained by the third party. The time of the cause of the damage which led to the damaging event is irrelevant.

§ 5 Policyholder's Pre-Contractual Duty of Disclosure

5.1. Complete and Accurate Information on Risk-Relevant Circumstances

Before submitting his insurance proposal, the policyholder shall disclose to the insurer any and all risk-related circumstances he is aware of that the insurer has requested by means of written form, e.g. by letter, fax, or e-mail, and all risk-related circumstances that are relevant to the insurer's decision to enter into the insurance contract under the terms agreed on. The policyholder shall also, during the period between submission of the insurance proposal and an acceptance of the contract by the insurer, disclose any information in response to any questions within the meaning of sentence 1 communicated by the insurer in written form. Risk-relevant circumstances are circumstances that are relevant to the insurer's decision to enter into the contract at all or to enter into the contract under the terms agreed on. If the contract is concluded by a representative of the policyholder and the representative is aware of the risk-relevant circumstance, the policyholder agrees to being treated as though he himself had been aware of this circumstance or had fraudulently concealed the circumstance.

5.2. Withdrawal from the Contract

5.2.1. The insurer is entitled to withdraw from the insurance contract if incomplete or inaccurate information has been given with regard to risk-relevant circumstances. This shall also apply if information was not given or was inaccurate because the policyholder evaded the truth with intent to deceive.

5.2.2. The insurer shall have no right of withdrawal if the policyholder can prove that neither he nor his representative provided the inaccurate or incomplete information intentionally or through gross negligence.

The insurer shall have no right of withdrawal for grossly negligent breach of the duty of disclosure if the policyholder can prove that the insurer would have concluded the contract, though probably under different terms, even if the insurer had known of the undisclosed information.

5.2.3. In the case of withdrawal, there is no insurance cover. If the insurer withdraws from the contract following the occurrence of an insured event, the insurer may not refuse cover if the policyholder can prove that the circumstance with respect to which inaccurate or incomplete information was given was not causally connected to the occurrence of the insured event or establishing the insured event, nor relevant to establishing or to the extent of the compensation payable. However, there is no insurance cover in this case as well if the policyholder breached the duty of disclosure with intent to deceive.

The insurer shall be entitled to the insurance premiums for the period of the contract extending to the time when the declaration of withdrawal becomes effective.

5.3. Premium Adjustment or Right of Cancellation

If the duty of disclosure was not breached intentionally or through gross negligence and the insurer is consequently not entitled to withdraw from the contract, the insurer may cancel the contract giving one month's written notice. The right of cancellation is excluded if the policyholder can prove that the insurer would have concluded the contract, though probably under different terms, even if the insurer had had the information that was not disclosed. If the insurer cannot withdraw from or cancel the contract because the insurer would have concluded the contract even with disclosure of the information, but would then have concluded the contract under different terms, these

other terms, at the request of the insurer, shall retroactively become part of the contract.

If the policyholder is not responsible for the breach of duty, the other terms shall become part of the insurance contract as of the current insurance period.

Should the amended contract result in a premium increase of more than 10% or should the insurer exclude risk cover for the circumstance that had not been disclosed, the policyholder can cancel the contract without observing a notice period within one month after receiving the insurer's notification.

5.4. Exercise of the Insurer's Rights

The insurer must assert the rights it is entitled to pursuant to § 5 No. 5.2 and § 5 No. 5.3 in writing within one month's time. The one-month period is calculated from the time the insurer becomes aware of the breach of the duty of disclosure on which the right that is being asserted is based. The insurer shall state the reasons in support of its declaration, and may submit other reasons justifying the declaration at a later date, as long as the one-month period in this respect has not expired.

The insurer is only entitled to the rights under § 5 Nos. 5.2 and 5.3 if the insurer informed the policyholder by way of special communication in written form, e.g. by letter, fax, or e-mail, of the consequences of a failure to comply with the duty to disclose information.

The insurer may not rely on the rights in § 5 Nos. 5.2 and 5.3 if the insurer was aware of the non-disclosed risk-relevant circumstance or the inaccuracy of the information disclosed.

5.5. Rescission

The insurer's right to rescind the contract based on fraudulent misrepresentation remains unaffected. In the case of rescission, the insurer is entitled to the insurance premiums for the period of the contract extending to the time when the declaration of rescission becomes effective.

§ 6 Increase in Risk

6.1. Definition of Increase in Risk

6.1.1. There is an increase in risk if, after the policyholder has submitted the insurance proposal, the actual circumstances are changed such that there is a higher probability of the occurrence of an insured event or an increase in loss/damage or an unjustified insurance claim.

6.1.2. There is an increase in risk in particular – but not only – if a risk-relevant circumstance changes in respect of which the insurer had requested information prior to conclusion of the contract.

6.1.3. If the increase in risk is immaterial or if based on the circumstances it should be deemed to be included under the cover, this shall not constitute an increase in risk.

6.2. Policyholder's Duties

6.2.1. After submitting his insurance proposal, the policyholder may not increase the risk or allow a third party to increase the risk without prior consent of the insurer.

6.2.2. Should the policyholder realize only after the fact that he has increased the risk or allowed an increase in risk without the prior consent of the insurer, he must immediately notify the insurer of this increase in risk.

6.2.3. If, after the policyholder has submitted his insurance proposal, an increase in risk occurs independent of any intent on his part, the policyholder must inform the insurer of this circumstance immediately upon becoming aware of the increase in risk.

6.3. Cancellation or Policy Adjustment by the Insurer

6.3.1. The Insurer's Right of Cancellation

If the policyholder fails to comply with his obligation under No. 6.2.1, the insurer may cancel the policy without notice if the policyholder's failure to fulfil the obligation was intentional or due to gross negligence. The policyholder shall have the burden of proving that the failure to fulfil the obligation was neither intentional nor due to gross negligence.

If the failure to fulfil the obligation was due to slight negligence, the insurer may cancel the policy giving one month's notice.

In the case of an increase in risk pursuant to the provisions under Nos. 6.2.2 and 6.2.3, the insurer may cancel the policy giving one month's notice.

6.3.2. Policy Adjustment

Instead of cancelling the policy, the insurer may demand a higher premium as of the time of the increase in risk in accordance with its insurance principles or may exclude cover of the increased risk.

If, as a result of the increase in risk, the premium is increased by more than 10% or if the insurer excludes cover of the increased risk, the policyholder may cancel the policy without observing a notice period within one month after receipt of the insurer's notification. The insurer's notification must inform the policyholder of this right of cancellation.

6.4. Lapse of the Insurer's Rights

The insurer's rights of cancellation or policy adjustment as provided under No. 3 shall lapse if the insurer does not exercise these rights within one month of becoming aware of the increase in risk or if the condition that existed prior to the increase in risk has been restored.

6.5. Release from Obligation to Pay due to Increase in Risk

- 6.5.1. If an insured event occurs after an increase in risk, the insurer is under no obligation to pay benefits if the policyholder intentionally breached his duties under No. 6.2.1. If the policyholder fails to fulfil these duties due to gross negligence, the insurer is entitled to reduce the benefits in proportion to the extent of the policyholder's negligence. The policyholder shall bear the burden of proving that the breach was not due to gross negligence.
- 6.5.2. Following an increase in risk as provided in Nos. 6.2.2 and 6.2.3, the insurer is under no obligation to pay benefits for an insured event that occurs later than one month after the time the insurer should have received notification of the increase in risk if the policyholder intentionally failed to fulfil the duty to notify the insurer. If the policyholder breached this duty due to gross negligence, No. 6.5.1, sentences 2 and 3 shall apply accordingly. The insurer is obliged to pay compensation if, at the time the insurer should have received notification of an increase in risk from the policyholder, the insurer was aware of the increase in risk.
- 6.5.3. The insurer remains under an obligation to pay compensation

- insofar as the policyholder can prove that the increase in risk was not causally connected to the occurrence of the insured event or to the scope of the obligation to pay,
- if at the time of the occurrence of the insured event the time allowed for the insurer to cancel the policy had expired and the insurer had not cancelled the policy
- if, instead of cancelling the policy, the insurer demands a higher premium as from the time of the increase in risk in accordance with its insurance principles.

§ 7 Policyholder's Duties

7.1. Prior to Occurrence of the Insured Event

- 7.1.1. The policyholder may not sail the insured vessel if he does not possess the officially prescribed permit for the vessel and/or for the navigational area. He may likewise not allow any person who does not possess such a permit to sail the insured vessel.
- 7.1.2. The policyholder may also not sail the insured vessel if he is not fit to safely sail it due to the influence of alcoholic beverages or other intoxicating substances. He may also not allow a third party to sail the insured vessel if the third party is not fit to safely sail it due to the influence of alcoholic beverages or other intoxicating substances. A blood alcohol concentration of 1.1‰ or more clearly makes it impossible to safely sail the vessel.

7.2. After Occurrence of an Insured Event

- 7.2.1. The insurer is to be notified of any insured event within one week, even if no claims for compensation have yet been made.
- 7.2.2. The policyholder must make the best effort possible to avert and reduce the damage/loss.

To the extent it can be reasonably expected, the policyholder must follow any instructions given by the insurer.

- 7.2.3. The policyholder shall provide the insurer with detailed and truthful reports on the damage and shall cooperate with the insurer in investigating and settling the claim. Any information on circumstances that in the insurer's opinion is important in handling the claim must be conveyed to the insurer and any documents requested in this respect must be provided, insofar as providing such documents can reasonably be expected of the policyholder.
- 7.2.4. The policyholder must also notify the insurer within one week if a liability claim is brought or any judicial proceedings are initiated against him, if any proceedings are instituted against him by a public prosecutor or government/administrative office, any default notice is issued against him, or notice of third-party intervention in court proceedings is served on him.
- 7.2.5. The policyholder must enter an objection or any other legal remedy necessary against any default notice or any administrative order for damages within the time prescribed. No instructions from the insurer are required in this respect.
- 7.2.6. If a liability claim is asserted against the policyholder in court, the policyholder shall authorize the insurer to conduct the litigation.
The insurer will engage legal counsel on behalf of the policyholder. The policyholder must grant the legal counsel power of attorney and must provide the legal counsel with any necessary information and any documents requested.

§ 8 Legal Consequences of Failure to Fulfil a Duty

- 8.1. If the policyholder breaches a duty arising from this contract which is to be fulfilled before the occurrence of an insured event, the insurer is entitled to cancel the contract without notice within one month after becoming aware of the breach of duty. The insurer has no right of cancellation if the policyholder can prove that the breach of duty was neither intentional nor due to gross negligence.
- 8.2. If a duty arising from this contract is intentionally breached, the insurer is released from an obligation to pay. In the case of a grossly negligent breach of duty, the insurer is entitled to reduce the benefits in proportion to the extent of the policyholder's negligence.
In the case of a breach of a duty to disclose information or to assist in clarifying the circumstances of an insured event after the occurrence of the insured event, the insurer will only be partially or fully released from an obligation to pay compensation if the insurer informed the policyholder by way of special communication in written form, e.g. by letter, e-mail, or fax, of this legal consequence.
If the policyholder proves that he did not breach the duty due to gross negligence, the insurer continues to be under an obligation to pay compensation.
The insurer's obligation to pay compensation also remains effective if the policyholder can prove that the breach of the duty was not causally connected to the occurrence or determination of the insured event, nor relevant to establishing the insurer's obligation to pay compensation or the extent of the compensation. This shall not apply if the policyholder breached the duty with intent to deceive.
The foregoing conditions shall apply irrespective of whether the insurer exercises a right of cancellation to which the insurer is entitled pursuant to § 8 No. 8.1.

C. Other Provisions

1. If the insurance also extends to liability claims against persons other than the policyholder himself, all provisions which apply to the policyholder shall apply accordingly to the co-insured.
The provisions on future risks cover do not apply if the new risk only arises with respect to a co-insured person specifically.
Only the policyholder may exercise the rights arising from the insurance contract.
The policyholder and the co-insured are responsible for fulfilling the duties.

2. Claims of the policyholder himself or of the persons designated in § 3 No. 3.2.2 against the insured as well as claims of the insured with respect to each other are excluded from cover.
3. The indemnity claim may not be assigned or subject to pledge without the insurer's consent before it has been clearly and finally established. An assignment to the third party that incurred the damage/loss is admissible.

§ 9 Premium in case of Premature Termination of Contract

In case of premature termination of the contract, the insurer shall only be entitled to the part of the premium corresponding to the time in which there was insurance cover, unless otherwise provided by law.

§ 10 Duration of Contract, Termination, Cessation of the Insured Risk, Double Insurance

10.1. Duration and End of the Contract

- 10.1.1. The contract is concluded for the period stipulated in the insurance policy.
- 10.1.2. In the case of a contractual term of one year or more, the contract is automatically renewed each year for another year, unless the contractual partner has received notice of termination no later than three month before the respective insurance year expires.
- 10.1.3. In the case of a contractual term of less than one year, the contract ends at the time stipulated without requiring notice of termination.
- 10.1.4. In the case of a contractual term of more than three years, the contract may already be terminated effective at the end of the third year or effective at the end of any following year, whereby notice of termination must be received by the other party to the contract no later than three months before the end of the respective insurance year.
- 10.1.5. If the contract is concluded for an indefinite period, it may only be terminated by either party with regard to the end of the respective current insurance period. The right of termination may be waived for up to a period of two years by mutual agreement .

10.2. Cessation of the Insured Risk

If there is a complete and permanent cessation of insured risks, the insurance with respect to these risks expires. The insurer shall be entitled to the premium that it would have collected if the policyholder had only applied for cover of these risks up until the time when the insurer becomes aware of the cessation of the risks.

10.3. Cancellation after an Insured Event

- 10.3.1. The insurance contract can be terminated if
 - the insurer has paid a compensation claim
 - if the policyholder has been served with a court action based on a legitimate claim with respect to third-party liability that is covered under the insurance.

The notice of termination must be received by the other party to the contract in writing no later than one month after the payment of compensation or service of the action.
- 10.3.2. If the policyholder terminates the contract, the termination is effective immediately upon receipt of the termination notice by the insurer.
- 10.3.3. However, the policyholder may stipulate that the termination become effective at a later date, but no later than at the end of the current insurance period.

If the insurer terminates the contract, the termination becomes effective one month after notice of termination has been received by the policyholder.

10.4. Double Insurance

- 10.4.1. There is double insurance if the risk is covered under more than one insurance contract.
- 10.4.2. If double insurance has taken place without the policyholder being aware of this fact, the policyholder may demand rescission of the contract that was concluded at the later date.
- 10.4.3. The right to rescind the contract lapses if the policyholder fails to assert this right within one month after becoming aware of the double insurance. The rescission becomes

effective at the time when the declaration demanding rescission is received by the insurer.

§ 11 Limitation of Actions

Claims arising from the insurance contract become time-barred in three years. The limitation period is calculated in accordance with the general provisions of the German Civil Code.

If the insurer has been notified of a claim arising from the insurance contract, the running of the limitation period is also interrupted from the time of the notification until the time when the claimant has received a notice in written form, e.g. by letter, fax, or e-mail, of the insurer's decision on the claim.

§ 12 Applicable Law

This contract shall be governed by the law of the Federal Republic of Germany.

§ 13 Competent Court

13.1. Actions against the Insurer

Any actions brought against the insurer based on the insurance contract shall be subject to the jurisdiction of the court in whose district the insurer has its registered office or in whose district the branch office which is responsible for the insurance contract is located. If the policyholder is a natural person, the court with jurisdiction for the district where the policyholder has his permanent place of residence at the time of bringing the action, or, should there be no permanent address, where the policyholder has his habitual place of residence at that time, shall have venue.

13.2. Actions against the policyholder

If the policyholder is a natural person, actions against the policyholder based on the insurance contract must be filed with the court with jurisdiction for the district where the policyholder has his permanent place of residence or, should there be no permanent address, his habitual place of residence. If the policyholder is a legal entity, the competent court shall be the court in whose district the policyholder has its registered office or its branch office.

§ 14 Notifications and Declarations of Intent

If the policyholder fails to inform the insurer of a change of address, a registered letter sent by the insurer to the last known address suffices in order for the declaration of intent to have been made to the policyholder. The declaration is deemed received three days after the letter has been sent. The same applies accordingly in the case of a change of the policyholder's name.

YKB – Top – Yacht Comprehensive Insurance Conditions

§ 1 Insured Objects

- 1.1. The insurance covers the vessel specified in the policy, including its machinery, equipment, inventory, dinghies, gear, and personal effects.
- 1.2. The dinghies, as well as individual effects and items of equipment/gear that are not permanently fixed, with an individual value of more than €500 are only covered if the insurer has been previously advised of these items and they have been separately specified with value.

§ 2 Area of Application

- 2.1. The insurance applies to the navigational area specified in the policy. There is also cover during any normal stop of the insured objects on land and to water, during transport by land and by water and including being lifted out of or into the water.
- 2.2. The cover also extends to occasionally exceeding the navigational limits specified in the policy, but such cases must be declared to the insurer in advance for the purpose of calculating a possible premium surcharge/increase in the excess.

§ 3 Scope of the Insurance Cover

- 3.1. The insurer shall pay compensation for damage to or loss of the insured objects (all risks cover) up to the insured amounts agreed in the policy.
- 3.2. The insurer shall reimburse expenditures of up to a maximum amount of €2,000,000 for salvage (even if unsuccessful) and disposal of the insured object, provided there was an insured event and the insurer requested or confirmed the salvage and the policyholder is liable for the removal of the wreck and/or the costs. These expenditures shall be reimbursed in addition to the insured sum.
- 3.3. The insurer shall reimburse the costs incurred by the policyholder in order to avert or minimize the damage/loss up to 50% of the insured sum additionally, insofar as the policyholder could reasonably have considered the measures to be imperative under the circumstances.
Subject to prior agreement, the insurer will pay for inspection costs after a grounding without application of an excess.
- 3.4. In the case of unforeseen illness of the skipper abroad, the insurer will assume costs up to a maximum of €1,100 to the output and destination port for organizing and paying a replacement skipper without application of an excess.

§ 4 General Assistance and Insurance Benefits

Deleted

§ 5 Exclusions

The insurer shall pay no compensation

- 5.1. for damage/loss arising when the insured objects are used for anything other than private pleasure or sporting activities (e.g. use as a charter yacht), unless another use has expressly been specified in the policy.
- 5.2. for damage/loss as a result of white-water rides, crossing weirs, as well as participation in motor boat races and the exercises in connection with such races.
- 5.3. for damage/loss caused intentionally by the policyholder. If the policyholder causes the damage/loss through gross negligence, the insurer is entitled to reduce the compensation payment in proportion to the extent of the

negligence. The insurer waives the right to refuse cover on the basis of gross negligence in cases where the amount of the loss does not exceed €5,000.

- 5.4. for damage/loss caused by rain, snow, heat, frost, ice (with the exception of moving ice), rust, oxidation, effects of sun, mould, electrolysis, cavitation, decay, rot, vermin, rodents, alterations or repairs improperly carried out, in each case with respect to the parts that are directly affected; consequential damage incurred as a result of this damage is insured within the scope of these terms and conditions.
 - 5.5. for damage by osmosis, unless the damage by osmosis became apparent within the first 36 months after manufacture of the insured vessel (CE number, year of construction) and an anti-osmosis coating was applied in accordance with state of the art technology by a qualified marine repair shop prior to the vessel's initial launch. The insurance cover shall only apply if an assertion of warranty and guarantee claims was of no avail.
 - 5.6. for damage by normal wear and tear, any fault or error in design or construction, or any manufacturing or material defects, in each case with respect to the parts that are directly affected; consequential damage incurred as a result of this damage is insured within the scope of these terms and conditions.
 - 5.7. for damage/loss caused by war, civil war or war-like events, piracy, mines, torpedoes, bombs, or other tools of war, terrorist acts or violent politically motivated acts, sabotage, strikes, uprisings, unrest of any kind, confiscation, expropriation, or any other kind of intervention by a government or public authority.
 - 5.8. for damage/loss arising from the use of chemical, biological, or bio-chemical substances or electromagnetic waves as weapons posing a threat to the general public, irrespective of any other contributory causes, as well as damage/loss caused by nuclear energy or other ionising radiation.
 - 5.9. for damage to machinery, unless caused by fire, scorching, smouldering, short circuit, lightning, accident with the insured vessel, explosion, force majeure, storm, theft, robbery, wanton and malicious acts of third parties, sinking, capsizing, stranding, inrush of water, or by collision with a floating or fixed object.
 - 5.10. for damage/loss as a result of simple theft. Excepted here are equipment/gear that is permanently fixed to the insured vessel or to the dinghy and properly moored lifeboats and dinghies. Trailers and boats on trailers only insofar that they were secured with a suitable anti-theft device (trailer lock/wheel clamp).
 - 5.11. as well as for damage/loss as a result of fraud, embezzlement or in connection with a criminal offence where the policy holder or Skipper is involved.
 - 5.12. for indirect damage/loss of any type (e.g. decline in value and reduced racing capability).
 - 5.13. for money, valuables, watches, clocks (unless permanently installed in the vessel), jewellery, furs, documents, works of art, antiques, food, semi-luxury consumables (e.g. tobacco, alcoholic beverages).
 - 5.14. for damages that occur during an unmanned Still lying over a period of more than 48 hours before the open coast.
- ### § 6 Insurable Value = Agreed Value, Waiver of Right to Refuse Compensation on the basis of Underinsurance
- 6.1. Insurance value is the market value / market value of insured property at the time of the contract. Market value / market value is the amount that is generally required in order to purchase items of comparable kind and quality. This value is the fixed fee.
 - 6.2. The insurer waives the right to refuse compensation on the basis of underinsurance.

§ 7 § 7 Amount of the Compensation

- 7.1. In the case of a total loss, including the case of a constructive total loss, the insurable value is reimbursed in accordance with § 6 (the Agreed Value).
- 7.2. In the case of partial loss, the necessary costs for restoration without a "new for old" deduction and the transport costs incurred as a result of the loss event, as restoration costs, will be reimbursed. The compensation paid for personal effects that were not specified and items of equipment/gear that are not permanently fixed is limited to 2% of the Agreed Value for each claim.
- 7.3. Realizable proceeds from residual value are deducted from the compensation payable in accordance with § 7.1 and § 7.2. The policyholder cannot prevent the deduction by making the remaining parts available to the insurer. However, in respect of any items for which full compensation has been paid, the policyholder is obligated, upon the insurer's request, to transfer title of and to surrender these items to the insurer.

§ 8 Proceedings for Determination of Insurance by Experts

- 8.1. **Determination of Amount of Loss**
After the occurrence of an insured event, the parties to the contract may request that proceedings be initiated where experts are appointed to determine whether certain conditions for establishing the insurance claim have been fulfilled or to determine the extent of the loss. The contracting parties may also mutually agree on such proceedings.
- 8.2. **Other Determinations**
If agreed by the parties to the contract, these proceedings may also be extended to determining other issues related to the insured event.
- 8.3. **Procedure prior to Determination**
The following applies to proceedings for determination of insurance by experts:
- 8.3.1. Each party must appoint an expert in written form (e.g. by letter, fax, e-mail). Once a party has appointed its expert, it may request by communication in written form, in which it informs the other party of its appointment, that the other party appoint the second expert. If the second expert is not appointed within two weeks after receipt of the communication, the party requesting the appointment may have the local court (*Armsgericht*) with jurisdiction for the place of the loss/damage designate the second expert. The insurer will inform the policyholder of this consequence when requesting the second appointment.
- 8.3.2. The insurer may not appoint as expert any person who is a competitor of or has long-standing business relations with the policyholder, and furthermore may not appoint any person who is an employee of the policyholder's competitors or an employee of persons with whom the policyholder has long-standing business relations or is in any similar position.
- 8.3.3. Prior to their determinations, both experts appoint through written communication a third expert as referee. The experts may not appoint as referee any person who is a competitor of or has long-standing business relations with the policyholder, nor any person who is an employee of the policyholder's competitors or an employee of persons with whom the policyholder has long-standing business relations or is in any similar position.
If the experts cannot agree on the appointment of the referee, the referee will, upon request of one of the parties, be designated by the local court with jurisdiction for the place of the loss/damage.
- 8.4. **Procedure after Determination**
The expert will inform both parties at the same time of his determinations.
Should there be any deviations in the expert determinations, the insurer shall immediately submit them to the referee. The referee will then decide, within the limits set for the experts' determinations, on the points still in dispute and will notify both parties at the same time of his decision.

The determinations made by the experts or the referee are binding on the contracting parties, unless it can be proven that there is a clear and significant discrepancy between the determinations and the actual facts and circumstances. The insurer shall calculate the compensation based on these binding determinations.

In the case of determinations that are not binding, the determinations will be made by court decision.

This shall also apply where the experts cannot or are not willing to make a determination or delay doing so.

8.5. Costs

Unless otherwise agreed, each party shall bear the costs for its expert.

The costs for the referee shall be borne by both parties in equal parts.

8.6. Duties

The proceedings for insurance determination by experts shall not affect the duties of the policyholder.

§ 9 Excess

- 9.1. The excess specified in the policy is to be taken into account for each separate claim. However, it shall not apply in the case of a total loss of the yacht, loss of personal effects and equipment/gear that is permanently fixed where there is forcible entry, also not in the case of, damage or loss by lightning, as well as damage or loss as a result of transportation, collision, or fire where only third parties are at fault.
- 9.2. If an insured outboard motor is equipped with a transponder system, payment of the agreed excess shall not apply in the case of theft of the outboard motor.
- 9.3. If the insured yacht has been insured with EIS for 5 years or more without a claim being made, the agreed excess shall be reduced by 50% in case of a claim.

§ 10 Payment of Compensation

- 10.1. Compensation payments by the insurer are due within two weeks after investigation of the insured event has been concluded and the amount of compensation established.
- 10.2. In all cases of misappropriation, including fraudulent appropriation, the compensation shall not be due earlier than two months after the notification of loss. The running of this period for payment is interrupted as long as the investigation is hindered due to the policyholder's failure to fulfil a duty. After full compensation has been paid, the policyholder is no longer obligated to take the stolen item back. In such a case, title to the object in respect of which full compensation was paid transfers to the insurer.
- 10.3. If any criminal proceedings or proceedings by a government/administrative office are initiated against the policyholder, the operator of the vessel, or the crew in connection with the loss event which could also be of relevance to the compensation claim, the insurer is entitled to defer the decision as to whether and to what extent it is under an obligation to pay the claim until there has been a final conclusion of the proceedings.

§ 11 Commencement of Cover and Consequences of Late Payment

- 11.1. Insurance cover begins at the time specified in the policy if the policyholder pays the initial or single premium on time within two weeks after receipt of the policy or is not responsible for a failure to pay.
- 11.2. **Payment and Consequences of Late Payment of the Initial Premium**
- 11.2.1. The initial or single premium is due without delay two weeks after the policyholder has received the policy. If it has been agreed that the annual premium will be paid in instalments, only the first instalment of the first annual premium is considered to be the initial premium.

- 11.2.2. If the policyholder fails to pay the initial or single premium on time, but pays at a later date, the insurance cover shall only begin at that later date. This shall not apply if the policyholder can prove that he is not responsible for the delay in payment. If an insured event occurs when the initial or single premium has not been paid, the insurer shall only then be under no obligation to pay if the insurer has informed the policyholder of the legal consequence of a failure to pay through special written notice, e.g. by letter, fax, or e-mail, or has provided clear and obvious notice to this effect in the insurance policy.
- 11.2.3. If the policyholder does not pay the initial or single premium on time, the insurer may withdraw from the contract as long as the premium is not paid. The insurer may not withdraw from the contract if the policyholder can prove that he is not responsible for the failure to pay.
- 11.3. Payment and Consequences of Late Payment of the Subsequent Premium**
- 11.3.1. In the case of payment by instalments, the subsequent premiums are due on the dates specified in the policy or invoice. If renewal payments are subject to automatic renewal, the time for payment specified in the policy shall also apply to the following year. Payment is deemed to be on time if it is made by the time specified in the policy or the premium invoice.
- 11.3.2. If a premium subsequent to the initial premium is not paid on time, the policyholder is, without any payment reminder being required, automatically in default, unless he is not responsible for the late payment. If a premium subsequent to the initial premium is not paid on time, the insurer can issue a payment reminder at the policyholder's expense and inform the policyholder in written form, e.g. by letter, fax, or e-mail, of a grace period for payment that must in its turn be no less than two weeks. The provision is only valid if the outstanding sums of the premium, the interest and costs are itemized and the legal consequences associated with expiry of the grace period pursuant to 11.3.3 and 101.3.4 are indicated in the reminder. The insurer is entitled to demand compensation for the loss incurred due to the default in payment.
- 11.3.3. If the policyholder remains in default upon expiry of the grace period, there is no insurance cover from this time on until payment is made, provided the insurer informed the policyholder of this consequence when requesting payment in accordance with 11.3.2.
- 11.3.4. If the policyholder remains in default upon expiry of this grace period, the insurer may cancel the contract without notice, provided the insurer informed the policyholder of this consequence when requesting payment in accordance with 11.3.2.
If the insurer has cancelled the contract and the policyholder then pays the amount requested within one month, the contract shall continue. However, there is no insurance cover for any insured event which has occurred in the time between the expiry of the period for payment and the payment.
- 11.3.5. If it has been agreed that the annual premium will be paid in instalments, all remaining instalments are due immediately if the policyholder is in default with payment of two instalments. The insurer shall furthermore be entitled to demand annual payment of the premium for the future.

§ 12 No-Claims Discount

- 12.1. If insurance cover under the contract has existed continuously from the beginning to the end of an insurance year without any claims being made for which the insurance has paid compensation or reserves have been set up, the policy will be upgraded to the no-claims discount class as indicated in the table below in the following year:

Duration of No-Claims History	Premium Rate in %
no years	100%
one year	90%
two years	80%
three years	70%
four years	60%

Claim-free insurance years from the previous insurer will be taken into account in the calculation when documented proof of these claim-free years is submitted.

- 12.2. Should a claim be made, the policy is downgraded as of the beginning of the following insurance year to the next lower no-claims discount class, provided the insurer has paid compensation for or set up reserves for a loss/damage. There is no downgrading for the first case of damage if the policyholder has been with the insurer for more than 5 years with no claims being made.
- 12.3. An advance discount is possible. However, in the case of a claim for which the insurance has paid compensation or set up reserves, the discount is forfeited retroactively and the policyholder must pay back to the insurer the advance discount granted up to that time. The insurer is entitled to set off the advance discount against the compensation payment. The policyholder will be classified in accordance with the provisions under § 12.1 and § 12.2 in the following year.

§ 13 Duration and Termination of the Contract

- 13.1. Unless a different term of insurance has been agreed in the policy, the insurance contract is concluded for one year. The contract is renewed automatically each year for another year unless one of the contracting parties gives notice of termination in writing no later than three months before the end of the respective year.
- 13.2. After the occurrence of an insured event, both contractual parties are entitled, until one month after the insurer has paid or denied compensation, to exceptional termination of the insurance contract. The insurer must observe a notice period of one month.
- 13.3. If the yacht is sold, the insurance contract is transferred to the buyer at such time. The buyer and the insurer have a right of special termination of 14 days from the time of becoming aware of the transfer.
- 13.4. In the case of a premature termination of the contract in accordance with § 13.2 or § 13.3, the insurer shall only be entitled for this insurance period to the portion of the premiums corresponding to the time when there was insurance cover.

§ 14 Pre-Contractual Duty of Disclosure - Complete and Accurate Information on Risk-Relevant Circumstances

- 14.1. Before submitting his insurance proposal, the policyholder shall disclose to the insurer any and all risk-related circumstances he is aware of that the insurer has requested by means of written form, e.g. by letter, fax, or e-mail, and all risk-related circumstances that are relevant to the insurer's decision to enter into the insurance contract with the terms agreed on. The policyholder shall also, during the period between submission of the insurance proposal and an acceptance of the contract by the insurer, disclose any information in response to any questions within the meaning under sentence 1 communicated by the insurer in written form.
Risk-relevant circumstances are circumstances that are relevant to the insurer's decision to enter into the contract at all or to enter into the contract under the terms agreed on. If the contract is concluded by a representative of the policyholder and the representative is aware of the risk-relevant circumstance, the policyholder agrees to being treated as though he himself had been aware of this circumstance or had fraudulently concealed the circumstance.

14.2. Withdrawal from the Contract

- 14.2.1. The insurer is entitled to withdraw from the insurance contract if incomplete or inaccurate information has been given with regard to risk-relevant circumstances. This shall also apply if information was not given or was inaccurate because the policyholder evaded the truth with intent to deceive.

14.2.2. The insurer shall have no right of withdrawal if the policyholder can prove that neither he nor his representative provided the inaccurate or incomplete information intentionally or through gross negligence.

The insurer shall have no right of withdrawal for grossly negligent breach of the duty of disclosure if the policyholder can prove that the insurer would have concluded the contract, though probably under different terms, even if the insurer had known of the undisclosed information.

14.2.3. In the case of withdrawal, there is no insurance cover.

If the insurer withdraws from the contract following the occurrence of an insured event, the insurer may not refuse cover if the policyholder can prove that the circumstance with respect to which inaccurate or incomplete information was given was not causally connected to the occurrence of the insured event or establishing the insured event, nor relevant to establishing or to the extent of the compensation payable. However, there is no insurance cover in this case as well if the policyholder breached the duty of disclosure with intent to deceive.

The insurer shall be entitled to the insurance premiums for the period of the contract extending to the time when the declaration of withdrawal becomes effective.

14.3. Premium Adjustment or Right of Cancellation

If the duty of disclosure was not breached intentionally or through gross negligence and the insurer is consequently not entitled to withdraw from the contract, the insurer may cancel the contract giving one month's written notice. The right of cancellation is excluded if the policyholder can prove that the insurer would have concluded the contract, though possibly under different terms, even if the insurer had had the information that was not disclosed.

If the insurer cannot withdraw from or cancel the contract because the insurer would have concluded the contract even with disclosure of the information, but would then have concluded the contract under different terms, these other terms, at the request of the insurer, shall retroactively become part of the contract.

If the policyholder is not responsible for the breach of duty, the other terms shall become part of the insurance contract as of the current insurance period.

Should the amended contract result in a premium increase of more than 10% or should the insurer exclude risk cover for the circumstance that had not been disclosed, the policyholder can cancel the contract without notice within one month after receiving the insurer's notification to this effect.

14.4. Exercise of the Insurer's Rights

The insurer must assert the rights it is entitled to pursuant to § 14.2 and § 14.3 in writing within one month's time. The one-month period is calculated from the time the insurer becomes aware of the breach of the duty of disclosure on which the right that is being asserted is based. The insurer shall state the reasons in support of its declaration, and may submit other reasons justifying the declaration at a later date, as long as the one-month period in this respect has not expired.

The insurer may not rely on the rights in § 14.2 and § 14.3 if the insurer was aware of the non-disclosed risk-relevant circumstance or the inaccuracy of the information disclosed.

14.5. Rescission

The insurer's right to rescind the contract based on fraudulent misrepresentation remains unaffected. In the case of rescission, the insurer is entitled to the insurance premiums for the period of the contract extending to the time when the declaration of rescission becomes effective.

§ 15 Policyholder's Duties

15.1. Policyholder's Duties prior to the Occurrence of the Insured Event

15.1.1. The policyholder may not sail the insured vessel if he does not possess the officially prescribed permit for the vessel and/or for the navigational area. He may likewise not allow any person who does not possess such a permit to sail the insured vessel.

15.1.2. The policyholder may not sail the insured vessel if he is not fit to safely sail it due to the influence of alcoholic beverages or other intoxicating substances. He may also not allow a third party to sail the insured vessel if the third party is not fit to safely sail it due to the influence of alcoholic beverages or other intoxicating substances. A blood alcohol concentration of 1.1% or more clearly makes it impossible to safely sail the vessel.

15.1.3. The policyholder shall comply with all maintenance regulations and instructions of the manufacturer of the machinery and installations, in particular also with respect to winter lay-up, and in the case of damage to the machinery or installations in the first 36 months after manufacture of the yacht (CE number-year of construction) shall properly assert any warranty and guarantee claims.

15.2. Policyholder's Duties in the case of a Claim.

The policyholder shall:

15.2.1. immediately notify the insurer in writing – in cases where loss/damage in the amount of €2,500 or more may be expected, first in advance by telephone – of any loss/damage, and provide information as to the probable amount of the loss/damage and the place where it can be inspected by the insurer, or a surveyor appointed by the insurer, before any repair work has been undertaken and before the facts and circumstances of the damage have in any way been changed or influenced, and shall consent to such an inspection being carried out.

Furthermore, as a general rule, in order to prove the loss, the policyholder must provide the insurer with:

a detailed description of the circumstances leading to the accident and of the visible damage, a sketch of the accident, names and addresses of persons involved in the accident and of witnesses, proof of value (e.g. original receipts), and as far as possible a calculation of the total loss (e.g. cost estimates).

damage/loss arising from damage by sea, major collision with a third party, fire, explosion, theft, robbery, piracy, embezzlement, fraudulent appropriation, or malicious damage must moreover immediately be reported to the next police authority responsible for the area where the damage took place. If a criminal offence is involved, a criminal complaint is to be filed. The crime reference number used by the police station recording the offence and the police report are to be sent to the insurer.

Furthermore, the policyholder is obligated to provide the insurer with any information, truthfully and in detail, that is requested by the insurer and in the insurer's opinion is useful for establishing the cause and amount of the damage/loss, and to furnish substantiating documentation.

15.2.2. shall at his own initiative take all suitable measures that can reasonably be expected to avert and reduce the loss. If the insurer or the surveyor appointed by the insurer give any instructions, the policyholder is to follow these instructions.

15.2.3. to the extent the circumstances allow, obtain the approval of the insurer before abandoning a yacht or requesting assistance. If it is not possible to consult the insurer, the policyholder must limit the amount of the costs for the assistance in writing to his provable costs.

15.2.4. If the policyholder has a claim for compensation against a third party, he is obligated to provide any and all information necessary to enforce the claim and shall assign the claim to the insurer. The policyholder is under an obligation, even after the claim has been assigned to the insurer, to minimize loss/damage, and in particular, at the insurer's request and expense, to file a suit for recovery of the loss in his own name.

15.2.5. The policyholder shall be responsible for ensuring that any authorized operator of the vessel and the crew fulfil the obligations in §15.2.1 to §15.2.3.

15.3. Legal Consequences of Failure to Fulfil a Duty

15.3.1. The Insurer's Right of Cancellation

If the policyholder breaches a duty arising from this contract which is to be fulfilled before the occurrence of an insured event, the insurer is entitled to cancel the contract without notice within one month after becoming aware of the breach of duty. The insurer has no right of cancellation if the policyholder can prove that the breach of duty was neither intentional nor due to gross negligence.

15.3.2. Extent of Cover in the case of Failure to Fulfil a Duty

If a duty arising from this contract or the insurance policy is intentionally breached, the insurer is released from an obligation to pay. In the case of a grossly negligent breach of duty, the insurer is entitled to reduce the benefits in proportion to the extent of the policyholder's negligence.

In the case of a breach of a duty to disclose information or to assist in clarifying the circumstances of an insured event after the occurrence of the insured event, the insurer will only be partially or fully released from an obligation to pay compensation if the insurer informed the policyholder by way of special communication in written form, e.g. by letter, e-mail, or fax, of this legal consequence.

If the policyholder proves that he did not breach the duty due to gross negligence, the insurer continues to be under an obligation to pay compensation.

The insurer's obligation to pay compensation also remains effective if the policyholder can prove that the breach of the duty was not causally connected to the occurrence or determination of the insured event, nor relevant to establishing the insurer's obligation to pay compensation or the extent of the compensation. This shall not apply if the policyholder breached the duty with intent to deceive.

The foregoing conditions shall apply irrespective of whether the insurer exercises a right of cancellation to which the insurer is entitled pursuant to § 15 No. 15.2.1.

§ 16 Increase in Risk

16.1. Definition of Increase in Risk

16.1.1. There is an increase in risk if, after the policyholder has submitted the insurance proposal, the actual circumstances are changed such that there is a higher probability of the occurrence of an insured event or an increase in loss/damage or an unjustified insurance claim.

16.1.2. There is an increase in risk in particular – but not only – if a risk-relevant circumstance changes in respect of which the insurer had requested information prior to conclusion of the contract.

16.1.3. If the increase in risk is immaterial or if based on the circumstances it should be deemed to be included under the cover, this shall not constitute an increase in risk.

16.2. Policyholder's Duties

16.2.1. After submitting his insurance proposal, the policyholder may not increase the risk or allow a third party to increase the risk without prior consent of the insurer.

16.2.2. Should the policyholder realize only after the fact that he has increased the risk or allowed an increase in risk without the prior consent of the insurer, he must immediately notify the insurer of this increase in risk.

16.2.3. If, after the policyholder has submitted his insurance proposal, an increase in risk occurs independent of any intent on his part, the policyholder must inform the insurer of this circumstance immediately upon becoming aware of the increase in risk.

16.3. Cancellation or Policy Adjustment by the Insurer

16.3.1. The Insurer's Right of Cancellation

If the policyholder fails to comply with his obligation under No. 16.2.1, the insurer may cancel the policy without notice if the policyholder's failure to fulfil the obligation was intentional or due to gross negligence. The policyholder shall have the burden of proving that the failure to fulfil the obligation was neither intentional nor due to gross negligence.

If the failure to fulfil the obligation was due to slight negligence, the insurer may cancel the policy giving one month's notice.

In the case of an increase in risk pursuant to the provisions under Nos. 16.2.2 and 16.2.3, the insurer may cancel the policy giving one month's notice.

16.3.2. Policy Adjustment

Instead of cancelling the policy, the insurer may demand a higher premium as of the time of the increase in risk in accordance with its insurance principles or may exclude cover of the increased risk.

If, as a result of the increase in risk, the premium is increased by more than 10% or if the insurer excludes cover of the increased risk, the policyholder may cancel the policy without observing a notice period within one month after receipt of the insurer's notification. The insurer's

notification must inform the policyholder of this right of cancellation.

16.4. Lapse of the Insurer's Rights

The insurer's rights of cancellation or policy adjustment as provided under No. 16.3 shall lapse if the insurer does not exercise these rights within one month of becoming aware of the increase in risk or if the condition that existed prior to the increase in risk has been restored.

16.5. Release from Obligation to Pay due to Increase in Risk

16.5.1. If an insured event occurs after an increase in risk, the insurer is under no obligation to pay benefits if the policyholder intentionally breached his duties under No. 16.2.1. If the policyholder fails to fulfil these duties due to gross negligence, the insurer is entitled to reduce the benefits in proportion to the extent of the policyholder's negligence. The policyholder shall bear the burden of proving that the breach was not due to gross negligence.

16.5.2. Following an increase in risk as provided in Nos. 16.2.2 and 16.2.3, the insurer is under no obligation to pay benefits for an insured event that occurs later than one month after the time the insurer should have received notification of the increase in risk if the policyholder intentionally failed to fulfil the duty to notify the insurer. If the policyholder breached this duty due to gross negligence, No. 16.5.1, sentences 2 and 3 shall apply accordingly. The insurer is obliged to pay compensation if, at the time the insurer should have received notification of an increase in risk from the policyholder, the insurer was aware of the increase in risk.

16.5.3. The insurer remains under an obligation to pay compensation

- insofar as the policyholder can prove that the increase in risk was not causally connected to the occurrence of the insured event or to the scope of the obligation to pay,
- if at the time of the occurrence of the insured event the time allowed for the insurer to cancel the policy had expired and the insurer had not cancelled the policy
- if, instead of cancelling the policy, the insurer demands a higher premium as from the time of the increase in risk in accordance with its insurance principles.

§ 17 General Provisions

17.1. Payments by the insurer and by the policyholder shall be made in the currency in which the insured sum and the premium are specified in the policy.

17.2. The policyholder shall not assign or pledge any rights under this contract without the prior consent of the insurer.

17.3. This contract shall also be subject to the provisions of the German Insurance Contract Act (*Versicherungsvertragsgesetz – VVG*).

17.4. Actions against the Insurer

Any actions brought against the insurer based on the insurance contract shall be subject to the jurisdiction of the court in whose district the insurer has its registered office or in whose district the branch office which is responsible for the insurance contract is located. If the policyholder is a natural person, the court with jurisdiction for the district where the policyholder has his permanent place of residence at the time of bringing the action, or, should there be no permanent address, where the policyholder has his habitual place of residence at that time, shall have venue.

17.5. Actions against the policyholder

If the policyholder is a natural person, actions against the policyholder based on the insurance contract must be filed with the court with jurisdiction for the district where the policyholder has his permanent place of residence or, should there be no permanent address, his habitual place of residence. If the policyholder is a legal entity, the competent court shall be the court in whose district the policyholder has its registered office or its branch office.

YIU – Top – Passenger Accident Insurance conditions

§ 1 Scope of Insurance

- 1.1. The insurance relates to accidents which occur worldwide in causal connection with the use of the vessel specified in the policy and its dinghies on private journeys and regattas as well as during moorage, lay-up and use in harbours, during hauling out and launching, maintenance, servicing, conversion and repair works. The exercise of Sport by using water sport equipment belonging to the vessel (tenders, jet skis, water skis), swimming, snorkelling and diving are also covered provided that such activities are carried out in connection with the use of the vessel.
- 1.2. This insurance also covers accidents which occur in connection with the use of a yacht which the Policyholder has chartered and which is under his control as skipper, excluding any charter contracts which are for more than 2 weeks duration, or are for commercial purposes, or include participation in any regattas or races.

§ 2 Insured Persons

- 2.1. The insured persons are the owner of the vessel and the following entitled persons: skipper, crew members, visitors and guests and unpaid authorized persons carrying out maintenance, servicing, hauling out, launching, conversion and repair works.
- 2.2. In the event that a chartered yacht is used in accordance with § 1 (2) above, only the Policyholder as skipper and his crew members shall be insured.

§ 3 Object of the insurance

- 3.1. An accident occurs if the insured person involuntarily suffers damage to his health due to an external event which suddenly affects his body (accident event).
- 3.2. The following are also deemed to be accidents:
- 3.2.a. damage to health caused by the sudden escape of gases and vapours, fumes, dust clouds and acids;
- 3.2.b. due to excessive exertion on the limbs or the spine, a Joint is sprained or muscles, tendons, ligaments, or Joint capsules are strained or torn or abdominal or inguinal hernias occur. This also applies to slipped discs as long as there is no preexisting damage or degeneration (please refer to § 5);
- 3.2.c. damage to health typical to diving such as decompression sickness or barotrauma suffered by licensed divers or divers in training without being able to establish an accident event. Costs for any necessary treatment in a decompression chamber are also insured within the scope of § 4 No. 4;
- 3.2.d. damage to the health of insured persons caused during the lawful defence of or attempts to rescue people or things;
- 3.2.e. drowning or death by asphyxia under water. Drowning shall be assumed if an insured person goes overboard and cannot be recovered within three months;
- 3.2.f. food poisoning caused by the one-off ingestion of poisonous foodstuff provided that any damage to health resulting there from occurs within 48 hours and is medically diagnosed within this time; An accident also occurs if the insured person suffers damage to health caused by food deprivation or deprivation of medication or by the incorrect administration of essential medicines or foodstuffs a capacity as a whole. Only medical aspects are considered in doing this.

§ 4 agreed benefits

The agreed types of benefit and the insured sums can be found in the contract. The insurance applies in accordance with the lump-sum system. The amount per insured person is therefore calculated by dividing the agreed lump sum by the number of insured persons on board. It is limited to the

agreed maximum insured sum per person. The following provisions apply for the accrual of the claim and the assessment of the benefits.

4.1. Disablement benefit

4.1.a. Precondition for the benefit

The physical or mental capacity of the insured person is permanently impaired as the result of an accident (disablement). An impairment is permanent if it is likely to exist for more than three years and no change to the person's condition is expected. The disablement occurred within 12 months of the accident and was diagnosed by a doctor in written form and was claimed by you by submitting a medical certificate to us within 15 months of the accident. No claim for disablement benefit exists if the insured person dies as the result of an accident within a year from the date of the accident.

4.1.b. Type and amount of benefit

The disablement benefit is paid as a capital sum. The amount of benefit is calculated based on the insured sum and the degree of disablement caused by the accident. In the event of the loss or total functional incapacity of the following body parts and sensory organs, the following degrees of disablement:

- arm	75%
- arm up to above the elbow joint	70%
- Arm below the elbow joint	65%
- eye	50%
if however the vision in the other eye had already been lost before the accident	75%
- leg above the middle of the thigh	75%
- leg up to the middle of the thigh	70%
- leg below the knee	65%
- leg up to the middle of the lower leg	60%
- thumb	25%
- foot	50%
- big toe	8%
- other toe	4%
- hearing on one ear	35%
if however the hearing on the other ear had already been lost before the accident	50%
- sense of smell	15%
- sense of taste	10%
- Hand	60%
- voice	70%
- Index finger	16%
- other finger	10%
- several fingers of one hand, but maximal	60%

In the event of the loss or total functional incapacity the corresponding portion of the respective percentage applies.

4.1.c. For other body parts and sensory organs the degree of disablement is assessed according to the degree of impairment of the normal physical or mental capacity as a whole. Only medical aspects are considered in doing this.

4.1.d. If affected body parts or sensory organs or their functions were already permanently impaired before the accident, the degree of disablement is reduced by the previous degree of disability. This is to be assessed in accordance with § 4 No. 1.b and c above.

In the event of complete loss of hearing or eyesight as a result of the accident, a preexisting permanent impairment shall not be reduced by the percentage by which the impairment was corrected by auditory or optical aids (hearing aids, glasses, lenses).

4.1.e. If several body parts or sensory organs are impaired by the accident, the degrees of disablement assessed according to the above provisions shall be added together. However, an amount of more than 100% shall not be taken into account.

4.1.f. Additional benefits from 90% disablement

Double the amount of disablement benefit shall be paid if the following preconditions exist:

The degree of disablement is assessed in accordance with § 4 (1) (b) to (e) above and the accident occurred before the insured person attains the age of 65 and the accident leads to a degree of disablement of at least 90% The additional benefit shall be limited to a maximum of

- EUR 200,000.00 for each insured person.
- 4.1.g. If the insured person dies due to causes unrelated to the accident within one year after the accident or, due to any cause, later than one year after the accident and if a claim for disablement benefit had arisen, then benefit shall be provided according to the degree of disablement which would have been the basis for calculation according to the medical evidence.
- 4.2. Death benefit**
- 4.2.a. Preconditions for the benefits
It is a precondition for the benefit that the insured person has died as a result of the accident within one year. Your attention is drawn to the specific duties in accordance with § 7 (5) below.
- 4.2.b. Amount of benefit
The death benefit shall be paid in the amount of the agreed insured sum.
- 4.3. See rescue, recovery and search costs**
An amount of up to EUR 3,000.00 shall be refunded for the necessary rescue, recovery and search costs incurred by public law or private law organizations if the insured person has suffered an emergency at sea, narrowly escaped an emergency at sea or such an emergency at sea was suspected according to the specific circumstances, even if the search was unsuccessful.
- 4.4. Cosmetic operations**
- 4.7.a. Preconditions for the benefit
It is a precondition for the benefit that the insured person has undergone a cosmetic Operation following an accident covered by the contract.
A cosmetic Operation is deemed to be medical treatment carried out following the conclusion of the therapeutic treatment which has its aim the correction of any impairment to the external appearance of the insured person caused by the accident.
The cosmetic Operation must take place within three years after the accident; for accidents suffered by minors by no later than upon attaining the age of 21.
- 4.7.b. Type and amount of benefit
Up to a total of EUR 3,000.00 shall be provided as compensation for evidenced doctor's fees, other operation costs, necessary costs of accommodation and care in the hospital and for costs for dental treatment and dental prostheses accruing as a result of the loss or partial loss of incisors or canine teeth as a result of an accident.
- 4.5. Additional benefits**
For the benefits specified at No. 3 to No. 7, it is a precondition that a third Party (e.g. another insurer) is not under an obligation to provide benefit, disputes his obligation to provide benefit or has provided benefit but this was not enough to settle the costs.
If the Insured person has several accident insurance policies with Insurers that participate in this policy, these benefits may only be claimed under one of these contracts.
- § 5 Pre-existing illnesses or disabilities**
If illnesses or disabilities have contributed to the damage to health or consequences of such damage to health caused by an accident event, then the percentage of the degree of disablement shall be reduced in the event of disablement and the amount of benefit shall be reduced in the event of death and, unless agreed to the contrary, in all other cases in proportion to the illness or the disability.
- § 6 Exclusions**
No insurance exists for the following accidents:
- 6.1. Accidents suffered by the insured person whilst he deliberately commits a criminal offence or attempts to commit such an offence
- 6.2. Accidents by the insured person as a result of mental disorder; or impaired consciousness, even if these are due to a stroke, as well as accidents suffered as a result of strokes, epileptic fits or other seizures which affect the insured person's entire body
However, insurance cover exists:
- if these disorders or seizures were caused by an accident event covered by this contract; this does not apply to insured events under § 4.3;
 - for accidents caused by impaired consciousness due to drunkenness; however cover shall only exist if the blood alcohol level at the time of the accident was under 1.1‰.
- 6.3.** Accidents which are caused either directly or indirectly by acts of war or civil war
However, insurance cover exists if the insured person is unexpectedly affected by acts of war or civil war whilst travelling abroad
This insurance cover shall expire at the end of the 14th day following the outbreak of a war or civil war in the territory of the state in which the insured person is staying
The extension does not apply to travel to or through states in whose territory war or civil war is already being waged. It also does not apply to active participation in war or civil war or accidents caused by nuclear, biological and chemical weapons and in connection with any war or warlike conditions between China, Germany, France, Great Britain, Japan, Russia or the USA
- 6.4.** Accidents suffered by the insured person when participating in driving events for motor vehicles, including the associated test drives, when the goal of such events is the attainment of maximum speeds. This does not apply to participation in sailing regattas.
- 6.5.** Accidents which are caused either directly or indirectly by atomic energy.
- 6.6.** Accidents suffered by the insured person as a professional diver or licensed sports person.
- 6.7.** The following injuries are also excluded:
- 6.7.a. Bleeding from internal organs and brain haemorrhages.
However, insurance cover exists if an accident event covered by this contract according to § 3 is the predominant cause.
- 6.7.b. Damage to health caused by radiation.
However, insurance cover exists for damage to health caused by exposure as a result of an accident to X-rays, laser radiation, maser radiation and artificially generated ultraviolet radiation.
- 6.7.c. Damage to health caused by therapeutic treatments or surgery to the body of the insured person. However, insurance cover exists if the therapeutic treatments or surgery, including radio-diagnostic and radio-therapeutic treatment or surgery, are carried out as the result of an accident which is covered by this contract and also exists for violent acts by third parties.
- 6.7.d. Infections;
- 6.7.e. Poisoning as a result of taking solid or liquid substances through the gullet with the exception of food poisoning as specified at § 3 No. 3.2.f;
- 6.7.f. Abnormal disorders as a result of psychological reactions which cannot be directly and causally attributed to a physical injury / a physical loss, even if these are caused by an accident.
- § 7 Obligations in an insured event**
- 7.1.** Following an accident which is expected to result in a duty to provide benefit, the policyholder or the insured person must immediately consult a doctor, follow the doctor's orders and notify the insurer.
- 7.2.** The notice of accident sent to you must be completed truthfully and returned to us immediately. Any additional relevant information which has been requested must be provided in the same way.
- 7.3.** If doctors are instructed by the insurer, the insured person must also be examined by such doctors. The insurer shall bear the necessary costs including any loss of earnings which may result. If loss of earnings is not

substantiated for selfemployed persons, a fixed amount shall be reimbursed amounting to 1‰ of the insured sum for disablement but no more than EUR 500.00.

- 7.4. The doctors who have treated or examined the insured person, even if they have done so for other reasons, hospitals and other medical establishments, other personal insurers, statutory sickness Funds, workers' compensation insurers and authorities must be authorised to issue all requested information. The Insurer shall inform the insured person of the collection of personal health data if the Insurer has already been provided with consent before the accident. The insured Person may object to such data being collected; however, this may lead to the loss of the insured person's right to claim any benefit. The insured person may at any time request that data only be collected if consent has been obtained for the individual collection.
- 7.5. If the accident results in death, this must be reported to the Insurer within 48 hours of knowledge of this, even if the accident has already been reported. If necessary, the Insurer shall be granted the right to have a post-mortem examination carried out by an instructed doctor.

§ 8 Consequences of breaches of obligations

- 8.1. If an obligation following the occurrence of an accident is breached, then the insurance cover shall be lost. In the event of the grossly negligent breach of an Obligation the Insurer is entitled to reduce its benefit proportionately to the severity of the negligence. Both of these conditions shall only apply if the Insurer has drawn your attention to such legal consequences by means of a separate communication in written form. If the Policyholder proves that he has not grossly negligently breached the obligations, then the insurance cover continues. The insurance cover also continues if the Policyholder proves that the breach of the obligation caused neither the occurrence or establishment of the insured event nor the establishment or extent of the benefit. This does not apply if the Policyholder has breached the obligation fraudulently.
- 8.2. There is particularly no breach of obligation if the insured person does not consult a doctor until the true extent becomes known, or if it was initially believed that there were no consequences of the accident and there was therefore no immediate notification of claim, or if an obligation was unintentionally not fulfilled but was then immediately fulfilled after such obligation was identified.

§ 9 Payment date of benefits

- 9.1. The Insurer is obliged to state within one month - within three months for disablement claims whether and to what extent he accepts a claim. The time limits commence upon the receipt of the evidence of the circumstances of the accident and the consequences of the accident and, for disablement claims, evidence of the completion of treatment if this is necessary for the assessment of the disablement.
- 9.2. The Insurer shall bear any medical fees incurred in order to substantiate the claim for benefit if he has commissioned the certificate. The Insurer shall not bear any additional costs.
- 9.3. If the Insurer accepts the claim or if there is agreement as to the cause and the amount, the benefit shall be provided within two weeks.
- 9.4. The following applies for disablement benefit:
If initially only the causes for the obligation to provide benefit are determined, an appropriate advance payment shall be made upon request. Within one year from the date of the accident, disablement benefit may only be claimed up to the amount of the agreed sum in the event of death if treatment has not been completed.
- 9.5.
9.5.a. Both the Insurer and the insured person are entitled to have the degree of disablement medically reassessed

annually.

This right is valid for up to three years after the accident; for children it is valid until the attainment of the age of 14 but for no longer than five years after the accident.

This right must be exercised by the Insurer together with his declaration as to the obligation to provide benefit in accordance with § 8 No 8.1. and by the Policyholder before the expiry of the time limit. In order for the Policyholder to be able to exercise his right to reassessment of disablement within the time limit, the Policyholder must provide the Insurer with the opportunity to instruct a doctor to examine the insured person in sufficient time before the expiry of the time limit. The declaration of the wish to exercise this right should therefore be made by the Insurer within three months from the date of the declaration as to the obligation to provide benefit and at the latest by three months before the expiry of the time limit of five years after the accident.

- 9.5.b. If the final assessment of the degree of disablement for the disablement benefit in accordance with § 4 results in a higher benefit than we have already provided, then annual interest of 5 percentage points above the basic rate of the ECB is to be paid on the additional amount.

§ 10 Commencement and end of the insurance cover

- 10.1. The insurance coverage begins on the date specified in the policy. The exception of the Insurer's release obligation to perform before payment of the first premium (§ 37 No. 2 of the Insurance Contract Act (VVG)) is excluded.
- 10.2. The insurance contract is concluded for a fixed term of one year. It shall extend by one further year at a time unless it is terminated in writing by no later than three months before the expiry of the respective contract year.

§ 11 Legal relationships between the parties

- 11.1. A jointly insured person may Claim benefits under the accident insurance by contacting the Insurer directly without the Policyholder's consent. In such an event, the benefit shall be paid directly to the insured person. The Policyholder shall inform each jointly insured person about the existing insurance cover within the scope of this contract and also about the rights of the insured person in accordance with § 11 No. 11.1.
- 11.2. The Policyholder alone and not the insured person is entitled to exercise any other rights under the contract. Both the Policyholder and the jointly Insured Person are responsible for fulfilling the obligations.
- 11.3. All provisions applicable to the Policyholder must be applied analogously to his successors in title and other claimants.

§ 12 Notices and declarations of intent

All notices and declarations of intent by the Policyholder within the scope of this insurance contract which are intended for the Insurer shall be effective if they are made to EIS.

§ 13 Currency, law, transfer, additional applicable provisions

- 13.1. The benefits provided by the Insurer and the Policyholder shall be paid in the currency in which the insured sum and the premium are quoted in the policy.
- 13.2. It is agreed that German law shall apply.
- 13.3. The claims for benefit arising from this insurance contract may not be transferred without the Insurer's express consent.
- 13.4. The provisions of the Insurance Contract Act (VVG) shall also apply to this contract.

Clause 1000 – Regatta Risk Cover

Deleted

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Clause 1001 – Charter Risk Cover

In amendment of the Terms and Conditions of YHB and YKB, insurance cover extends to commercial use of/chartering out the yacht for bareboat and berth charter, as well as charters for license preparation time, if

- the charter base checks the identity of the charter customer and his/her crew by inspecting the original identification papers and licences and makes copies of these documents. Copying the statements of the crew may be omitted if listed on the crew list, the entire crew with complete name and address or identification number.
- Charter outside of inland waters - the bareboat charter client have to have an own valid credit card and the basis have to take from this credit card a positive reservation in minimum amount of the excess of the contract.

A violation of this regulation by the attending charter base has to be assigned directly to the policyholder.

The insured party shall not be under the obligation of contractual consequences resulting from any misconduct of the charter crew. The insured party shall be co-insured against damages arising from the misappropriation of the insured yacht by the charterer in accordance with section § 246 of the German penal code or from the intentional or grossly negligent conduct of the charter crew, insofar as any third party liability claims by the charter firms against the charterer are expressly ceded legally to the insurance company.

In deviation of § 1.2. f – i of the YHB refers only to the owner of the insured yacht.

In deviation of § 1.2. YKB refers only to the personal effects of the owner of the insured yacht.

In deviation of § 3.4 and § 4 YKB, these benefits apply only to the owner of the insured yacht.

The risk of charter cancellation in the case of commercial charter with respect to individual yachts is insured in accordance with the following terms supplementary to the YKB Terms and Conditions for Comprehensive Yacht Insurance.

1. Object of the Insurance

Cover is provided where there is provable loss of charter income from charter contracts which had already been concluded in writing provided that subsequent charters are not possible either because the yacht's seaworthiness and/or its safety is impaired as a result of damage/loss covered under the comprehensive insurance or because there is a total loss due to theft of the yacht or due to damage rendering repair uneconomical.

2. Extent of the Cover

The loss will be reimbursed as from the eighth day of the following charter. Liability is limited to the time from 1st April to 31st October for any one year and to a maximum of 4 calendar weeks per claim.

Charter cancellation costs arising from charter contracts with a duration exceeding four calendar weeks are not covered. This four-week limitation also applies to the total duration with respect to several charter contracts of the same charter customer.

If a replacement yacht can be made available by the same policyholder, compensation is limited to the provable loss (additional costs incurred and shortfall in receipts), the maximum amount payable being 100% of the cancelled charter. The nearest comparable yacht available is to be chosen as replacement.

Upon request, the policyholder must provide proof that the contract deposit for the subsequent charter concerned had already been received on a business account of the policyholder or of the charter base at the time that the damage/loss covered by the comprehensive insurance occurred.

3. Policyholder's Duties

- The insurer is to be informed of the current charter fees for each yacht separately by the first of April each year.
- In the case of a claim, the insurer shall be provided with the current schedules for all of the policyholder's yachts and the corresponding charter contracts.

4. In the event of Damage/Loss

The policyholder must immediately notify the insurer of the occurrence of damage/loss that is covered under the comprehensive insurance. Upon occurrence of such damage/loss, the insured shall immediately – in particular by making repairs, rearrangements, and organizing a replacement – do everything possible to prevent or minimize the loss that could arise from a cancellation. In such cases, the insurer must be consulted and its instructions followed to the extent this is reasonably possible. This applies even when the loss from cancellation has already occurred.

The insurer must immediately be informed of any measures taken by the insured which were deemed necessary under the circumstances, but for which it was not possible to obtain prior consent from the insurer.

In conformity with § 12 of the YKB Top the no claims bonus regulation do not apply on the contribution according to this clause.

The risk of charter cancellation in the case of commercial charter is insured in accordance with the following terms supplementary to the YKB Terms and Conditions for Comprehensive Yacht Insurance.

1. Object of the Insurance

Cover is provided where there is provable loss of charter income from charter contracts which had already been concluded in writing provided that subsequent charters are not possible either because the yacht's seaworthiness and/or its safety is impaired as a result of damage/loss covered under the comprehensive insurance or because there is a total loss due to theft of the yacht or due to damage rendering repair uneconomical.

2. Extent of the Cover

The loss will be reimbursed as from the first day of the next subsequent charter. The excess is 10% of the amount of the loss. Liability is limited to the period from 1st April to 31st October of any one year and to a maximum of 20 calendar weeks per calendar year. Charter cancellation costs arising from charter contracts with a duration exceeding four calendar weeks are not covered. This four-week limitation also applies to the total duration of several charter contracts of the same charter customer. Compensation shall furthermore only be paid if there are at least two weeks between conclusion of the contract for the subsequent charter and the commencement of the charter.

If a replacement yacht can be made available by the same policyholder, compensation is limited to the provable loss (additional costs incurred and shortfall in receipts), the maximum amount payable being 90% of the cancelled charter. The nearest comparable yacht available is to be chosen as replacement.

Upon request, the policyholder must provide proof that the contract deposit for the subsequent charter concerned had already been received on a business account of the policyholder or of the charter base at the time that the damage/loss covered by the comprehensive insurance occurred.

3. Policyholder's Duties

The policyholder shall

- inform the insurer of the current charter fees for each yacht separately by the first of April each year.
- in the case of a claim, provide the insurer with the current schedules for all of the policyholder's yachts and the corresponding charter contracts.

4. In the event of Damage/Loss

The policyholder must immediately notify the insurer of the occurrence of damage/loss that is covered under the comprehensive insurance. Upon occurrence of such damage/loss, the insured shall immediately – in particular by making repairs, rearrangements, and organizing a replacement – do everything possible to prevent or minimize the loss that could arise from a cancellation. In such cases, the insurer must be consulted and its instructions followed to the extent this is reasonably possible. This applies even when the loss from cancellation has already occurred.

The insurer must immediately be informed of any measures taken by the insured which were deemed necessary under the circumstances, but for which it was not possible to obtain prior consent from the insurer.

In conformity with § 12 of the YKB Basic the no claims bonus regulation do not apply on the contribution according to this clause.

Clause 1004 a) – Extended Machinery Cover

In addition of YKB § 5.9. co-insured are all other damages of engine, except damages due to frost or ice, up to 36 months after manufacture of the insured vessel (CE number, year of construction) or of the engine (number of engine) – whichever is earlier - after failure to enforce potential guarantee claims and warranty claims, provided that they (according to manufacturers' instructions) maintenance requirements to be complied, particular also to a winter storage, were conducted detectable (see § 15.1.3.). This coverage may be extended by agreement.

Clause 1004 b) – Extended Machinery Cover

In addition of YKB co-insured is following extended engine coverage.

1. Object of the Insurance

There is insurance cover for the ready-to-run diesel engines specified in more detail in the proposal to 15 years of age. The cover extends to auxiliary units, pumps, transmission, shafts, including bearings and screws, subject to the following conditions.

The cover does not extend to foundations, cooling systems, generators, exhaust systems, accessory agents and fuel, nor to oils and lubricants, and other parts that are known to need replacement more than once during the lifetime of the insured object, e.g. tubes, hosing, filters, seals and gaskets, etc.

2. Insured Damage/Loss and Risks

The insurer will pay compensation for property damage which occurs unpredictably to the insured machine as a result of the following risks:

- operator error and clumsiness
- malfunction of measuring, control, or safety instruments
- tearing apart as a result of centrifugal force
- excess pressure or vacuum
- frost or drifting ice

Unpredictable damage is damage that the policyholder or his representatives neither foresaw in time nor could have foreseen even with the specialized knowledge required for the activity carried out in such operations. Damage caused through gross negligence does not constitute unpredictable damage.

The insurance is subsidiary to any warranty or guarantee claims in respect of the damage, i.e. shall only become available after any such enforceable claims have been asserted.

Any towing costs are only covered under and within the scope of the comprehensive insurance.

3. Insurable Value; Insured Sum

The insurable value is the current list price (at the time of commencement of the insurance) of the insured objects (machine together with controls, transmission, shaft and drive units) in new condition, including delivery and assembly. If the insured object no longer appears in price lists, the list price of a technically equivalent object shall be applied. Discounts and price concessions are not taken into account for the determination of the insured sum.

The insurer reserves the right to refuse compensation on the basis of underinsurance.

4. Compensation Payment**4.1. Partial Damage/Loss**

In the case of partial damage, the insurer will pay compensation for the cost of repair. In addition to the actual costs of repair without "new for old" deductions, restoration costs in the case of partial damage also include any costs of assembly and disassembly of the insured object, transport by land and by sea of the replacement parts necessary for the repair, and the costs arising for work on the yacht as well as for lifting the yacht by crane. As far as possible, reconditioned replacement parts are to be used.

4.2. Costs Not Covered

The restoration costs do not include: bilge cleaning, additional costs for overtime or for any additional pay for work done on Sundays or holidays, or customs and costs outside the EU where these costs exceed the normal EU customs duties.

4.3. Total Loss

In the case of a total loss, the insurer will reimburse the current value, but not more than the insured sum. The current value is deemed agreed as shown in the following schedule:

Age of machine in years	1-2	3	4	5	6	7	8	9	10	11-15
Current value rate	100%	90%	80%	70%	60%	50%	45%	40%	35%	30%

4.4. Offsetting Losses by Advantages

If inspection and repair work because of a damaging event are carried out at the same time or if inspections that would be necessary at the time become unnecessary because of the repairs carried out, only the additional cost generated by the damage (deduction of saved inspection costs) will be reimbursed.

4.5. Excess

The excess to be paid by the policyholder is 10% of the insured sum, the minimum amount payable being EUR 1,000. The agreed excess is to be deducted, for each damaging event, from the compensation payable in accordance with the insurance conditions.

5. Duties

Without regard to the commencement of insurance cover, the policyholder shall provide proof that, as from the time of first operation or of the last inspection, maintenance and servicing took place in the intervals prescribed by the respective manufacturer of the machine. The policyholder agrees, even if not so instructed by the manufacturer, to change oil and filters at least every six months. Any overhaul recommended after maintenance work has been done shall be carried out without delay. The maintenance/overhaul must be carried out by qualified professionals or by an authorized repair shop and must be documented with proof of servicing/invoices and payment receipts. Moreover, in the case of bareboat charter, the base personnel must check oil and cooling water levels and diesel filters, making any replacements or refills necessary, whenever the crew changes shift.

6. Inspections

The policyholder shall provide proof that an inspection is carried out regularly every five years from the time of first operation and shall immediately send the results of the inspection to the insurer. The inspection must include at least the following examinations: general condition, ignition and compression diagram, removal and examination of injection nozzles/fuel injectors, endoscopic examination of the combustion area, axial clearance measurement, examination of the cooling system, replacement of all filter units, testing of all indicators/gauges and warning systems, a test run under load with measurements of all operational temperatures and pressures, exhaust turbocharger examination, inspection of the reverse/step-up gear.

7. Financial Loss

Damaging events regulated under this special agreement do not establish a claim to reimbursement of charter cancellation loss.

In conformity with § 12 of the YKB Top the no claims bonus regulation do not apply on the contribution according to this clause.

Clause 1005 – Temporary Extension of the Navigational Area to the Azores, Madeira, and Cape Verde

Supplementary to the YHB Yacht Liability Insurance Conditions and the YKB Terms and Conditions for Comprehensive Yacht Insurance, the insurance covers the following temporary extension of the navigational area to the Azores, Madeira, and Cape Verde.

1. Object of the Extension

Cover is provided for the extension of the navigational area to

- 1.a. the Azores and Madeira between 1st May and 31st October for any one year;
- 1.b. the Cape Verde Islands within a circumference of 170 nm around Mindelo between 1st November and 1st April for any one year;

as well as the direct route to the respective extended area. The coastal waters of the Atlantic coast of the African continent are not covered.

2. Policyholder's Duties

- 2.1. The crew must have sufficient qualifications and documented experience. Before the voyage commences, the insurer must be notified of the date, the route, and crew details, including proof of experience.
- 2.2. During the voyage in the extended navigational area, the yacht must be equipped with a satellite transponder and satellite telephone. The satellite telephone number is to be given to the insurer prior to leaving the original navigational area.

3. Excess

An increased excess amounting to three times the excess specified in the policy shall apply to any damage/loss occurring en route to and from the extended navigational area or when in the extended navigational area, the minimum amount of the excess payable being EUR 3,000 per claim.

Clause 1006 – Temporary Extension of the Navigational Area to the Caribbean

Supplementary to the YHB Yacht Liability Insurance Conditions and the YKB Terms and Conditions for Comprehensive Yacht Insurance, the insurance covers the following temporary extension of the navigational area to the route to the Caribbean Sea and back.

1. Object of the Extension

- 1.1. The insurance covers the temporary extension of cruising area during the transatlantic crossing from Europe to the Caribbean Sea by way of the trade wind route (Canary Islands – Cape Verde – Caribbean sea) in the period from beginning of November till end of January as well as from the Caribbean Sea to Europe via the northern route (Bermudas – Azores – Europe) in the period from beginning 16th of April till end of June (navigation area boundaries in the north Atlantic south 50 degrees north latitude and north 9 degrees north latitude), as well as in the Caribbean Sea (navigation area boundaries south 30 degrees north latitude and north 10 degrees north latitude as well as east 90 degrees west length and west 55 degrees west length) and in the whole Gulf of Mexico in the time of December until 15th of April. Excluded are the territorial waters Haiti, Colombia, Panama and Venezuela. Covered are only the territorial waters of Panama regarding the directly access to the Panama Canal on the usual shipping routes.

2. The following supplementary conditions shall apply for the time of the extension of the navigational area.

- 2.1. Damage/loss caused by storms that are given a name, i.e. with a wind speed of 116 km/h or more (hurricanes), is not covered.
- 2.2. Damage/loss caused from a night voyage is not covered, unless the distance between point of departure and destination renders a night voyage unavoidable. Trips in the Caribbean Sea between sunset and sunrise are not allowed, unless the trip is the transatlantic crossing or is a trip to another island which renders night travel unavoidable.
- 2.3. Damage/loss incurred while one person is sailing the yacht without a crew is not covered.
- 2.4. In the case of a total loss, the insurer will pay compensation for the loss on a current value basis max. the insurance sum.

3. Policyholder's Duties

- 3.1. The crew must have sufficient qualifications and documented experience. Before the voyage commences, the insurer must be notified of the date, the route, and crew details, including proof of experience. The experience is deemed sufficient if the skipper and one additional crew member have already sailed the route once. Before crossing the Atlantic, the insurer is to be informed of the planned route, crew details, including their sailing experience, the means of communication on board, as well as the date of departure.
- 3.2. During the voyage in the extended navigational area, the yacht must be equipped with a satellite transponder and satellite telephone. The satellite telephone number is to be given to the insurer prior to leaving the original navigational area.

4. Excess

An increased excess amounting to three times the excess specified in the policy shall apply to any damage/loss occurring en route to and from the extended navigational area or when in the extended navigational area, the minimum amount of the excess payable being EUR 3,000 per claim.

**Clause 1007 –
and Jet Boats**

Supplementary Conditions for Jet Skis

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**Clause 1008 – Supplementary Conditions for a Limited
Jet Ski and Jet Boat Cover (without partial and total theft
cover)**

Deleted

Deleted

Clause 1009 – Supplementary Conditions for Inflatable Boats (RIBs) and Corresponding Equipment Rigid-²⁵ Clause 1010 – Supplementary Conditions for Sport Fishing Boats and Corresponding Equipment

Deleted

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Supplementary to the YKB, insurance cover is extended for confiscation-, war- and strikes as follow.

1. Risks

Subject always to the exclusions hereinafter referred to, this insurance covers loss of or damage to the vessel caused by:

- 1.1. War, civil war, revolution, rebellion, insurrection, or civil strife arising there from, or any hostile act by a belligerent power;
- 1.2. capture seizure arrest restraint or detainment, and the consequences thereof or any attempt thereat;
- 1.3. derelict mines torpedoes bombs or other derelict weapons;
- 1.4. of war strikers, locked-out workmen, or persons taking part in labour disturbances, riots or civil commotions;
- 1.5. any terrorist or any person acting from a political motive;
- 1.6. confiscation or expropriation.

Provided that the insurance against the perils under Clause 1 above (with the exception of Clause 1012 No. 1.4) shall not apply before the vessel has been launched or whilst she is hauled out ashore.

2. Detainment

In the event that the vessel shall have been the subject of capture seizure arrest restraint detainment confiscation or expropriation, and the Assured shall thereby have lost the free use and disposal of the vessel for a continuous period of 12 months then for the purpose of ascertaining whether the vessel is a constructive total loss the Assured shall be deemed to have been deprived of the possession of the vessel without any likelihood of recovery.

3. Exclusions

This insurance excludes

- 3.1. loss damage liability or expense arising from:
 - 3.1.1. any detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter, hereinafter called a nuclear weapon of war;
 - 3.1.2. the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United Kingdom of Great Britain and Northern Ireland, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China;
 - 3.1.3. requisition or pre-emption;
 - 3.1.4. capture seizure arrest restraint detainment confiscation or expropriation by or under the order of the government or any public or local authority of the country in which the vessel is owned or registered;
 - 3.1.5. arrest restraint detainment confiscation or expropriation under quarantine regulations or by reason of infringement of any customs or trading regulations;
 - 3.1.6. the operation of ordinary judicial process, failure to provide security or to pay any fine or penalty or any financial cause;
 - 3.1.7. piracy (but this exclusion shall not affect cover under Clause 1.4);
- 3.2. any claim for any sum recoverable under any other insurance on the vessel or which would be recoverable under such insurance but for the existence of this insurance;
- 3.3. any claim for expenses arising from delay except such expenses as would be recoverable in principle in English law and practice under the York-Antwerp Rules.

4. Termination

- 4.1. This insurance may be cancelled by either the Underwriters or the Assured giving 7 days notice (such cancellation becoming effective on the expiry of 7 days from midnight of the day on which notice of cancellation is issued by or to the Underwriters). The Underwriters agree however to reinstate this insurance subject to agreement between the Underwriters and the Assured prior to the expiry of such notice of cancellation as to new rate of premium and/or conditions and/or warranties.
- 4.2. Whether or not such notice of cancellation has been given this insurance shall TERMINATE AUTOMATICALLY:
 - 4.2.1. upon the occurrence of any hostile detonation of any nuclear weapon of war as defined in Clause 3.1.1 wheresoever or whensoever such detonation may occur and whether or not the vessel may be involved;

- 4.2.2. upon the outbreak of war (whether there be a declaration of war or not) between any of the following countries:
United Kingdom of Great Britain and Northern Ireland, United States of America, France, the Union of Soviet Socialist Republics, the People's Republic of China;
- 4.2.3. in the event of the vessel being requisitioned, either for title or use.
- 4.3. In the event either of cancellation by notice or of automatic termination of this insurance by reason of the operation of this Clause 1012 No. 4, or of the sale of the vessel, pro rata net return of premium shall be payable to the Assured. This insurance shall not become effective if, subsequent to its acceptance by the Underwriters and prior to the intended time of its attachment, there has occurred any event which would have automatically terminated this insurance under the provisions of Clause 4 above.

5. Applicable Law

This insurance is subject to English law and practice.

In conformity with § 12 of the YKB Top the no claims bonus regulation do not apply on the contribution according to this clause.

Clause 1013 – Oversize Insurance

§1 of the YHB is replaced as follows:

1. Subject of the insurance

- 1.1. The insurer is covering the insured in the case that he is experiencing a damage during the validity of this insurance, which refers to the in his insurance policy mentioned over length of the insured vessel on his berth, which results in death, injury or health damage (person damage) or the damage or destruction of goods (goods damage), based on legal condition of the third party liability (TPL) from holding, using or possession, when the insured is claimed by a third party for damages.

Included are:

- a) the personal legal TPL of the responsible captain or of the person authorised in operation of the vessel.
- b) the TPL protected by law includes the pecuniary damage in case of claims arising during the validity of this insurance (see § 3.1.10)
- 1.2. This insurance is performing on a subsidiary basis to the existing TPL of the insured vessel. The insured is obliged to hand over a copy of his existing TPL policy to the insurer.
- 1.3. The insurer is abandoning therefore the peremptory exception of act of gross negligence.

Clause 1014 – Expended cover for “oversize”**§1.2 of the YBH is expended as follows:**

- 1.2.k. the risk originating from the over length of the vessel on the berth mentioned in the insurance policy. The insurer is abandoning therefore the peremptory exception of act of gross negligence.

Clause 1015 – Additional conditions for the cruising area Caribbean sea and USA East Coast

1. **In addition to the YKB and YHB following options apply:**
- 1.2. Decisive for the insurance are the conditions of this clause. As far as nothing different is agreed, the terms of the underlying YKB yacht hull insurance conditions directly or appropriately.
- 1.3. The insurance applies during the transatlantic crossing from Europe to the Caribbean Sea by way of the trade wind route (Canary Islands – Cape Verde – Caribbean sea) in the period from beginning of November till end of January as well as from the Caribbean Sea to Europe via the northern route (Bermudas – Azores – Europe) in the period from beginning 16th of april till end of June (navigation area boundaries in the north Atlantic south 50 degrees north latitude and north 9 degrees north latitude), as well as in the Caribbean Sea (navigation area boundaries south 30 degrees north latitude and north 10 degrees north latitude as well as east 90 degrees west length and west 55 degrees west length) and in the whole Gulf of Mexico. Excluded are the territorial waters Haiti, Colombia, Panama and Venezuela. Covered are only the territorial waters of panama regarding the directly access to the Panama Canal on the usual shipping routes.
- 1.4. In addition to the exclusions damages, caused by named tropical hurricanes (a named tropical hurricane defined as a tropical hurricane, cyclone or typhoon which get a name by the “National Hurricane Centre” (www.nhc.noaa.gov) not covered by the insurance unless:
 - a) The yacht is at sea with sufficient distance to coast (not anchored, fixed or lying on the ground);
 - b) The yacht is safely stored on land at a unit manufactured steel bracket and the bearing block and the yacht are securely lashed to ground anchors, as well as mast and boom as well as standing and running gear are stored in a securely mast storage
 - c) At least the yacht is scuppered ground level to the water line and mast and boom as well as standing and running gear are stored in a securely mast storage
 - d) The yacht is in a port or marina permanently manned or controlled, properly and professionally fit for lie made; the mooring lines have to be tripled and to cross at bow and stern – thereby all fixing points used (cleats, winches and windlasses) and all friction points as well as the docking lines are to be kept in reinforced hoses at the rings of the buoy, provided that the yacht moored with bow and anchor, two anchors are professionally moved with a cutted line; the yacht is to be secured in the way that they at least 1.5 meters is kept away from the pontoon and to avoid during movements an interlock of the rig with neighboring yachts; the sides and stern have to be protected to the fenders attached with inserted garbage bag car tires additionally.
Generally all non-driven sails, sprayhoods, solar sails (Bimini Tops) as well as other tarpaulins to be removed and stored in closed storages or under cover; dinghies, life rafts, losing equipment and outboard engines have to be stored in a particular secured storage or under cover. The boom and the whole running rigging are at b) to d fixed) on deck, so that hitting is not possible. Fallyards and hawsers are placed at a distance from the rigging. All hatches and valves must be closed. Trips in the Caribbean Sea and Gulf of Mexico between sunset and sunrise are not allowed, provided that a night trip because of a crossing or between the distances of the islands is necessary, this is to be planned, that a landing only takes place in daytime. Regarding bareboat charter the client must sign a statement that makes him liable to regress a disregard for such damages.
- 1.5. Amendment in the amount of compensation the insurer will pay compensation for total loss of the verhicle including the built-in mechanical equipment and/or the outboard engine as well as the dinghy and the life raft.
 - a) so far the insured events are not older than 3 years of the agreed insurance value,

- b) in older events, the current market value, at most the maximum value mentioned in the policy, less any residual value.

1.6. According to the amendment of YKB the mentioned excess of the policy will apply to all claims.

2. Obligations of the policy holder

2.1. The insured event must be provided during the transatlantic crossing with a satellite system, EPIRB and a satellite phone.

2.2. The policy holder must prove the EIS prior to transatlantic crossover of the yacht from the Canary Islands via the Cape Verde to the Caribbean Sea, that the crew holds sufficient experience. The EIS should be informed before transatlantic crossing regarding the planned route, the crew, the skipper's experience of communication facilities on board and on the expiry date.

The policyholder has to appoint to EIS the mooring and contact details of the person in the Caribbean Sea / Gulf of Mexico, which is entrusted with the care and maintenance of the yacht.

Provided that the yacht will be in charter, every skipper/charter customer has to sign the attached statement. In the period from 15th of June till 30th of November of a year the policy holder has to take care, that every skipper of the yacht owns an extended third party liability for damages to the chartered yacht in case of proven gross negligence up to 550.000,- EUR.

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