



NORWEGIAN HULL CLUB

NORWEGIAN YACHT FORM

Norwegian Yacht Form



NORWEGIAN HULL CLUB

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|---|---|
| 1. Insurance Broker a) Company and address: b) Brokerage: | 2. Insurer a) Company and address: b) Share: c) Lead <input type="checkbox"/> Co-Insurer <input type="checkbox"/> |
| 3. Unique Market Reference/Policy Number | 4. Period (§ 1-5) Effective From: To: |
| 5. Assured | 6. Co-Assured |
| 7. Yacht | 8. Cruising Limits |
| 9. Crew | 10. Use |
| 11. Flag | 12. Total Sum Insured |
| 13. Hull & Machinery (§ 5-1) a) Sum Insured: b) Deductible: | 14. Increased Value of Hull & Machinery (§7-1) a) Sum Insured |
| 15. Protection & Indemnity (§8-1) a) Sum Insured: b) (i) Deductible: | 16. Medical Payments (§11-5) a) Sum Insured: b) Deductible: |
| 17. Uninsured Boater Coverage (§11-1) a) Sum Insured: b) Deductible: | 18. War Risk Coverage (H&M/IV/P&I) (§9-1) a) Sum Insured H&M: a) Sum Insured IV: c) Sum Insured P&I: |
| 19. Tenders/Dinghies/Personal Watercrafts to be identified with Yacht | 20. Yacht's Cash Coverage (§11-3) a) Sum Insured: b) Deductible: |
| | 21. Fine Art (§11-2) a) Sum Insured: b) Deductible: |
| | 22. Helicopter clause (§11-4) |
| Signature (Insurer) | Date and Place: |

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A large yacht is shown from a side-on perspective, featuring two prominent white radar domes on its upper deck. Below the radar domes, a tender is mounted on a davit system. The yacht's hull is white with a dark stripe along the waterline. The background shows a cloudy sky and the water.

PART I

GENERAL CONDITIONS OF THE YACHT FORM

INTRODUCTORY PROVISIONS

§ 1-1 Definitions

For the purpose of the Norwegian Yacht Form:

- a) The Insurer; means the party who has undertaken to grant insurance under the terms of the Yacht Form,
- b) The Assured; means the party named in box 5. In liability insurance under the Yacht Form the Assured shall be amended to include any person, firm, corporation or other legal entity who lawfully may operate the Yacht with the prior permission of the named Assured in box 5, and the captain and crew of the Yacht while acting in their capacity as captain and crew on the Yacht,
- c) Increased Value (IV); means the total loss interest of the Assured in the Yacht as identified in box 14,
- d) Total Sum Insured; means the total value of the Yacht, which is the combination of the sum insured under Hull and Machinery, box 13, and the Increased Value, box 14, of the Yacht as identified in box 12,
- e) The Yacht; means the yacht as described in box 7 and the tenders and/or dinghies and/or personal watercrafts as listed in box 19,
- f) The Yacht Form; means the insurance contract with all clauses and provisions of the Norwegian Yacht Form and the box form front page,
- g) Safety Regulations; means a rule concerning prevention of loss, issued by public authorities, stipulated in the insurance contract, prescribed by the Insurer pursuant to the insurance contract, or issued by the Classification Society,
- h) General Contents; means items including but not limited to wall coverings, tables, beds, chairs, non-navigational equipment, carpets, soft furnishings, dinner services, laundry and the like. Any item of Fine Art is not a part of the General Contents of the Yacht.
- i) Personal Effects; means personal belongings and effects brought on board the Yacht including but not limited to clothes, cosmetics and items of adornment,
- j) Fine Art; means physical items valued above EUR 20 000, or equivalent in other currency, intended for beauty rather than utility, such as sculptures, paintings and the like. Any item of Fine Art must be declared and specified in an exhaustive list and approved by the Insurer to be covered as an item of Fine Art under the Yacht Form.

§ 1-2 Insured Value

The Sum Insured stated on the front page shall be regarded as an agreed insurable value unless otherwise expressly stated.

§ 1-3 Governing law

The Yacht Form shall be governed by the laws of the Kingdom of Norway. Part One of the Norwegian Marine Insurance Plan of 1996, Version 2007 or subsequent versions shall be deemed

to constitute part of Norwegian Law and be paramount to any conflicting provisions of the Norwegian Insurance Contract Act of 1989.

§ 1-4 Arbitration and jurisdiction

Any dispute between the parties concerning the Yacht Form shall be settled with final effect for both parties by Arbitration in Bergen, Norway in accordance with the Norwegian Arbitration Act of 2004.

The parties shall jointly appoint three arbitrators of which at least one shall be a lawyer admitted to practice law in Norway. If the parties fail to agree on the choice of the arbitrators within 14 days from written request for arbitration from either party, each party shall appoint one arbitrator, and the two shall appoint a third arbitrator who shall act as the chairman of the arbitration tribunal.

§ 1-5 Insurance Period

Unless otherwise provided in box 4, the Yacht is insured from 00.00 (GMT) at the date stated in box 4, for twelve (12) months, until 24.00 (GMT) on the day of expiry. Unless otherwise provided, the Insurance Period is not subject to an automatic renewal.

If the Yacht is at sea or in distress or at a port or place of refuge, at the expiry of the Insurance period, as stated in box 4, the Insurance Period shall be extended until the arrival of the Yacht at her destination and her being moored therein twenty four (24) hours in good safety, provided notice is given to the Insurer, and that additional premium is paid pro rata for the extended period.

§ 1-6 Transfer of the insured interest

If there is a change of ownership or management of the Yacht or if the Insured Interest under the Yacht Form is sold, assigned, transferred or pledged without the written prior consent of the Insurer, the insurance shall automatically terminate from the date of such transfer, assignment or pledge.

GENERAL RULES

§ 2-1 Perils covered

The Yacht Form covers the Assured against any fortuitous loss of or damage to the Yacht caused by all risks to which the interest is exposed, with the exception of:

- a) the perils covered under the War Risk Insurance in accordance with Part V of the Yacht Form,
- b) intervention by a State power. A State power is understood to mean individuals or organizations exercising public or supranational authority. Measures taken by a State power for the purpose of averting or limiting damage shall not be regarded as an intervention,

- provided that the risk of such damage is caused by a peril covered by the insurance against marine perils,
- c) insolvency,
 - d) perils covered by the Institute Extended Radioactive Contamination Exclusion Clause (RACE II).

§ 2-2 Causation/Incidence of loss

The Insurer is liable for loss, damage, expense or liability covered under the Yacht Form proximately caused by an insured incident or casualty which occurred during the period of the insurance.

§ 2-3 Burden of proof

The Assured has to provide evidence that he has suffered a loss covered under the Yacht Form and the extent of the loss.

The Insurer has the burden of proving that the loss is subject to an exception from cover under the Yacht Form unless otherwise provided in the Yacht Form itself or the applicable background law.

§ 2-4 Safety Regulations

If a Safety Regulation has been infringed, the Insurer's liability for any loss or damage to the insured interest is limited to the extent that the Insurer proves that the loss or damage was a consequence of the infringement, and that the Assured was responsible for the infringement.

§ 2-5 Deductible

The deductible stated in its respective box shall apply for each casualty which is covered under the applicable clause.

Where there is a casualty which involves more than one deductible, the largest single deductible shall apply.

Costs incurred in connection with the claims settlement and costs of measures taken to avert or minimise the loss are recoverable without any deductible.

§ 2-6 No racing warranty

The Assured warrants that the Yacht shall not participate in any kind of racing and/or regattas and the like

Chapter 3

DUTIES OF THE ASSURED

§ 3-1 Duty of disclosure

The Assured shall truthfully make a full and complete disclosure of all the circumstances and information requested by the Insurer. If the insurance is entered through a broker the Assured shall also truthfully make a full and complete disclosure in accordance with any proposal form used by the broker.

§ 3-2 Duty to notify and avert or minimise loss

If a casualty threatens to occur or has occurred the Assured shall:

- a) notify the Insurer with all reasonable dispatch after the Assured becomes aware or should have become aware of the incident, and file a proof of loss and interest and / or receipted bills in case of a partial loss, within onehundredandeighty (180) days from date of loss,
- b) promptly report any theft or malicious damage to the police at the port or place where the incident occurred,
- c) do what may be reasonably expected of him in order to avert or minimize the loss, and if possible consult the Insurer before taking action,
- d) provide the Insurer with all the documents required to settle any claim under the Yacht Form.

If the Assured fails to fulfil his duties under this provision, the Insurer shall not be liable for a greater loss than that for which he would have been liable if the duty had been fulfilled.

§ 3-3 Loss of class

At the inception of the insurance the Yacht shall be classed with a classification society approved by the Insurer.

The insurance terminates in the event of loss of class, unless the Insurer explicitly consents to a continuation of the insurance contract.

If the Yacht is under way when the class is lost, the Assured shall be held covered until the Yacht arrives in the nearest port in accordance with the Insurer's instructions.

Loss of class occurs where the Assured, or someone on his behalf, requests that the class be cancelled, or where the class is suspended or withdrawn for other reasons than a casualty.

§ 3-4 Cruising limits

The Yacht shall not proceed beyond the cruising limits referred to in box 8.

The Yacht shall be held covered in case of breach of the cruising limits, provided notice is given to the Insurer before the Yacht proceeds beyond the listed cruising areas in box 8 and any amended terms and any additional premiums required by the Insurer are agreed.

§ 3-5 Manning

The Yacht shall at all times during operation be under command by a qualified master and crewed by qualified personnel in accordance with box 9.

During lay up the supervision of and other safety and security regulations related to the Yacht shall be approved by the Insurer.

§ 3-6 Fire protection

The Yacht shall at all times have a fully functional fire alarm and fire extinguishing system.

§ 3-7 Illegal activities

The Insurer is not liable for loss which results from the Yacht being used for illegal purposes and/or in connection with illegal activities, unless the Assured neither knew nor ought to have known of the illegal activities at such a time that it would have been possible to intervene.

§ 3-8 Identification

The Insurer may not invoke against the Assured fault or negligence committed by the Yacht's master or crew in connection with their service as seamen.

Fault or negligence, such as misinformation, breach of warranties, fraud and the like committed by any organisation or individual to whom the Assured has delegated decision-making authority concerning functions of material significance for the insurance, may be invoked by the Insurer against the Assured, provided that the fault or negligence occurs in connection with the performance of those functions.

Chapter 4

CLAIMS SETTLEMENT

§ 4-1 Claims control

In the event of an occurrence that may give rise to a claim under the Yacht Form, subject to approval from the Assured, the Insurer is entitled to assume control of the conduct of the response to the occurrence. In any event that may give rise to a claim under the Yacht Form, the Assured is obliged to co-operate with the Insurer in all ways with the investigation, defence and settlement of any loss or damage.

The claims control includes but is not limited to the appointment of a surveyor and/or adjuster, assessment of any repair or replacement work required and negotiation of salvage contracts.

§ 4-2 Claims for damages against third parties

Upon payment to the Assured, the Insurer is subrogated into the rights of the Assured against any third party concerned. If the Insurer is prevented from collecting from the third party because the Assured has waived his right to claim damages, the Insurer's liability shall be reduced by an amount equal to that he is prevented to claim, unless the waiver may be considered customary in the trade or for the contract in question.

§ 4-3 Right of the Insurer to the insured interest upon payment of claim

Upon payment of compensation for damage or total loss, the Insurer is subrogated to the Assured's right in the insured interest or such parts of the insured interest as the Insurer has indemnified, unless the Insurer, no later than the time of payment, waives his right.

In the event of a total loss, the Assured shall furnish the

Insurer with title to the insured interest and hand over all documents that are material to the Assured as owner. Costs incurred in this connection shall be borne by the Insurer.

§ 4-4 Costs related to the claims settlement

In the event of a casualty covered under the Yacht Form the Insurer shall bear the cost of providing any required financial security.

The Insurer shall bear the cost of litigation costs directly related to casualties and claims covered under the Yacht Form, except costs of litigation between the Assured and the Insurer. If the loss or damage is covered under the Yacht Form, the Insurer shall bear the costs of establishing the loss and calculating the compensation. The Insurer shall also cover the costs of a surveyor employed by the Assured, provided that the Assured has reasonable grounds to employ his own surveyor.

§ 4-5 Payment of loss and interest on the compensation

The Insurer shall pay the claim for compensation which is covered under the Yacht Form within ninety (90) days after satisfactory proof of loss and proof of interest was sent to the Insurer.

The Assured may claim interest as from one month after the date on which proof of loss was sent to the Insurer.

If the Insurer has to refund the Assured's disbursements, interest accrues from the date of the disbursement.

The rate of interest is six month NIBOR +2% for insurance contracts in which the sum insured is stated in Norwegian kroner, and otherwise six month LIBOR + 2%. Interest is determined as at January 1st of the year the Yacht Form comes into effect at the average rate for the last two months of the preceding year.

After the due date, cf subparagraph 1, interest on overdue payments accrues according to the rules in the Act relating to Interest on Overdue Payments of 17 December 1976, section 3, first subparagraph, if the interest on overdue is higher than the interest determined according to the rules above.



PART II

HULL AND MACHINERY INSURANCE

Chapter 5 THE COVER

§ 5-1 Liability of the Insurer

This part is only to apply if a Sum Insured is stated in box 13a), in which case the Insurer is liable up to the Sum Insured for loss or damage caused by any one casualty.

The Insurer is also liable up to an equivalent amount for the costs of measures taken to avert or minimize loss arising in connection with the casualty.

§ 5-2 Objects insured

The Hull and Machinery Insurance covers:

- a) the Yacht, General Contents, engines and machinery and everything connected therewith,
- b) equipment on board and spare parts for the Yacht and its equipment, provided that the equipment or spare parts belong to the Assured or have been borrowed, leased or purchased with a vendor's lien or similar encumbrance,
- c) bunkers and lubricating oil on board the Yacht.
- d) tenders, dinghies, outboards, windsurfers and personal watercraft, as identified in box 19. Replacement and/or additional tenders, dinghies, outboards, windsurfers and personal watercrafts acquired by the Assured during the Insurance Period, provided that the maximum speed is not exceeding 35 knots, shall be included subject to agreement on any additional premium demanded by the Insurer,
- e) mopeds and bikes whilst on board the Yacht and/or her tenders including loading and unloading and whilst parked alongside the Yacht.
- f) Personal Effects in accordance with § 5-3.

The Hull and Machinery Insurance does not cover:

- a) any single item of General Content valued above EUR 20 000, or equivalent in other currency, which must be declared as Fine Art in accordance with § 1-1 (j), cf § 11-2.

§ 5-3 Personal effects

The Hull and Machinery insurance under the Yacht Form is extended to cover the loss of or damage to the Personal Effects of the Assured, and/or the Assured's family, the beneficial owner of the Assured and his family, whilst on board and/or in close vicinity of the Yacht. This cover is limited to an aggregate maximum of EUR 100.000.

This extension of cover excludes any loss or damage arising from;

- a) wear and tear, gradual deterioration, damp, mould, mildew, vermin,
- b) breakage of articles of a brittle nature, unless caused by damage to the Yacht or a forcible and violent entry to the Yacht by thieves or burglars,

- c) loss of cash, currency, banknotes, travelers cheques or similar securities.

This insurance shall also cover the loss of or damage to the Personal Effects of guests of the Assured and charterers of the Yacht up to a sum of EUR 10.000 for any single item. Any single item in excess of EUR 10.000 must be declared and agreed by the Insurers.

The Personal Effects cover is also extended to include crew's personal effects subject to a maximum total value insured of EUR 10,000 per capita, and maximum up to a sum of EUR 5.000 for any single item.

The Personal Effects clause does not cover any loss or damage which at the time of the occurrence of such loss or damage is insured by or would, but for the existence of this Policy, be insured by any other existing policy or policies except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected.

The Insurer will not under any circumstances cover the mysterious disappearance of any Personal Effects item.

§ 5-4 Equipment temporarily removed from the Yacht

The Yacht Form also covers objects referred to in § 5-2, subparagraph 1, which are temporarily removed from the Yacht in connection with the running of the Yacht or on account of repairs, reconstruction or similar work, provided that the objects are intended to be put back on board.

§ 5-5 Separate deductible

If any electronic, communication and or navigation equipment which is a part of the Yacht is damaged and the claim is recoverable under the Yacht Form, the deductible for each casualty shall be EUR 5000 or the equivalent in any other currency at the time of the casualty.

For each claim for General Contents or tenders, cf. § 5-2 (a) and (d) and or Personal Effects, cf. § 5-3, the deductible shall be EUR 500 or 1% of the claimed amount, whichever is the greater.

§ 5-6 Cost of inspection after grounding

The reasonable cost of inspection of the bottom of the Yacht after grounding, even if no damage is found, is covered by the Insurer without the application of any deductible.

§ 5-7 Crew accommodation and travel expenses during repairs

Subject to prior approval by the Insurer, the reasonable additional expenses in respect of crew are covered under the hull and machinery section of the Yacht Form, in respect of the following:

- a) The necessary hotel and accommodation expenses whilst the Yacht is under repair.

- b) The necessary transportation costs as a direct result of the Yacht being under repair under the Yacht Form.

The Insurers' liability under this clause is limited to 1% of the Sum Insured stated in box 13 a), without the application of the deductible stated in box 13 b).

§ 5-8 Replacement equipment

In the event of a total loss of tenders, dinghies and personal watercrafts as listed in box 19, the cost of hiring in reasonable replacement equipment for a period up to 60 days shall be covered by the Insurer.

Chapter 6

LOSS OF OR DAMAGE TO THE YACHT

§ 6-1 Compensation for loss or damage

If the Yacht has been damaged without the rules relating to total loss being applicable, the Insurer is liable for the costs of repairing the damage or replacing any lost equipment in such a manner that the Yacht is restored to the condition it was prior to the occurrence of the damage.

The Insurer's liability is without deduction for age and use – new for old – except with respect to sails and covers of canvas or the like, where the Insurer's liability is limited to the reasonable cost of repairs or a reasonable value.

The Insurers' liability arises as and when the repair costs are incurred.

§ 6-2 Total loss

The Assured may claim compensation for total loss if the Yacht is lost without any prospect of recovery or damaged beyond repair and the Assured is prepared to transfer the right to the wreck to the Insurer.

In the event of a total loss or a constructive total loss no deductibles shall apply.

No deductions shall be made in the claims adjustment for unrepaired damage sustained by the Yacht in connection with an earlier casualty.

The exceptions contained in §§ 6-6 and 6-7 shall not apply to any claim for total loss unless caused by want of due diligence by the Assured.

§ 6-3 Constructive total loss

The Assured may claim compensation for a total loss if the Yacht shall be considered a constructive total loss.

The Yacht shall be considered to be a constructive total loss when casualty damage is so extensive that the cost of repairing the Yacht will exceed the hull and machinery value of the vessel, as stated in box 13 a).

In ascertaining whether the Yacht is a constructive total loss, the insured value shall be taken as the repaired value and nothing in respect of the damaged or break-up value of the Yacht or wreck shall be taken into account.

The exceptions contained in §§ 6-6 and 6-7 shall not apply to any claim for Constructive Total Loss unless caused by want of due diligence by the Assured.

§ 6-4 Repairs of a Yacht that is a constructive total loss

If a Yacht is repaired despite the fact that the conditions for a constructive total loss are met, the Insurer's liability is limited to the Sum Insured, as stated in box 13a), but with the deduction of the value of the wreck.

§ 6-5 Removal of Yacht

If the Assured has requested that the Yacht is a constructive total loss, the Insurer may demand a removal of the Yacht to a place where the damage may be properly surveyed.

The Insurer shall bear the costs of the removal and the liability for any loss arising during or as a consequence of the removal which is not covered by other insurers.

§ 6-6 Inadequate maintenance, etc.

The Insurer is not liable for costs incurred in renewing or repairing part or parts which were in a defective condition as a result of wear and tear, corrosion, rot, osmosis, electrolysis, blistering, inadequate maintenance and the like.

§ 6-7 Error in design

The Insurer is not liable for costs incurred in remedying an error in design or construction or any cost or expense incurred by reason of betterment or alteration in design or construction.

§ 6-8 Deferred repairs

If the repairs have not been carried out within five years after the damage was discovered, the Insurer is not liable for any increase in the cost of the work that is incurred later.

§ 6-9 Invitations to tender

In the event of a claim, the Insurer is entitled to demand that tenders are obtained from the repair yards of his choice. If the Assured does not obtain such tenders, the Insurer may do so. The tenders received shall, for the purpose of comparison, be adjusted by the costs of removal being added to the tender amount.

The Assured decides which yard shall be used, but the Insurer's liability for the costs of repairs and removal is limited to an amount corresponding to the lowest adjusted tender.

§ 6-10 Survey of damage

Before any damage is repaired, it shall be surveyed by a representative of the Assured and a representative of the Insurer.

The representatives shall submit survey reports, in which they describe the damage and state their opinions as regards the probable cause of each individual item of damage, the time of its occurrence and the costs of repair.

If one of the parties so requires, the representatives shall, before the damage is repaired, submit preliminary reports in which they give an approximate estimate of the costs of repairs.

If there is disagreement between the representative of the Assured and the representative of the Insurer, the parties may appoint an umpire who shall give a reasoned opinion of the questions submitted to him. If the parties cannot agree on the choice of an umpire, he shall be appointed by a Norwegian average adjuster.

Neither the Assured nor the Insurer may petition for a judicial or other legal valuation of the damage, unless this is required by the laws of the relevant country.

If the Assured, without compelling reasons, has the Yacht repaired without any survey being held or without notifying the Insurer of such survey, he has, in addition to the burden of proof under § 2-3, the burden of proving that the damage is not attributable to causes not covered by the insurance.



PART III

SEPARATE TOTAL LOSS
INSURANCE

INCREASED VALUE INSURANCE

§ 7-1 Liability of the Insurer

This chapter is only to apply if a Sum Insured is stated in box 14a), in which case the Insurer are liable for the Sum Insured for a total loss or a constructive total loss in accordance with the rules contained in the Yacht Form §§ 6-2 and 6-3.

Costs incurred by measures taken to avert or minimize the loss is only recoverable within the limits provided in § 5-1.

The exceptions contained in §§ 6-6 and 6-7 shall not apply to any claim for Increased Value unless caused by want of due diligence by the Assured.



PART IV

PROTECTION AND INDEMNITY INSURANCE

Chapter 8

RULES OF PROTECTION & INDEMNITY INSURANCE

§ 8-1 Liability of the Insurer

This chapter is only to apply if a Sum Insured is stated in box 15a), in which case the Insurer is liable up to the Sum Insured for each casualty or series of casualties arising out of the same event.

The Insurer shall cover the named liabilities in this chapter of the Yacht Form imposed on the Assured and arising in connection with the operation of the Yacht in the Assured's capacity as owner and/or manager of the Yacht.

This insurance excludes any amounts recoverable under the "Assured's" separate Hull and Machinery Insurance.

The Insurer is *not* liable for:

- a) any fine, penalty or assessment against the Assured or Yacht issued by any national, state or local government,
- b) any liability assumed by the Assured under any contract, unless specifically endorsed hereon.

§ 8-2 Collision, running down and fixed and floating objects liability

The Insurer shall cover the liability imposed on the Assured for loss which is a result of collision or striking by the Yacht, its accessories, equipment or by a tug used by the Yacht. Any claims under this clause shall be settled under the principle of cross liabilities.

§ 8-3 Personal injury

The Insurer shall cover the liability imposed on the Assured for the loss of life, illness, bodily injury, liability for salvage awards for the saving of life and the like.

§ 8-4 Wreck removal

The Insurer shall cover the liability imposed on the Assured for the removal of the bunkers of the Yacht, a hazard or obstruction to navigation caused by the Yacht and the marking or lighting of the wreck of the Yacht, provided that the liability for the removal is required by law or by any order or direction of any authorized governmental agency or authority.

§ 8-5 Pollution to the marine environment

The Insurer shall cover the liability (excluding fines) imposed on the Assured as the result of discharge, dispersal, release or escape of oil, fuel, chemicals; waste chemicals or other pollutants.

The Insurer shall cover the liability for fines imposed on the sudden and accidental discharge, dispersal, release or escape of oil, fuel, chemicals; waste chemicals or other pollutants.

§ 8-6 Search and rescue

The Insurance shall cover the liability imposed on the Assured in respect of any search and rescue operation conducted in

respect of the Yacht, its owners, crew, guests or charterers, provided that the operation is under the direction of a governmental agency or authority including but not limited to any Coastguard or Navy organization.

§ 8-7 Certificates

If so required, the Insurer will issue certificates of insurance pursuant to Italian Law 21/12/69, Greek Law 2743/1999, Spanish Law Royal Decree 607/1999 and the required "Blue Card" in accordance with the practice of the International Convention on Civil Liability for Bunker Oil Pollution Damage 2001.



PART V

WAR RISKS INSURANCE

RULES OF WAR RISKS INSURANCE

§ 9-1 Liability of the Insurer

Part V of the Yacht Form is only to apply if an amount is stated in box 18, in which case the Insurer's maximum liability under this chapter is limited to the amount so stated for each casualty.

§ 9-2 Perils covered

Subject to the terms and conditions of the Yacht Form, this insurance is extended to cover any fortuitous loss of or damage to the Yacht caused by:

- a) war or war-like conditions, or the use of arms or other implements of war in the course of military exercises in peacetime or in guarding against infringements of neutrality,
- b) capture at sea, expropriation, confiscation and other similar interventions by a foreign State power. Foreign State power is understood to mean any State power other than the State power in the Yacht's State of Registration or in the State where the major ownership interests are located, as well as organizations and individuals who unlawfully purport to exercise public or supranational authority. Requisition for ownership or use by a State power shall not be regarded as an intervention,
- c) riots, strikes, lockout, sabotage, acts of terrorism and the like,
- d) piracy and mutiny,
- e) measures taken by a State power to avert or limit damage, provided that the risk of such damage is caused by a peril referred to in letters a) – d).

The Insurance does not cover;

- a) Insolvency,
- b) perils covered by the Institute Extended Radioactive Contamination Exclusion Clause (RACE II) clause:
 - a. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel,
 - b. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof,
 - c. any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter,
 - d. the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

- e. any chemical, biological, bio-chemical, or electromagnetic weapon.

§ 9-3 Losses covered

Chapter 9 of the Yacht Form covers:

- a) Total loss, Constructive Total Loss and damage, in accordance with chapter 6,
- b) Increased Value, in accordance with chapter 7,
- c) Protection and Indemnity liability in accordance with chapter 8,
- d) any applicable additional cover in accordance with part VI of the Yacht Form,

§ 9-4 Safety Regulations related to the war risks insurance

During the Insurance Period the Insurer, by means of Safety Regulations, may issue inter alia instructions that the Yacht:

- a) shall not embark on a planned voyage or complete a voyage in progress,
- b) shall or shall not follow a certain itinerary,
- c) shall deviate, be moved from one port to another, or remain in a specific port,
- d) shall or shall not comply with orders issued by a foreign state power,

In the event of an infringement of a stipulated safety regulation § 2-4 shall apply correspondingly.

§ 9-5 Cruising limits related to the war risks insurance

The cruising limits of the Yacht are also subject to the JWC Hull War, Strikes, Terrorism and Related Perils Listed Areas applicable at the relevant time.

The Yacht shall be held covered in case of breach of the cruising limits, provided notice is given to the Insurer immediately after receipt of advices and any amended terms and any additional premiums required by the Insurer are agreed.

§ 9-6 Intervention by State power, piracy and blocking and trapping

If the Assured has been deprived of the Yacht by an intervention of a foreign State power, or if the Yacht is prevented from leaving a port or a similar limited area due to blocking, or the Yacht has been captured by pirates or taken away by similar unlawful interventions, the Assured may claim for a total loss, if the Yacht has not been released within twelve months after the day the intervention, capture or obstruction occurred.

TERMINATION OF THE WAR RISK INSURANCE

§ 10-1 War between major powers

The insurance against war risks shall automatically terminate in the event of war or war-like conditions breaking out between any of the following states;

- a) The United Kingdom,
- b) The United States of America,
- c) France,
- d) The Russian Federation,
- e) The People's Republic of China.

§ 10-2 Use of nuclear arms for war purposes

In the event of any use of nuclear arms for war purposes, the war risk insurance shall automatically terminate.

§ 10-3 Cancellation

In the event of a change of risk, both parties of the Yacht Form are entitled to cancel the insurance by giving seven days notice. Cancellation also applies to the rights of the mortgagee, but the insurer shall immediately notify the mortgagee of the cancellation.



PART VI

ADDITIONAL CLAUSES

ADDITIONAL COVER

§ 11-1 Uninsured boater coverage

This clause is only to apply if an amount is stated in box 17a), in which case the Insurer's maximum liability under this clause is limited to the amount so stated.

Subject to the terms and conditions of the Yacht Form, this insurance is extended to cover bodily injury received on board the Yacht, provided that the Assured is legally entitled to recover from a vessel to whom no liability policies apply, or if the vessel or operator cannot be identified.

This clause will not cover;

- a) claims settled without the written consent of the Insurer, or
- b) if the uninsured vessel is owned by a governmental office or unit, or
- c) uninsured yachts owned by or furnished for the regular use of the Assured, a member of the Assured's immediate family, or any person insured by this policy, or
- d) an insured using the Yacht without permission, or
- e) where no evidence of physical contact exists between the Yacht and the unidentified vessel.

§ 11-2 Fine art

This clause is only to apply if an amount is stated in box 21a), in which case the Insurers' maximum liability under this clause is limited to the amount so stated.

Subject to the terms and conditions of the Yacht Form, this insurance is extended to cover the loss of or damage to the items declared as Fine Art whilst on board the Yacht, provided that the Fine Art item is safely stored on board the Yacht.

If the Fine Art item is damaged beyond repair, and the Assured is compensated for the loss, the Insurer shall be entitled to subrogate into the rights of the Assured to the damaged Fine Art item. If a Fine Art item consists of a pair or set, and one piece of the pair or set is damaged beyond repair, the Assured is entitled to be compensated for the full value of the pair or set. If the Assured has been compensated the full value of the pair or set, the insurer shall be entitled to subrogate into the rights of the Assured to the pair or set with the damaged piece. The Insurer will not under any circumstances cover any mysterious disappearance for any item for Fine Art.

§ 11-3 Yacht's cash

This clause is only to apply if an amount is stated in box 20a), in which case the Insurers' maximum liability under this clause is limited to the amount so stated.

Subject to the terms and conditions of the Yacht Form, this insurance is extended to cover Yacht's cash whilst on board and in a locked safe(s), subject to a maximum value at any one time as stated in box 20a), provided that the coverage is limited to theft following a forcible and violent entry into the safe(s).

Provided that the Yacht's cash is in close custody of at least two crew members/ employees of the Assured whilst in transit, the insurance is extended to cover the Yacht's cash from collection and until redeposited at the local bank and/or Yacht agent's office at the Yacht's port(s) of call and until safely stored in a locked safe on board the Yacht.

This clause does not provide cover under any circumstances for any mysterious disappearance of Yacht's cash.

§ 11-4 Helicopter clause

This clause is only to apply if so stated in box 22, in which case the Assured without prejudice to any of his cover under the Yacht Form and provided the Yacht is equipped with a suitable heli-deck enabling safe mooring of the helicopter may allow helicopters to be based onboard during navigation within the cruising limits as stated in box 8. Helicopters may also land, take off, re-fuel, de-fuel and/or make deliveries at sea provided that the recommendations and procedures contained in the ISM and LY2 code or other similar procedures expressly approved by the Insurer are complied with.

This insurance shall not be prejudiced by any terms of contracts concerning the use of helicopters entered into by the Assured limiting or exempting the owners and/or operators of the helicopters from any liability for damage to the Yacht and/or loss of life or injury to the crew, passengers, guests or other people onboard the Yacht or anybody being transported with helicopters for embarkation or disembarkation of the Yacht. If an amount is stated in box 15 a), the insurance is extended to cover in accordance with Chapter 8 of the Yacht Form the Assured's liabilities to the crew, passengers, guests or other people whilst embarking or disembarking the Yacht by means of helicopters. This insurance shall under no circumstances cover the Assured's liability for loss or damage to helicopters or any loss of life or injury to pilots or crew of helicopters.

The Assured and/or the Insurer of the Yacht renounce all rights of subrogation against owners and/or operators and/or insurers of helicopters in the event of loss or damage to the Yacht caused by the helicopter, provided that the owners and/or operators and/or insurers of helicopters renounce all rights of subrogation against the Assured and/or the Insurer of the Yacht in the event of damage to the helicopter caused by the vessel.

§ 11-5 Medical payments

This clause is only to apply if an amount is stated in box 16a), in which case the Insurers' maximum liability under this clause is limited to the amount so stated for each and every casualty. Subject to the terms and conditions of the Yacht Form, this insurance is extended to cover the reasonable expense of necessary medical, surgical, ambulance, hospital and professional nursing services the captain, crew, owners and guests of the Yacht sustain as a result of bodily injury, bodily harm,

sickness and disease that arise in connection with the Yacht insured hereunder. The insurance shall apply for the crew whilst under employment on the Yacht whether onboard or on shore.

If a bodily injury, illness or accident covered hereunder should necessitate repatriation of the individual covered under this clause, the Insurers will indemnify the Assured in respect of:

- a) the reasonable cost of the repatriation provided that a qualified medical practitioner certifies that the covered individual is disabled in excess of 4 weeks, certifies that repatriation is the appropriate treatment during the Insurance Period and that the covered individual is unable to sail with the Yacht at the expected date of departure.
- b) Reasonable travel and accommodation expenses for one relative or friend who is required on written medical advice to travel to, remain with or escort the covered individual if he/she becomes severely incapacitated during the Insurance Period.

In the event of death resulting from an injury or illness covered hereunder, the reasonable funeral expenses incurred within one year after the accident are covered.

The Medical Insurance does not cover;

- a) any person;
 - 1. To or for whom benefits are payable under any Workmen's Compensation or under any Federal Longshoremen's and Harbor Workers Compensation Act;
 - 2. Who is trespassing in or upon or boarding or leaving the Yacht;
- b) Cosmetic or plastic surgery unless necessitated by an injury covered hereunder,
- c) Dental examinations and general dental care,
- d) All claims arising from physical or mental conditions or disabilities of a recurring or chronic nature from which the covered individual suffered and was known to suffer prior to the inception of this insurance.
- e) Any pre-existing condition of a chronic nature, unless a immediate emergency treatment is needed as a result of an acute condition that was not a foreseeable result of the pre-existing condition.

The Medical Payments Clause does not cover any loss or damage which at the time of the occurrence of such loss or damage is insured by or would, but for the existence of this Policy, be insured by any other existing policy or policies, or covered by national Compensation Act, except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected.

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