

PANTAENIUS YACHT TOTAL LOSS CLAUSES (PYTLC) 71058/AT/0611

§ 1 Insured risks

1. Total loss of the entire vessel designated in the policy arising out of an accident, sinking, fire, lightning, an explosion, Acts of God (force majeure) or theft. Constructive total loss (the required replacement costs exceed the fixed value, see § 6.1) is also considered as total loss.

2. For outboard motors and for 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.

3. 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.

§ 2 Transportation

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 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 are out of the water (e.g. winter storage, stays in the shipyard) including hauling out and launching.

§ 4 Exclusions

The insurance does not cover:

- a.) Damages caused as a result of age, abrasion, deterioration and insufficient maintenance
- b.) Damages arising out of intentional acts or as the result of gross negligence on the part of the Insured
- c.) Consequential damages, e.g. reduced racing performance, depreciation, loss of use, loss of income
- d.) Damages which occur whilst the vessel is used other than for sport or pleasure (e.g. use of the vessel for bare-boat or skipper charters)
- e.) 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 of inflicting harm
 - terrorist and political acts of violence irrespective of the number of persons involved
 - riot, civil commotions, strikes, lock-outs and labour disturbances
 - seizure, restraint or any other intervention by or under the order of the government
- f.) 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

In each damage claim, the Insured shall bear a deductible of 10% of the compensation and also of the reimbursement (§ 1.3.).

§ 6 Insured value/Level of compensation

1. The maximum insured value is the current new replacement value. The value specified in the policy as the fixed value is conclusive of the insured value.

2. The Insurer cannot argue under-insurance.

3. In case of damages the fixed value shall be in accordance with § 6.1 less realisable proceeds from remaining values.

§ 7 Payment of compensation

1. In the case of theft, compensation is due after four 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 four months has passed between the damage claim and the item's being found again.

2. 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.

§ 8 Obligations in the case of damages

1. The Insured is obliged to report any damage without delay.

2. In the case of damages due to fire or explosions as well as theft, such must be reported to the nearest police station without delay.

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 these.

4. The Insured is obliged to provide the Insurer with detailed and true reports of the damage, and upon request, the Insured has 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. At the Insurer's request, the Insured shall produce documentation provided the procurement of such is considered reasonable.

5. If one of the obligations specified in § 8.1. to § 8.4. is infringed, the Insurer, in keeping with legal provisions (particularly §§ 6, 62 of the Insurance Act Vers.VG) is relieved of any obligation to perform.

§ 9 General conditions

1. Insurance cover begins at the point in time stated in the policy.

2. The insurance contract is effective for the period of one year and is automatically renewed annually unless notice of cancellation has been given in writing at least three months prior to the end of the respective contract year.

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 immediately notifies the Insurer after the transfer of ownership 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, is granted provisional cover under the terms and conditions of this contract for a period of one month following the date of the transfer. The purchase price stated in the contract of sale, which shall not exceed the previous insured value (fixed value), shall be the agreed fixed value during the period of provisional cover.

4. Claims to compensation arising from this insurance contract may not be transferred without the express agreement of the Insurer.

5. All statements and declaratory acts for the Insurer made by the Insured within the scope of this insurance contract can be legally executed when made to Pantaenius Yachtversicherungen GmbH.

6. 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 Leading Insurer and the Insured is binding for all other participating Insurers. Upon request, Pantaenius will provide the Insured with the names and shares of the participating Insurers in writing.

7. Austrian law applies. The legal venue shall be Wien.

8. In addition, the contract is governed by the Insurance Act (Vers.VG).