



The insurance conditions are subject to German law. The German wording alone is binding.

YACHT HULL INSURANCE TERMS AND CONDITIONS

Art 1 Hull Cover

1. The hull insurance cover applies to all parts fixed to the yacht including mechanical installations, the inventory (however, not valuables, antiques, paintings), accessories, equipment, technical and nautical devices and masts, booms, fixed and running rigging and sails.

2. Dinghy, outboard motor, road trailer and personal effects are insured in accordance with clauses 1-4 of the Yacht hull insurance conditions if requested and covered in the policy.

Art 2 Scope

1. If in the water:

within the travel area listed in the policy. Exceeding the travel limits for max. 6 weeks during a continuous journey is included with no extra premium.

2. If on land:

within the travel area listed in the policy in a standard mooring location for yachts including pulling on land and launching, slips and cranes, rigging up and unrigging or during an overhaul/repair/inspection. Inventory, accessories and equipment including outboard engines, provided they are registered, are also covered on land under the terms of this policy, if they are kept inside a locked room outside the yacht.

3. During transport on land/by sea:

within the travel area given in the policy using the usual means of transport.

Art 3 Extent of cover

Provided not stated otherwise in the following, the hull is covered against all risks.:

Art. 4 Insured value / extent of benefits

1. The insured sum must equal the insured value and is deemed to be agreed as a fixed valuation. In the event of a total loss, any residual value existing or achievable through sale shall be taken into account.

2. The insurers cannot claim underinsurance.

3. An economic total loss exists if the cost of replacement and/or repair of the yacht exceeds the insured value. An economic total loss also exists if the difference between the residual value and the insured value is less than the repair costs.

4. In the event of damage, the repair costs

will be reimbursed without new for old deductions. In the event of theft, loss or total destruction of parts, the replacement value for equivalent new parts will be reimbursed.

5. The legal VAT is only reimbursed if and to the extent that this is incurred for a performed repair, or in the procurement of a replacement yacht of the same value and type.

Art 5 Exclusions

Compensation will not be paid for:
1. Damage to the insured yacht, which is caused by the deliberate action of the insured party. If the insured causes the claim as the result of gross negligence, the insurer is entitled to reduce benefit payment by an amount proportionate to the level to which the insured is at fault.

2. Damages arising from construction, fabrication or material fault. However, loss or damage to the insured items as the result of this fault is insured.

3. Damages arising from faulty workmanship.

4. Losses or costs caused by wear, age or wear and tear in normal use of the parts directly affected, as well as osmosis, electrolysis, rain, corrosion, rust and oxidation, frost, snow, ice or the effects of the sun.

5. Indirect damage e.g. loss of racing capability, reduced values.

6. Theft of parts on the deck, not firmly connected or lashed to the yacht as well as unsecured outboard engines.

7. Theft of the trailer or the yacht on a coupled/uncoupled trailer, if the trailer itself is not especially secured against theft.

8. Damage to the insured road trailer resulting from mechanical or electrical failures, wear and tear and failure in standard use, damage to tyres resulting from punctures, cracks or other normal wear and tear.

9. Losses resulting due to embezzlement or fraud.

10. Damage which occurs during participation in motorboat races or speed trials.

11. Mechanical damage, provided this is not the result of an externally acting event.

12. Damage or losses incurred, provided the water sports vehicle is not used for its intended use for sport or leisure purposes, e.g. if it is chartered for a charge.

13. Damage which results when the helmsman of the insured yacht does not

hold a licence, provided this is officially prescribed.

14. Irrespective of contributory causes, the policy excludes the risk

a) of war, civil war or warlike events and the risks arising out of the presence or use of the tools of war;

b) of strikes, lockouts, labour disputes or internal unrest;

c) nuclear power or other ionising radiation;

d) of seizure or other interventions by higher authority;

e) of terrorist or political acts of violence;

f) resulting from the use of chemical, biological or biochemical substances or electromagnetic fields or waves as weapons.

Art 6 Expenses

The following will be reimbursed:

1. The costs for examining the underwater hull after touching the ground, even if no damage is found.

Prerequisite for this is that the damage was not the result of gross negligence or intent.

2. Expenses, even if fruitless, to prevent or reduce a loss or damage which would have been covered under the policy terms.

3. The costs for rescuing, lifting, salvaging, removing or destroying the insured yacht or wreck.

4. Expenditure or costs for establishing a claim, which has occurred as the result of a fabrication, construction or material error.

Art 7 Start and End of Insurance Cover; Premium and Consequences of Late Payment

1. The insurance cover starts on the day agreed for the policy to start, if the first premium is paid punctually. If the first premium is not paid punctually, the insurance cover only starts when the premium is paid, unless otherwise specified at point 5, but not before the day agreed for the policy to start.

2. The insurance cover ends at the latest when the policy ends.

3. The insured must pay the first premium, unless otherwise agreed, punctually after conclusion of the contract, but at the earliest on the day agreed for the policy to start. Subsequent premiums must be paid at the agreed times.

4. If payment in instalments has been agreed, the instalments are due on the first of the month in which the relevant payment period starts. The outstanding instalments are deferred until the agreed payment deadlines. The deferred instalments of the current insured year are due immediately if the insured defaults wholly or in part on an instalment or if an indemnity is due.

5. If the first premium is not paid punctually, the insurer can

a) withdraw from the contract in accordance with § 37 para. 1 VVG so long as the payment is still not made and/or

b) be released from the obligation to pay benefits in accordance with § 37 para. 1 VVG for insured events that occurred before payment, unless the insured is not at fault for non-payment.

6. If a subsequent premium is not paid punctually, the insurer can become free from any liability under the policy in accordance with § 37 VVG by issuing a reminder or cancellation notice.

7. If payment by direct debit is agreed, a payment is punctual if the premium can be taken from the given account at the agreed time. If the premium cannot be taken in accordance with the agreement or the withdrawal is refused by the account holder, for reasons for which the insured is at fault, the insured is in default. The insurer can then refrain from further withdrawal attempts and request the payment in writing from the insured by bank transfer.

8. If the insurance relationship ceases before the end of the agreed contract period, or if it is cancelled retrospectively after the start, or it is void from the start, the insurer can claim the premium or business fee compliant with the legal provisions, particularly §§ 39 and 80 VVG.

Art 8 Duty of Disclosure when the Policy is Amended or Ends

1. The insurer provides insurance cover on the understanding that all circumstances relevant to concluding the contract and taking on the insured risk have been disclosed truthfully and completely.

2. The insured must notify the insurer in writing of all material facts known to him before the policy declaration is made, once the insurer has requested them in writing and which are relevant to the insurer's decision to conclude the policy with the agreed content. The same applies if the insurer poses such questions later, but still before the contract is accepted. If this duty of disclosure is breached, in accordance with §§ 19 to 21, 29 VVG the insurer can withdraw from the contract and free from any liability under the policy, or can terminate the contract or adjust it.

3. The insurer's right to rescind the contract in accordance with §§ 22 VVG, 123 BGB because of malicious fraud remains unaffected.

4. If the contract is concluded by an agent of the insured, the insured is also deemed responsible for the agent's knowledge and behaviour in accordance with § 20 VVG.

5. Points 1-4 apply accordingly in the event of any changes to the contract.

Art 9 Obligations and Behaviour for Claims

1. The insured must answer all questions completely and accurately to the best of his knowledge, which are posed in the event of or, or after, a claim.

2. In the event of a claim Wehring & Wolfes GmbH must be informed immediately, even if the yacht is abroad. In the event of fire and explosion damage, burglary and theft, a report must be filed immediately at the relevant police station.

3. The insured is hereby advised that he is obligated to undertake all suitable and reasonable measures to reduce damage. Moreover, the insured is obligated to do everything to secure recourse, e.g. through written notice of liability in the event of a third party being at fault.

4. If one of these obligations is breached, the insurer is exempt from the duty to indemnify the insured wholly or in part in accordance with §§ 28 para. 2 to 4 VVG, 29 VVG, 82 VVG.

Art 10 Payment of Compensation, Transfer and Pledging

1. The claim payment is due immediately after receipt and checking of the documents requested by the insurer to establish the claim. In the event of partial theft claims, the insured's right of withdrawal ends after one month, calculated from the day of receipt of the written claim notification, or after payment of the insured sum for theft of the entire yacht.

2. If a police or criminal investigation is initiated because of the claim, the insurer is entitled to wait for the outcome of this proceeding before making a payment.

3. Claims arising from benefits from the contract can neither be transferred, nor pledged without the insurer's approval.

Art 11 Contract Extension and Contract Termination, Sale of the Vessel

1. The contract will be automatically extended (renewed) by a year each time if it is not terminated in writing by one of the two parties at least three months before it expires.

2. After an insured event occurs, both parties can terminate the insurance con-

tract. The termination must be declared in writing at the latest one month after payout or denial of the claim. The termination takes effect one month after receipt. The insured can specify that his termination takes effect immediately or at a later point, but at the latest by the end of the current insured year.

3. Sale of the insured vessel must be communicated in writing to Wehring & Wolfes GmbH detailing the buyer's address, as the yacht hull insurance passes to the buyer in accordance with §§ 95 ff of the German Insurance Act (VVG).

Art 12 Excess

The excess (own risk) documented in the policy applies to each individual loss, except in the case of the total loss of the insured yacht, loss of insured personal effects, blameless collision damage and fire damage caused by third parties. In the event of burglary/theft losses an excess of EUR 100.- is deemed to be agreed.

Art 13 No Claims Bonus

1. The holder of this policy will be granted the following no-claims bonus on the hull insurance premium. After the

- 1st loss free year 10%;
- 2nd loss free year 20 %;
- 3rd loss free year 30 %;
- 4th loss free year 40 %;

2. Following a settled loss the no-claims bonus will be reduced by 10%. If a second loss occurs during the same insurance period the whole no-claims bonus will be lost.

3. The no-claims bonus will not be changed in the case of the first loss if the yacht owner has been insured through Wehring & Wolfes GmbH without loss for more than 5 years.

Art 14 Domestic Jurisdiction

1. For actions arising from the insurance policy against the insurer, the legal jurisdiction is determined by the insurer's registered address or the office responsible for the insurance policy. The German court for the district in which the insured is domiciled at the time the action is made also has local jurisdiction, or if the insured has no fixed abode, another such usual place of residence.

2. The court named in point 1, clause 2 has exclusive jurisdiction for claims against the insured arising from this insurance policy, if the insured is a natural person. If the insured is a legal entity or a partnership, the court with jurisdiction is determined by the insured's registered address or by branch office.

3. If the insured's domicile or usual place

of residence is not known at the time the action is raised, the legal jurisdiction for actions arising from the insurance policy against the insured is determined by the insurer's registered address or the insurer's office responsible for the insurance policy.

4. The provisions of §§ 215 VVG and the provisions of the Code of Civil Procedure (ZPO) apply to the rest.

Art 15 General Provisions

1. Unless otherwise agreed in this conditions, the provisions of the German Insurance Act (VVG) apply.

2. All expressions of will and notifications from the insured that are intended for the insurer in the context of this insurance contract can be sent via Wehring & Wolfes GmbH.

3. The basis for this insurance contract is a completed and signed Wehring & Wolfes GmbH proposal form.

Art 16 Participation and Leadership Clause

If several insurers are participating in the policy, the insurers are only liable in proportion to their share of the policy.

Leadership is in the hands of the insurer that signs in the 1st position. Decisions and actions taken by the leading insurer are also binding for the participating insurers. This also applies to decisions that are taken against the leading insurer.

Clauses on the Yacht Hull Insurance Conditions

1. Dinghy/Tender

The dinghy/tender identified on the insurance application is also insured in compliance with the yacht hull insurance conditions.

2. Outboard Engine

The outboard engine identified on the insurance application is also insured in compliance with the yacht hull insurance conditions. Engines are insured if they are stolen or fall overboard, if they are firmly secured to the hull or secured with a steel chain of at least 5 mm thickness.

3. Road Trailer

Road trailers are insured as described in the application and specified in the policy conditions.

4. Personal Effects

The personal effects of the insured, yacht owner and the crew are covered with a total insured sum of EUR 2,500, max. EUR 500 per single item, unless specifically agreed otherwise, on the yacht, on the way to/from the yacht or whilst being used, unless the effects are covered by

other insurance. Damage resulting from moisture, mould, moths, vermin, normal wear and tear, breakage and simply falling overboard, is not covered.

Responsible Supervisory Authorities

In the event of actions against the insurers, the insuree can contact the following address:

BaFin (German Financial Supervisory Authority)
Insurance Supervision
Graurheindorfer Str. 108
53117 Bonn
Tel.: +49 (0)228 410 80
Fax: +49 (0)228 410 815 50
Email: poststelle@bafin.de
Homepage: <http://www.bafin.de>