

PANTAENIUS YACHT TOTAL LOSS CLAUSES (PYTLC)

31056/DK/0109

§ 1 INSURED RISKS

1.1 Total loss of the entire vessel designated in the policy arising out of fire, lightning, explosion, Acts of God (force majeure), theft and accident including grounding, sinking as result of suddenly inrush of water and collision with any floating or fixed object.

1.2 For outboard motors and for registered trailers, separate total loss cover may be justified in the sense of § 1.1 through the agreement upon individual insured values for these items to be specified additionally in the policy. Theft of outboard motors is covered provided they are fastened to the vessel with suitable antitheft device or if they are locked inside.

1.3 Reasonable expenses for salvaging, wreck removal and disposal are also insured given an insurance claim as per § 1.1 or 1.2 above and beyond the agreed insured values as well as other reasonable expenses incurred to avoid total loss.

§ 2 TRANSPORTATION RISKS

Total loss is insured for land transport and transport of the vessel on a trailer by ferry within Europe, provided that the means of transportation was suitable and the vessel was loaded and secured properly.

§ 3 SCOPE OF COVER

The insurance is valid for the cruising area specified in the policy. Insurance cover is also provided during any customary periods of time during which the insured property stay out of the water (e. g. winter storage, stays in shipyard including hauling out and launching)

§ 4 EXCLUSIONS

The insurance does not cover:

1. Damages caused as a result of age, abrasion, deterioration and insufficient maintenance.
2. Damages arising out of intentional acts, omissions or as a result of gross negligence on the part of the insured.
3. Consequential damages, e.g. reduced racing performance, depreciation, loss of use, loss of income.
4. Damages which occur while the vessel is used other than for sport or pleasure (e. g. use of the vessel for bare-boat or skipper charter).
5. Damages arising out of faulty construction, faulty manufacture or faulty materials.
6. Damages caused by
 - war, civil war or warlike occurrences as well as by any kind of weapons of war brought about by war, civil war or warlike occurrences,
 - hostile use of weapons of war, no matter if the use may be coherent with war, civil war or warlike occurrences,
 - use of chemical, biological, bio-chemical substances or electromagnetic waves as weapons as well as use of any kind of electronic systems as a means for inflicting harm,

- terrorist and political acts of violence irrespective of the number of persons involved,
- riots, civil commotions, strikes, lock-outs and labour disturbances,
- seizure, restraint or any other intervention by or under the order of any government.

7. Damages of any kind whatsoever caused by nuclear energy including radioactive radiation resulting from nuclear reactions; this exclusion applies independent of whether the nuclear energy is used for peaceable or hostile purposes.

§ 5 DEDUCTIBLE

The deductible stated in the policy will apply to each compensation and also to each reimbursement of costs (see § 1.3).

§ 6 INSURED VALUE/ LEVEL OF COMPENSATION

6.1 The maximum insured value is the current new replacement value. The value of the insured items is fixed by the sum specified in the policy as conclusive between the parties (agreed fixed value).

6.2. The Insurer cannot argue under-insurance.

6.3. In case of total loss the agreed fixed value shall be in accordance with § 6.1 less realisable proceeds from remaining values.

6.4 Constructive total loss (the required replacements costs exceed the fixed value, see § 6.1) is also considered as a total loss.

§ 7 PAYMENT OF COMPENSATION

7.1 In the case of theft, compensation is due after two months of submitting the damage claim at the earliest. If the item reported stolen is found again, the Insured shall only be obliged to take it back if a period of no more than two months has passed between the damage claim and the items being found again.

7.2 If, in context of a claim, any legal authorities commence an investigation and/or prosecution against the Insured, the Insurer is entitled to await the outcome before determine his obligation to perform.

§ 8 OBLIGATIONS IN THE CASE OF AN INSURED EVENT

8.1. The Insured is obliged to report any damage to the Insurer without delay.

8.2 In case of damages due to fire, explosion as well as theft the Insured has to report it to the nearest police station without delay.

8.3. The Insured is obliged to take all such measures considered appropriate and reasonable to avoid or reduce the claim. If the Insurer provides any instructions, the Insured is obliged to comply with such.

8.4. The Insured is obliged to provide the Insurer with detailed and true reports of the damage and the circumstances of the insured event. Upon request, the Insured is further obliged to provide the Insurer with any information which the Insurer deems

necessary to determine the merits of the claim and the extent of his obligation to perform.

8.5. If one of the obligations specified in Clause 8.1-8.4 is infringed, the Insurer is not liable to a larger extent than if the obligations had been fulfilled. The Insurer's liability is settled otherwise in accordance with the provisions of the Danish Insurance Act, (particularly §§ 21 – 23)

8.6. If the Insured fraudulently states or conceals a fact which is of significance to the assessment of the Insurer's liability, the Insurer is entitled to refuse insurance coverage completely or partly.

§ 9 INCEPTION OF COVER

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

§ 10 DURATION OF THE CONTRACT, CANCELLATION

10.1. 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 thirty days prior to the end of a month.

10.2. In the event of total loss the contract is terminated from the day the insured vessel is declared total damaged by the Insurer.

10.3. If the insured items (vessel, outboard motors and trailer) are sold, the insurance contract shall terminate at the time of transfer of ownership. The Insured shall immediately notify the Insurer of the actual date of transfer, enclosing a copy of the contract of sale, that any refund of premium may be calculated. The new owner, insofar as he does not object to it, 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 already covered by his own insurance. The purchase price stated in the contract of sale or the sum insured stated in the policy, whichever is the lower, will be the agreed fixed value during the period of provisional cover.

10.4. If the contract is terminated in compliance with Clause 10.1-10.3, a pro rata return of premium will be made.

§ 11 NOTICES, DECLARATORY ACTS

All statements and declaratory acts to the Insurer made by the Insured within the framework of this contract can be legally executed when made to the office of Pantaenius in Denmark.

§ 12 GENERAL CONDITIONS

12.1. Payments by the Insurer and the Insured will be made in the currency of the sum insured and premium noted in the policy.

12.2. The premium will be indexed every year as of the first coming renewal date. Indexation will be made according to the development of the pay figures or similar index from Statistics Denmark or other similar institution.

12.3 If the contract is placed with more than one Insurer any agreement between the leading Insurer and the Insured is binding for all other participating Insurers. Legal proceedings on the occasion of this agreement have to be brought against the leading Insurer, who acts on behalf of the other Insurers. The leading Insurer is entitled to sue the third part on behalf of the other participating Insurers.

12.4 Claims to compensation arising out of this contract may not be transferred without the express agreement of the Insurer.

12.5. This contract is governed by Danish Law, in particular by the Danish Insurance Act (Insurance Contracts Consolidation Act No 726 of 24 October 1986 with amendments).

12.6. Any dispute arising out of this contract shall be settled by the District Court of Copenhagen/the Maritime and Commercial Court, Denmark.

This is a translation of the Danish version of Pantaenius Yacht Total Loss Clauses (PYTB – Pantaenius Yacht Totalskade Betingelser) In case of any discrepancy between the two versions the Danish version shall be valid.