



SPECIAL TERMS AND CONDITIONS FOR SKIPPER'S LIABILITY INSURANCE (SH0224)

The present translation was completed on the basis of the relevant German source text, however, the latter alone is legally authoritative.

1. Insured

is the statutory liability of the policy holder arising from the possession and use of a chartered/hired vessel, where the vessel is used exclusively for private purposes without professional crew. The insurance cover is provided on a subsidiary basis. This means that the insurance provided under this agreement only covers claims that (including partially) are proven not to be covered by alternative insurance agreements (including third-party arrangements). Payments are limited to the insured sums of the contract, payments of other insurance contracts might be deducted.

2. The insurance cover also extends to

- the personal statutory liability of the skipper in charge and the other persons authorised in the operation of the craft together with the crew members,
- the use of dinghies with auxiliary engines up to a maximum engine power of 20 HP,
- the statutory liability associated with towing water-skiers and parasenders,
- the personal statutory liability of water-skiers during the time that such persons are being towed by the boat,
- contrary to Paragraph 7.4. Abs. 3 AHB claims for compensation of coinsured parties among one another by reason of:
 - personal injury and,
 - damage to property in connection with skippering the chartered yacht, an excess of EUR 150,00 per insured event is deducted. Claims for compensation of the policy holder against the consured persons are covered to the same extent.
- If the yacht chartered by the policy holder can not reach the charter base or the previously agreed port of departure as planned due to damage caused by the crew or the policy holder, the proven costs for the return journey to the place of return, including any hotel costs incurred, will be up to a total EUR 1,000,00, unless the charter company is obliged to assume the costs due to statutory or contractual provisions.
- The insurer will reimburse the policyholder for any recovery or towing costs invoiced to them, provided that these costs are not covered by any other existing insurance policies for the vessel, the charterer, the charter base, or the owner (such as hull insurance, deposit insurance, or assistance insurance). Additionally, the charterer must have been entitled to consider the use of recovery or towing services necessary to prevent damage to the yacht. The skipper's liability insurance costs are reimbursed up to a maximum of EUR 25,000. The charterer must pay a deductible of 10% per loss event, with a minimum of EUR 250.

3. Insurance cover does not extend to

- the personal statutory liability of parasenders,
- the statutory liability in relation to damage arising from participation in motorboat races or sustained during practice sessions conducted as preparation for such events. Participation in sailing regattas may be covered on request to the insurer.
- Claims for compensation through the knowing breach of statutes, regulations or duties in relation to handling flammable or explosive materials.

4. Damage to the operated yacht

including nautical equipment and loose items are not insured. But contrary to Paragraph 7.7 AHB claims for compensation arising from damage caused by the officially proven gross negligence of the policy holder. Based on the overall amount of cover defined under the agreement the cover per insured event and insurance year amounts to EUR 750,000,00 with a payable deductible of EUR 2,500,00 per insured event after deduction of the security deposit.

5. The following also applies

a) For damage sustained abroad:

- Contrary to Paragraph 7.9 AHB – the insurance cover extends to statutory liability for instances of damage occurring anywhere in the world. The insurer will make payments of compensation in Euro. The insurer's obligations are deemed fulfilled from that time when a domestic bank has been instructed to carry out the transfer of the relevant Euro sum.
- Contrary to Paragraph 7.9 AHB in the event that a watersports craft is provisionally confiscated in a foreign port, any requisite security deposit or bailment is only insured under the agreement up to a sum equivalent to EUR 125,000,00.
- With regard to loss events in the USA or Canada, contrary to Paragraph 6.5 AHB, the expenses of the insurer deemed to be costs will be treated as compensation paid out and set off against the cover amount.

Costs are: Costs of attorneys, experts, witnesses and courts, expenses incurred in the avoidance or minimisation of damage at the time of or after the insured event as well as costs in the ascertainment of the loss, including costs of travel not incurred by the insurer itself. This also applies where these costs arose as the result of the insurer's instructions.

Claims for compensation which have a penal character, especially punitive and exemplary damages, are not covered by the insurance.

b) Operating the craft without the officially required license:

- Where an official license is required for operating a water-sports craft, the insurer is not obliged to pay compensation if the person in charge was not in possession of the officially prescribed license at the time that the insured event occurred.
- The insurer remains liable to pay compensation to the policy holder, however, where the latter could reasonably assume that the skipper/ person in charge was in possession of the requisite license or where an unauthorised person took charge of the craft.

c) For water pollution damage:

- The scope of the agreement encompasses the statutory liability of the policy holder for the direct and indirect consequences of changes to the physical, chemical or biological properties of a body of water including the ground water (water pollution damage) whereby financial losses are treated similarly to damage to property, with the exception of water pollution damage caused - through discharging or dumping water pollutants in water or by otherwise deliberately interfering with water. This also applies where the discharge or dumping is necessary in order to protect other legal interests.
 - through the operationally unavoidable drip or escape of oil or other fluids from fuel tank caps, fuel pumps or from machine equipment on the vessel.
- Excluded are claims for compensation against those persons (policy holder or co-insured parties), who caused the damage/loss through intentionally acting contrary to the laws, regulations, public orders issued with respect to the policy holder or ordinance designed for water pollution control.
- The insurance cover does not extend to damage caused directly or indirectly by war, other acts of hostile forces, riots, civil commotion, general strikes (in the Federal Republic of Germany or one of its States), or illegal strikes or directly caused by interventions or action of public authorities. The same applies to damage caused by force majeure where elementary natural forces have been in play.

d) For personal injury and damage to property:

The sum insured depends on the insurance cover you requested. You can choose from EUR 10 million or EUR 15 million as a lump sum for personal injury and property damage, whereby the total sum for all insured events within any one year of insurance is a maximum of twice this sum.

e) For Financial Loss:

The insurance cover extends to claims for compensation on the part of financial loss to the sum of EUR 300,000,00 for each claim and for a sum of claims in one insurance year a maximum of twice this sum.

f) For loss of charter income:

The insurance cover extends to both legal as well as contractual third party claims for compensation on the part of the charter company or owner of the operated yacht for the loss of charter income due to damage caused by the policy holder or his crew.

The claim must be substantiated by:

- a detailed damage report,
- the report from a surveyor relating to the damage sustained and the requisite duration of repairs,
- the actual charter agreement as well as
- the follow-up charter agreement or the rebooking documentation.

The amount of cover is EUR 25,000,00 per loss event and year of insurance. The proportional costs of loss of use for 3 days will not be recompensed.

g) Insurance for third party account

- If the insurance policy is in favour of a third party, the terms concerning the policy holder i.e. paragraphs 22 to 26 (multiple insurance, obligations) of the General Insurance Conditions for Liability Insurance (AHB) shall apply on the co-insured person.
- As far as the knowledge or the behavior of the policy holder is of legal significance, the knowledge or the behavior of the co-insured person may be considered, according to § 47 VVG.
- If several co-insured persons claim benefits and thus the insurance sum is exceeded, the insurer shall pay only in proportion to their claims. If the total insurance sum is paid, and the insurer could not expect any further claims by other insured persons, these insured persons may not file additional claims. Nevertheless, if subsequently asserted claims are to be satisfied, this can only be settled proportionately.
- If a claim is settled legally binding by the insurer and the policy holder or the insured person, this is binding to any other insured person.