



Hamburger Yacht-Versicherung

Schomacker Versicherungsmakler GmbH

Special terms and conditions (BSH 2008) for Professional Skipper Liability Insurance

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

1. Insurance cover is provided for

the statutory liability of the policy holder as a skipper of third-party owned water-sports craft up to a maximum weight of 100 tons. This 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).

Water-sports craft are deemed to be craft that, irrespective of the propulsion mode, are intended for sports and leisure activities, and thus include sailing and motor yachts and boats, canoes, rowing and collapsible boats and rubber dinghies, wind surfboards, powered boards and jet-skis.

2. The insured cover extends to

- a) the personal statutory liability of the skipper in charge and the other persons authorised in the operation of the craft together with crew members,
- b) the use of dinghies with auxiliary engines up to a maximum engine power of 20 HP,
- c) the statutory liability associated with towing water-skiers and parascenders,
- d) the personal statutory liability of water-skiers during the time that such persons are being towed by the boat
- e) contrary to Paragraph 7.5(1) AHB in conjunction with Paragraph 7.4(1)AHB claims for compensation of co-insured parties among one another by reason of:
 - 1) personal injuries not including employment-related accidents and occupational illnesses occurring within the business operation of the policy holder
 - 2) damage to property provided this exceeds EUR 150,00 per insured event
- f) the hiring of berths (bunks)
- g) the statutory liability arising from participation in sailing regattas, provided this has been checked and approved by the insurer. This implies a duty to notify the insurer with respect to events of this type.

3. Insurance cover does not extend to

- a) the personal statutory liability of parascenders,
- b) the statutory liability in relation to damage arising from participation in motorboat races or sustained during practice sessions conducted as preparation for such events,
- c) Claims for compensation through the knowing breach of statutes, regulations or duties in relation to handling flammable or explosive materials,
- d) Claims for compensation based on liability for personal injury relating to employment accidents and occupational illnesses sustained within the commercial operation of the policy holder as defined in the Social Security Code (Sozialgesetzbuch) VII. This applies to occupational accidents, as defined by the regulations governing German public employees, where sustained by members of the same public office in the exercise of their duties or as a consequence thereof.

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 is covered by the insurance.

Based on the overall amount of cover defined under the agreement the cover per insured event and insurance year amounts to EUR 550.000,00 with a payable excess of EUR 2.500,00 per insurance event after deduction of the security deposit.

5. The following also applies

a) For damage sustained abroad

- 1) 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.
- 2) Contrary to Paragraph 7.9 AHB in the event that a water-sports 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 50.000,00.
- 3) Contrary to Paragraph 6 AHB claims for compensation established according to the law of the USA or Canada, irrespective of the location of the court, are covered by an insured amount of EUR 1.000.000,00 for personal injury and/or damage to property.
- 4) With regard to loss events in the USA and 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 reduction 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 insurers instructions.

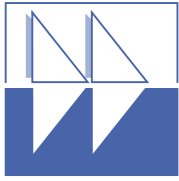
Claims for compensation which have a penal character, especially punitive and exemplary damages, are not covered by the insurance.

b) Operating the craft without the officially required license:

- 1) 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 insured event occurred.
- 2) 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:

- 1) 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



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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.

2) Excluded are claims for compensation against those persons (policy holder or other 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.

3) 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 indirectly caused by interventions or action of public authorities. The same applies for damage caused by force majeure where elementary natural forces have been in play.

d) For personal injury and damage to property:

The insured amount for personal injury and damage to property is EUR 5.000.000,00 per insured event; 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 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:

- 1) a detailed damage report,
- 2) the report from the adjustor relating to the damage sustained and the requisite duration of repairs,
- 3) the actual charter agreement as well as
- 4) the follow-up charter agreement or the rebooking documentation.

The amount of cover is EUR 17.500,00 per loss event and year of insurance. The proportional costs of loss of use for 3 days will not be recompensed.



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Compulsory information pursuant to paragraph 1 of the Regulation concerning information duties in connection with insurance agreements (VVG-InfoV)

Professional Skipper's Liability Insurance

Pursuant to the Regulation of Obligations to Furnish Information with respect to insurance agreements (VVG-InfoV), the insurer is obliged to provide you with the following information in the prescribed order.

1. Company details

ALTE LEIPZIGER Versicherung AG • Alte Leipziger Platz 1 • D-61440 Oberursel/ Germany
Chairman of the Supervisory Board: Hermann Gühring • Management Board: Dr. Ingo Telschow, Sven Waldschmidt
Registered address in Oberursel (Taunus) • Legal form Joint-stock company (AG) • District Court Bad Homburg v. d. H.
Registered company number - HRB 1585 • German TIN 045 223 0042 1

2. Address for service of the insurer

ALTE LEIPZIGER Versicherung AG represented by the Management Board, i. e. Dr. Ingo Telschow and Mr. Sven Waldschmidt • Alte Leipziger Platz 1 • D-61440 Oberursel/ Germany

3. Main business activity of the insurer and competent supervisory authority

The main business activity is in the conclusion of liability, accident, vehicle and property insurance agreements.

Competent supervisory authority:

(German) Federal Financial Supervisory Authority (BaFin) • Insurance section • Graurheindorfer Straße 108 • D-53117 Bonn/Germany

4. Details regarding formation of a guarantee fund etc.

Insurance companies, the main business activity of which is in the conclusion of liability, accident, vehicle and property insurance agreements, are not required to maintain a guarantee fund.

5. Significant features of the compensation payment

The agreement includes the General Terms and Conditions for Liability Insurance (AHB 88 Version 2008) and the Special Conditions for the Professional Skippers' Liability Insurance (BSH 2008) as well as the other conditions that apply to the agreement by way of the German Insurance Agreement Act (Versicherungsvertragsgesetz or VVG), the German Civil Code (BGB) and the Code of Civil Procedure (ZPO).

For specific details of the insurance cover provided under the insurance agreement, please read the terms and conditions.

6. Total price of the insurance

The premium for the insurance offered is specified in the application form.

7. Additional payable costs as well as other taxes, fees or expenses

Provided the agreement is executed as agreed no other costs will be payable. Please note that where there is a delay in payment of following premiums, additional charges, such as reminder fees, may become due.

8. Payment and settlement

The premiums set out under Paragraph 6 are payable in advance for the period specified. The premium owed is settled upon instruction for transfer from your account of the due sum, or if you have issued a direct debit authorisation or have sent a cheque and the account in question has adequate funds. If the transfer is made by means of a cash payment, the premium owed is deemed settled with the payment in at the relevant bank of the premium due.

9. Validity of the information provided

We shall regard the information provided by you as valid until such time as you inform us otherwise.

10. Notice with respect to fluctuations in the financial instruments employed

No financial instruments are employed in administering this Professional Skippers' Liability Insurance.

11. Details on the formation of the agreement

The insurance agreement will be concluded upon transfer of the insurance premium and the submission of this application.

12. Right to cancel

You are entitled to cancel your agreement within two weeks. The period of cancellation begins with the day on which you received the statutorily prescribed information. The declaration of cancellation must be issued in the form of a written communication (e.g. letter, postcard, fax, e-mail). No reasons for the cancellation are required to be given. The cancellation period is satisfied if the notification is dispatched within the specified time. The declaration of cancellation should be addressed to:

Hamburger Yacht-Versicherung Schomacker Versicherungsmakler GmbH Katharinenhof/

Zippelhaus 2 • D-20457 Hamburg/Germany • Fax: +49 40 / 36 98 49 11 • info@schomacker.de

You agree that the insurance cover starts before the expiry of the cancellation period. In the event that the cancellation is valid, all compensation payments already received are to be repaid. If you decide to cancel the agreement you are only entitled to be repaid that part of the premium for the period after our receipt of the declaration of cancellation. We will calculate the proportional repayment of the annual premium according to the exact day. If you have not paid any premium to us, there will, of course, be no repayment of premium to you.

13. Duration of the agreement

The duration of the agreement is usually for one year and starts with the date specified in the application, but it will start no earlier than the payment of your premium into our account. The agreement will be automatically renewed for one more year where it has not been cancelled one month prior to expiry. In this case you will receive an invoice for the following premium.

14. End of the agreement

Agreements may be cancelled by you under certain conditions, even prior to the expiry of the agreed duration of the agreement. The applicable conditions for this are as follows.

The agreement ends in accordance with the General Terms and Conditions for Liability Insurance (AHB).

Cancellation upon expiry

This agreement can be cancelled with effect to any time of expiry with a notice period of three months. Please send the cancellation to Hamburger Yacht-Versicherung.

Cancellation following loss

After the occurrence of a loss event for which compensation is payable, you have the option of cancelling the relevant agreement within one month following the conclusion of the negotiations relating to compensation. The cancellation may not be made effective at any point in time after the end of the current insurance period.

Cancellation following Lapse of Risk/Increase of premium

It is not possible to cancel the agreement following the discontinuation of risk, instead this is only permitted at the normal time upon which the agreement expires. Our terms and conditions do not include the option of adjusting premiums, so the possibility of cancellation by reason of an increase in premiums is not relevant here.

16. Legal basis of the pre-contractual phase (negotiations etc.)

The pre-contractual phase is governed by the law of the Federal Republic of Germany.

17. Applicable law and court

The contractual arrangements are governed by the law of the Federal Republic of Germany. The location of the court with respect to agreements is defined under Paragraphs 13, 17, 21 and 29 Code of Civil Procedure (ZPO).

18. Language

German is the authoritative language for contractual terms and conditions, all information relating to the agreement as well as all communications during the period of the agreement.

19. Complaints and legal redress procedure

The Company is a member of Verein Versicherungsombudsmann e.V. (the insurance ombudsman association). This means that you may avail of the special service of consulting the independent neutral ombudsman where you do not agree with a particular decision. You must submit your complaint within 8 weeks. The procedure is free of charge for you. Versicherungsombudsmann e.V. • Postfach 080632 • D-10006 Berlin/ Germany
Tel.: + 49 1804/22 44 24 • Fax: +49 1804/22 44 25
e-mail: beschwerde@versicherungsombudsmann.de

We expressly indicate that the option of pursuing legal remedies remains hereby unaffected.

20. Complaints to the supervisory authority

If you have reason for complaint, please contact ALTE LEIPZIGER Versicherung AG • Alte Leipziger Platz 1 • D-61440 Oberursel/ Germany. You may also submit your complaint to the competent supervisory authority. The address is as follows:
Bundesanstalt für Finanzdienstleistungsaufsicht, Bereich Versicherungen • Graurheindorfer Straße 108 • D-53117 Bonn/Germany

21. Special agreements

Additional agreements are only binding where these have been confirmed by the insurer in the insurance certificate or by means of an amendment to the insurance policy.



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Zippelhaus 2
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