



HAMBURGER YACHTVERSICHERUNG SCHOMACKER

SPECIAL TERMS AND CONDITIONS (BSH0219) FOR PROFESSIONAL SKIPPER LIABILITY INSURANCE

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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). The cover is limited up to the insurance sum in this contract with deduction of coverage of any alternative insurance agreements.

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 75(1) AHB in conjunction with Paragraph 74(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) damages to property, which are caused during the operation of the boat in context, however, with an excess of EUR 150 per occurrence
- 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 77 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 750,000 with a payable excess of EUR 2,500 per insurance event after deduction of the security deposit.

5. The following also applies

a) For damage sustained abroad

- 1) Contrary to Paragraph 79 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 79 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 100,000.
- 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 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 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
 - a) 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.
 - b) 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 sum insured depends on the insurance cover you requested. You can choose between EUR 5 million and EUR 10 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.



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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 adjuster 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 20,000 per loss event and year of insurance. The proportional costs of loss of use for 3 days will not be recompensed.

f) Insurance for third party account

- 1) If the insurance policy is in favor 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.
- 2) 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.
- 3) 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.
- 4) 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.

6. Applicable law

This contract shall be governed by German law. In the event of dispute, the original German language version of the contract shall prevail. The English version is provided for informational purposes