

PANTAENIUS-YACHT-HULL-CLAUSES (PYHC)

11.1011/SE/0109

§ 1 INSURED PROPERTY/PARTY

The insured property is the vessel designated in the policy, her components and equipment, including machinery, tenders, fixtures and fittings, accessories and personal effects on board.

§ 2 SCOPE OF COVER

1. The insurance is effective within the cruising area specified in the policy. The cover includes any customary stay out of the water, e.g. at winter storage or shipyards including hauling out and launching. Occasionally leaving the cruising area, shall be deemed to have been notified and is therefore covered. However, it must be reported as soon as practicable to the Insurer for possible charge of an additional premium.

2. Transports are covered as per Clause 4.

§ 3 INSURED RISKS

1. The insurance covers sudden and unexpected occurring loss of or damage to the insured property arising out of stranding, inrush of water, sinking, grounding as well as breakage, bending or distortion of masts, booms and spars, tearing of standing or running rigging, accident, fire, scorching, smouldering, short-circuit, lightning, explosion, Acts of God (force majeure), burglary, robbery, piracy, theft of the vessel, malicious acts (e.g. vandalism) and collision with any fixed or floating object. If due to imminent danger for life or limb, the vessel named in the policy has to be abandoned and is not recovered within three (3) months thereof, the loss will also be regarded as sinking.

2. The insurance also covers theft of objects properly secured on deck or fastly attached to the vessel. Theft of out-board motors is covered provided they are fastened to the vessel with a suitable antitheft device.

3. If specifically agreed in advance that the vessel may be chartered (bareboat charter or skipper charter), the risk of misappropriation and fraudulent appropriation is also covered.

§ 4 TRANSPORTATION RISKS

1. Land transports, as well as river and ferry transports of the vessel on a trailer, are covered within Europe, or within the wider cruising area specified in the policy, provided that the means of transportation is suitable and the insured property is properly loaded and secured. Loose objects are covered against theft provided that they are locked in a storage compartment or otherwise suitably secured. Sea and air transports of insured property, excluding however the vessel herself and all personal effects, are covered world-wide.

2. Insurance coverage against all other transportation risks must be specifically agreed in advance by the Insurer.

§ 5 COSTS AND EXPENSES

1. The Insurer will reimburse reasonable salvage costs as well as other expenses incurred by the Insured to avoid or reduce a claim (see Clause 11.2), regardless if the measures taken were successful or not. Furthermore reasonable wreck removal and disposal costs are covered.

2. This reimbursement of expenses also applies for assistance in emergency situations where the insured vessel is in no immediate danger in accordance with § 3 for towage to the nearest place of repair as well as the delivery of fuel, oil, batteries and spare parts (except the costs of the materials and parts themselves) provided other assistance cannot be obtained. Unless otherwise agreed, these costs are limited to a maximum of SEK 50 000.

3. Coverage is provided for necessary costs of inspecting the vessel after grounding.

4. The reimbursements defined in § 5 are in addition to any payment under this policy for loss of or damage to the insured property. The deductible as per § 8 does not apply to those costs and expenses.

§ 6 EXCLUSIONS

The insurance does not cover:

- a) Loss or damage sustained whilst the vessel is used other than for sport or pleasure unless such other use (e. g. bare-boat charter/skipper charter) is specifically agreed in advance by the Insurer.
- b) Loss or damage arising out of faulty construction, faulty manufacture, faulty materials or normal wear and tear. This exclusion applies only to the defective part(s). Loss of or damage to the other parts of the insured objects caused by fault or normal wear and tear are insured within the framework of these conditions.
- c) Loss or damage caused by
 - war, civil war or warlike occurrences as well as the presence of 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,
 - terrorism and political acts of violence irrespective of the number of persons involved,
 - riots, civil commotions, strikes, lockouts and labour disturbances,
 - seizure, restraint or any other intervention by or under the order of any government.
- d) Loss or damage, of what ever kind, caused by nuclear energy inclusive of the radio-active radiation resulting from nuclear fission and/or fusion; this exclusion applies unrestricted, may the nuclear energy be used as a means for peaceable aims or for war or other hostile purposes.
- e) Consequential loss or damage (e.g. reduced racing performance, depreciation, loss of use, loss of income).
- f) Cash, valuables, jewellery.
- g) Fine art objects and antiques, exceeding SEK 30 000 per item.

§ 7 CAUSING THE INSURED EVENT

The Insurer shall not be obliged to make any payment if the Insured wilfully induces the insured event. If the insured event occurs or the consequence thereof are aggravated as a result of gross negligence, the Insurer shall be entitled to reduce the amount to be paid out according to the degree of negligence.

§ 8 DEDUCTIBLE

The deductible stated in the policy will apply to every claim, except in the case of total loss, burglary, loss or damage due to fire or lightning, loss or damage to personal effects, loss or damage during transportation as defined in § 4.1 and any loss or damage solely attributable to the negligence of a third party colliding with the insured vessel while it is moored.

§ 9 AGREED FIXED VALUE

1. The maximum insurable value is the current new replacement value (the actual cost of replacing insured property with new objects of the same kind and quality). The value specified in the policy (sum insured) is conclusive of the insurable value (agreed fixed value).
2. The Insurer cannot argue under-insurance.

§ 10 AMOUNT OF INDEMNITY

1. In the event of an actual total loss or constructive total loss (costs of reinstatement exceed the sum insured) the sum insured according to § 9 will be paid.
2. Claims for partial loss or damage will be settled on the basis of the necessary costs of repair or replacement without any deduction "new for old". Also the necessary costs of transporting the vessel to and from the repair yard will be reimbursed.
3. Unless otherwise specified in the policy, the maximum indemnity for all personal effects on board is 2% of the sum insured, up to a maximum of SEK 30°000.
4. The Insurer is entitled to deduct from any claim settlement under Clause 10.1 and Clause 10.2 the realisable value of any remaining items. The Insured cannot avoid this deduction by placing these remaining items at the disposal of the Insurer.

§ 11 OBLIGATIONS IN THE CASE OF AN INSURED EVENT

1. The Insured is obliged to notify the Insurer without delay of every loss of or damage to the insured property. In the case of fire, explosion, theft, burglary, vandalism, robbery, piracy as well as misappropriation or fraudulent appropriation, a statement must be filed at the nearest police station without delay.
2. The Insured is on his own initiative 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.
3. 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 its obligation to perform.
4. If one of the obligations in Clause 11.1 - 11.3 is infringed, the Insurer is not liable to a larger extent than if the obligations had been fulfilled. The Insurer's liability is settled in accordance with the statutory provisions of Chapter 4 and 7 of the Swedish Insurance Act (SFS 2005:104).
5. If the Insured misleadingly or 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.

§ 12 CLAIM SETTLEMENT

1. The Insurer will proceed without delay with all necessary inquiries to clarify the merits of the claim and the extent of his obligation to perform.
2. In the event of theft, burglary, robbery as well as misappropriation or fraudulent appropriation as per § 3.3, the Insurer is not obliged to settle claims until two months have elapsed from the date of notification. If any item is recovered, the Insured is obliged to take it back only if the period between the date the claim was notified and the date the Insured is in a position to recover the item does not exceed two (2) months.
3. If, in the 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 determining his obligation to perform.

§ 13 INCEPTION OF COVER

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

§ 14 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. The Insurer shall give notice of cancellation at least thirty days prior to renewal date.
2. If the vessel is transferred to new ownership this contract will terminate at the date of transfer. The Insured shall immediately notify the Insurer of the actual date of transfer, enclosing a copy of the contract of sale, so that any refund of premium may be calculated. The new owner, insofar as he does not object, 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.

§ 15 NOTICES, DECLARATORY ACTS

All statements and declaratory acts for the Insurer made by the Insured within the framework of this contract are deemed legally executed when made to Pantaenius AB, Föreningsgatan 26, 211 52 Malmö.

§ 16 LEGAL AID INSURANCE

The legal aid insurance will pay reasonable costs incurred for private court cases concerning the insured property that can be decided by the ordinary Courts in Sweden.

The legal aid insurance does not cover private court cases concerning the insured party's business, employment relationship, taxes or fees to the authorities, debt recovery against the insured party, handling of an estate of a deceased person, inheritance and other disputes not directly concerning the insured property.

The Insurer's maximum liability to pay for legal aid is SEK 120 00000 incl. VAT per insured event. The deductible is the first 10 % of the total costs, although no less than SEK 3 000.

The full and complete insurance terms and conditions can be obtained from Pantaenius AB upon request at any time.

§ 17 GENERAL CONDITIONS

1. Payments by the Insurer and the Insured will be made in the currency of the sum insured and premium noted in the policy.
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 consumer price index from Statistiska Centralbyrån.
3. This contract is governed by Swedish Law.
4. The benefits under this contract may not be assigned to third parties without the Insurer's express agreement.
5. If the contract is placed with more than one Insurer, each Insurer is liable only for his share, i.e. there shall be no joint liability. Any agreement between the Lead Insurer and the Insured is binding on all other participating Insurers. Upon request, Pantaenius AB will provide the Insured with the names and shares of the participating Insurers in writing.