

## PART B. BOAT THIRD PARTY LIABILITY CONDITIONS

### §1 Scope of the Insurance

1. The Insurer provides cover for the Policyholder and co-insured persons in the event that a compensation claim (for bodily injury, property damage or financial loss) is brought against such persons by a Third Party as a result of a loss event occurring in connection with the ownership and use of the Vessel specified in the policy based on statutory liability provisions.
2. Co-insured persons are:
  - a) the owner (if such person is not the Policyholder);
  - b) the captain and the crew members and guests on board the Vessel with the consent of the Policyholder or the owner;
  - c) any person who uses one of the Vessel's dinghies or carries out any sport using water sports equipment belonging to the Vessel with the consent of the Policyholder or the owner in connection with the use of the Vessel;

### §2 Additional Cover

#### 1. Dinghies and Water Sports Equipment

The cover extends to liability arising from the use of the Vessel's dinghies and carrying out sports using water sports equipment belonging to the Vessel provided that this happens in connection with the use of the Vessel.

#### 2. Water Pollution

Liability cover also exists for the direct or indirect consequences of changes in the physical, chemical or biological composition of a body of water including groundwater (water pollution) whereby, with respect to such water pollution, financial losses are treated in the same way as property damage.

#### 3. Trailers

If agreed separately, statutory liability arising from owning, keeping and using a boat trailer specified in the policy is also covered if such trailer is not connected to the towing vehicle and is exempt from the licensing procedure and is therefore not subject to compulsory insurance under the German Law on Compulsory Insurance.

#### 4. Skippers Liability Cover

If agreed separately, the following applies:

- a) Insurance cover under §1.1 shall also exist for the Policyholder as a natural person and the crew members as co-insured persons for statutory liability as a result of a loss event occurring in connection with the non-commercial use of a Vessel not specified in the policy (including the dinghy belonging to such Vessel) that has been chartered or hired by the Policyholder in person and operated by the Policyholder as a Skipper (Skippers Liability Insurance).
- b) For liability claims arising from damage caused to the chartered or hired Vessel and/or its equipment, fixtures and fittings and accessories by the Policyholder or co-insured persons, this Skippers Liability Insurance shall only apply if such liability claims are made based on gross negligence and such gross negligence has been determined by an authorised body, a court or an agreement recognised by the Insurer. In such a case, the Policyholder's deductible shall be EUR 2,500.
- c) Justified liability claims made by the charter company or owner of the skippered yacht due to loss of proven charter revenues of subsequent charter journeys, following damage caused by the insured persons up to a maximum of EUR 20,000, are covered as well. This is valid for charter contracts that have been booked and paid for up to the date of the damage, providing that a change to another yacht is impossible and the repairs take more than 3 days.
- d) Indeed, the benefit shall only be provided under this Skippers Liability Insurance if the benefit cannot be claimed under any other insurance contract - particularly under any water sports liability insurance contract existing for the chartered or hired Vessel (a subsidiary of the Skippers Liability Insurance).

### §3 Cruising area

The insurance is valid for the cruising area specified in the schedule. Occasional and unplanned leaving of the cruising area is also covered but the Insurer must be informed of such occurrences without delay. The Insurer may in such cases apply an appropriate additional premium. Cover extends worldwide exclusively for Skippers Liability Insurance under §2.4.

#### **§4 Scope of the Insurance Cover**

1. The Insurer's duty to perform includes investigating the question of liability, defending unjustified compensation claims and indemnifying liability to pay compensation where such liability has been authorised by a binding legal decision, by a settlement concluded or agreed by the Insurer or by an acknowledgement given or approved by the Insurer.
2. The Insurer shall be deemed to be authorised to settle and/or defend claims under No. 1 above on behalf of the insured persons. If the Insurer requests settlement of a liability claim by means of acknowledgement, satisfaction or compromise and such settlement fails due to the conduct of an Insured Person, then the Insurer shall not be under any obligation to pay any additional expenses for compensation, interest and costs from the time of such refusal.
3. In respect of the extent of the Insurer's benefit, the insured sums specified in the policy shall be the maximum limit for each loss event. Several losses arising at the same time and from the same cause are treated as one loss event. Disbursements incurred by the Insurer for costs - including costs for the prevention and mitigation of the loss - shall not be deducted from the insured sums as benefits. This does not apply to costs resulting from liability claims asserted under Canadian law or US. In such cases the Insurer's disbursements for costs, even if they were incurred on the Insurer's instruction, shall be deducted from the insured sum. The insured sum per loss event, as well as the total benefit for all loss events in one insurance year, are set out in the policy.
5. Liability claims, if they exceed the scope of legal liability due to contractual agreements or special commitment or claims which are justified by contract (e.g. to contractual performance). This is also valid, when claims that result from the contract are also regulated by law (e.g. replacement of property loss due to delay of settlement, due to withdrawal or mitigation);
6. Liability claims which are based on, or include, punitive damages;
7. Liability claims against the Policyholder or the owner arising from work accidents suffered by any professional crew member employed on the Vessel. However, these conditions do cover statutory rights to recourse by the social insurance carrier or any other work accident insurer;
8. Liability claims arising from liability for water pollution (§2.2) where such water pollution is caused by introducing or dumping water pollutants into bodies of water or by other intentional effects on bodies of water, by intentional non-compliance with water protection statutes, ordinances or regulatory actions, by acts of war, riot, civil disturbances, interventions of higher authorities or earthquakes.

#### **§5 Third Party Liability Exclusions**

The following are excluded:

1. Liability claims arising from loss events, which occur whilst the Vessel, its dinghies or water sports equipment is operated by a responsible person who does not possess the necessary official licence for operating the Vessel. However, the duty to provide benefit to the remaining insured persons remains if the Policyholder or owner could reasonably assume that the responsible operator of the Vessel had the relevant licence or if an unauthorised person operated the Vessel;
2. Liability claims arising from insured events associated with the use of diving gear;
3. Liability claims made by the Policyholder or the owner against co-insured persons for property damage or financial loss;
4. Liability claims for property damage amounting to less than EUR 200 between co-insured persons; the same applies to liability claims by co-insured persons against the Policyholder or owner;