

PANTAENIUS-YACHT-THIRD-PARTY-LIABILITY-CLAUSES (PYTPC)

31063/DK/0110

§ 1 Cover

I. Basic Cover

1. a) The insurance covers the Insured and to the co-insured persons in the event that a third party asserts a legal liability claim for personal injury, property or pecuniary damages incurred in the context of the ownership and use of the vessel designated in the policy. This insurance includes: legal liability arising out of the ownership or use of tenders, water sport and diving equipment used in connection with the vessel, legal liability arising from the towing of water-skiers and parasailors, legal liability for the direct or indirect consequences of alterations in the physical, chemical or biological quality of waters including ground water (water pollution), whereby pecuniary damages resulting from water pollution are deemed to be property damages, legal liability for damages to contractors and workers incurred whilst carrying out work on the vessel.

b) Insurance coverage also exists for search and rescue costs which accrue as a result of the unintentional activation of emergency rescue devices such as EPIRB or GMDSS when there is no emergency situation as long as these costs cannot be recovered elsewhere.

2. Co-insured persons are:

- a) the owner (if not the Insured),
- b) the skipper and crew members, as well as any other person who is a guest on board of the vessel with the consent of the owner or Insured.
- c) any person who with the consent of the owner or Insured uses, in connection with the vessel, a tender, water sport or diving equipment belonging to the vessel,
- d) water-skiers and parasailors being towed by the vessel or her tenders; this coverage, however, will only apply as far as this risk is not covered by another insurance (subsidiary coverage).

II. Additional Skipper's Liability Insurance

1. Insurance cover under I. No. 1 is also provided to the Insured, being a natural person, and to the members of his crew as co-insured persons, for legal liability arising from the use of any vessel, including tenders, not listed in this policy which the Insured has chartered or borrowed for his own use and which is under his command as a skipper (skipper's liability insurance).

2. The skipper's liability insurance will only provide cover for legal liability arising from damage to the chartered or borrowed vessel, its equipment, inventory and accessories directly resulting from the gross negligence of the Insured or co-insured person. The excess in this respect will be DKK 18.000.

3. This skipper's liability insurance will provide compensation only to the extent that the loss, damage or liability is not covered by any other insurance, and in particular any insurance attaching to the chartered or borrowed vessel (subsidiarity of skipper's liability cover).

§ 2 Scope of Cover

The insurance is effective world-wide.

§ 3 Extent of Cover

1. The insurance company's obligations shall include evaluating the cause of liability, defending against unjustified claims and settling claims where damages have been determined by a legally enforceable court decision, by a settlement agreement entered into or approved by the Insurer or by an admission given or approved by the Insurer.

2. The insurance company is authorised to settle and/ or defend claims as defined in § 3.1 on behalf of the Insured

or co-insured persons. If the insured person prevents the termination of a liability claim dispute which the Insurer wants to settle by means of acknowledgement, payment or compromise, the Insurer is not liable for the resulting additional expenditure concerning the main issue, interests and costs.

3. The maximum compensatory payment granted by the insurance company for each claim event are the sums insured noted in the policy. A series of claims arising out of one cause and time period is deemed to be one claim event. Except for claims settled under American or Canadian law the insurance company's expenditure for costs, including costs and expenses for avoiding or reducing the claim, will not be deducted as compensatory payment from the sums insured. For claims settled under American or Canadian Law, irrespective of the place of jurisdiction, the insurance company's expenditure for costs, including costs and expenses for avoiding or reducing the claim, will be deducted as compensatory payment from the sums insured. The total amount of compensatory payment for all claim events in any one policy year is limited to twice the sums insured noted in the policy.

4. In the event that the named vessel is arrested as a result of a claim insured under these conditions, the obligation to provide indemnification also extends to the provision of an officially or judicially determined security deposit up to an amount of DKK 750.000,00.

§ 4 Exclusions

Excluded from the insurance are:

1. Liability claims if, at the time of the event giving rise to liability, the vessel is used other than for sport or pleasure (including business entertainment), unless such other use (e.g. bareboat charter /skipper charter) is specifically agreed in advance by the Insurer.

2. Liability claims if, at the time of the event giving rise to liability, the vessel is

- a) operated by a person who does not possess the necessary license required by the relevant authorities, whereby the Insurer's duty towards the other insured persons continues if the Insured or owner had reasonable grounds to believe that the operator of the vessel had the relevant license or if an unauthorised person (e. g. a person without permission from the Insured or owner) operated the vessel,
- b) participating in or training for motor boat races which are solely concerned with achieving high speeds.

3. Liability claims arising from the use of diving equipment, if the person using such equipment is not in possession of a license.

4. Liability claims of the Insured or owner against co-insured persons.

5. Liability claims between co-insured persons for property damage less than DKK 1200. The same applies to liability claims asserted by co-insured persons against the Insured or owner.

6. Liability claims assumed under contract or special promise which surpass the extent of legal liability.

7. Liability claims for compensation of a penalty nature, particularly Punitive Damages.

8. Liability claims, particularly arising from occupational accidents, made by professional crew members employed on the vessel against the Insured or owner. However, legal rights of recourse on the part of social insurance institutions are covered in compliance with these terms and conditions.

9. Liability claims arising from water pollution as defined in § 1 I. No. 1, if such water pollution is caused by the

emission or discharge of harmful substances into waters or any other deliberate actions affecting waters, the intentional contravention of water protection laws, regulations or official directives, as well as war, civil commotion or disturbances, acts decreed by public authorities or earthquake.

10. Claims by all persons who have intentionally and unlawfully caused the third party's loss.

§ 5 Legal Status of the Persons Participating in the Contract

1. Only the Insured is entitled to exercise the rights of the co-insured persons.

2. The obligations of the Insured defined in these clauses also apply equally to the co-insured persons (§ 1 I No. 2). The Insured as well as the co-insured persons are responsible for fulfilling the obligations.

§ 6 Obligations in the Case of an Insured Event

1. An insured event is an occurrence which could result in a liability claim covered under this contract.

2. The Insured is obliged to notify the Insurer without delay of every insured event.

3. The Insured is obliged to take all such measures considered appropriate and reasonable to avoid or reduce the claim and to comply with any instructions given by the Insurer.

4. The Insured is obliged to provide the Insurer with detailed and true reports regarding the circumstances of the insured event. Upon demand, the Insured is further obliged to provide the Insurer with any information which the Insurer deems necessary to clarify the merits of the claim and the extent of his obligation to perform.

5. In the case of litigation regarding the liability claim, the Insured is obliged to entrust the Insurer with the conduct of the case.

6. If one of the obligations defined in No. 2 – 5 is infringed the insurance company is not liable to any further extent than it would have been if the obligations had been complied with. The insurance company's obligation is in all other respects determined pursuant to Clauses 21-23 of the Danish Insurance Contracts Act (*Lov om forsikringsaftaler*).

7. Where the insured fraudulently specifies or omits any circumstance of importance to the assessment of the insurance company's liability, the insurance company has the right to fully or partially refuse cover.

§ 7 Inception of Cover

The insurance coverage begins at the day and hour stated in the policy.

§ 8 Duration of the Contract, Cancellation

1. This contract is effective for one year and is automatically renewed annually unless notice of cancellation has been given in writing by either party at least 30 days from the end of the current month.

2. If the vessel is transferred to new ownership, this contract will terminate on the date of transfer. The Insured will immediately prove the actual date of transfer, enclosing a copy of the contract of sale, so that any refund premium may be calculated. The new owner is granted provisional cover under the terms and conditions of this contract for a period of 14 days following the date of transfer unless the new owner is covered by his own insurance.

§ 9 Notices, Declaratory Acts

All statements and declaratory acts for the insurance company made by the insured and co-insured persons within the framework of this contract are deemed legally executed when made to Pantaenius A/S.

§10 General Conditions

1. Payments by the insurance company and insured will be made in the currency of the sum insured and premium noted in the policy. This also applies if the covered liability claim has to be paid to the claimant in another currency.

2. The right to indemnity shall not be assigned or pledged without the Insurers consent.

3. If the contract is placed with more than one insurance company, each company is liable only for his share, i.e. there shall be no joint liability. Upon request, Pantaenius A/S will provide the insured with the names and shares of the participating companies. The first insurance company mentioned (leading insurance company) shall be authorised by the other participating companies to act on behalf of all insurance companies in the performance of the contract. This authorisation shall also apply in the case of legal proceedings. The leading insurance company may therefore conduct legal disputes, as claimant or defendant, in its own name in respect of all the shares of the other participating companies.

4. This contract is governed by Danish Law in particular by the Danish Insurance Contracts Acts (*forsikringsaftaleloven*).