

Pantaenius Superyacht Clauses

PSYC 21162/MC/0111

These Pantaenius Superyacht Clauses have been designed specifically for Superyachts.

The Insurance Agreement

1. **The Insured, the Insurer and Pantaenius:** The Insured is the person or company (people or companies) specified as the Insured in the Schedule. The Insurer means the underwriters that are listed in the Schedule. Pantaenius is the agent of the Insurer.
2. **Contract of Insurance:** The contract of insurance between the Insured and the Insurer is set out in these Pantaenius Superyacht Clauses, the Schedule and any Endorsement(s) (together "this Insurance"). The Insured should read these documents carefully in order to determine its rights and obligations, the limits of indemnity, the insurance cover provided, the restrictions and exclusions that apply to the cover provided and the other terms and conditions applicable to this Insurance.

In deciding whether to insure the risk and on what terms, the Insurer has relied on the information that has been provided to it. For the contract of this Insurance to be valid, all the information presented to the Insurers by the Insured and/or its agent(s) must be true and complete and there must be full compliance with Section E §2.1 of this Insurance.

3. **Yacht:** means the vessel specified in the Schedule, its hull and machinery, tender(s), watercraft and gear and equipment as would normally be sold with the Yacht. It does not include personal effects, ship's cash, fine art, food, wine, provisions, or mopeds, motorbikes and bicycles and other property which may be insured under Section A §2.

Section A. HULL AND PROPERTY INSURANCE

§1. Insurance Cover:

All Risks: This Insurance covers the Insured against all risks of physical loss of or damage to the Yacht occurring during the Policy Period.

§2. Additional Cover:

Additional cover under this §2 is subject in all respects to the terms, conditions and exclusions of this Insurance. The additional cover is:

1. Inspection after grounding: The reasonable expense of an inspection of the underwater part(s) of the Yacht after grounding, even if no damage is found.
2. Salvage costs and the costs of removal of wreck: Reasonable salvage charges incurred in preventing a loss recoverable under this Insurance and also the reasonable costs incurred in removal of the wreck of the Yacht, are recoverable in addition to the limits of insurance specified in the Schedule and no limit shall apply.
3. Sue and Labour costs: Costs incurred by the Insured, its servants and agents in taking such measures as may be reasonable for the purpose of averting or minimizing a claim under this Section A, whether such measures are successful or not, are recoverable in addition to the limits of insurance specified in the Schedule and no limit shall apply.
4. Commercial Towing Fees, Emergency Costs and Search and Rescue Costs: Reasonable commercial towing fees, to the nearest place of refuge, incurred in an emergency for necessary repairs to be carried out. This Insurance also covers, in the event of an emergency while the Yacht is away from a safe harbour or refuge, the reasonable costs of emergency labour and the delivery of fuel, parts, supplies (excluding the costs of these items) to the location of the breakdown. This Insurance also covers reasonable costs incurred for emergency search and rescue. The cover under this §2.4 is limited to €200,000 for any one claim and is recoverable even where there is no physical loss of or damage to the Yacht.
5. Emergency Accommodation Costs: Reasonable emergency accommodation expenses ashore for the Insured, the beneficial owner, the family of the beneficial owner, the charterers, the Yacht's Captain and crew that were staying on board the Yacht at the time of a casualty insured under this Section A up to €200 per person per night for a maximum of 7 days following the casualty if, in the opinion of the surveyor appointed by the Insurer, the Yacht is rendered uninhabitable or unsafe due to loss of or damage to the Yacht while in use by the abovementioned people. The maximum amount recoverable under this §2.5 for any one incident or occurrence or series of incidents arising from one occurrence is €50,000.
6. Temporary Storage Ashore: The cover under Section A §1 is extended to cover parts of the Yacht while in locked and secure temporary storage ashore and/or while in transit worldwide provided that the means of transportation is suitable for the parts of the Yacht being transported and they are properly loaded and secured for the transit.

7. **Personal Effects:** The personal effects of the Insured, the paid crew and the Insured's guests are insured up to the limit(s) specified in the Schedule while on board the Yacht for all risks of physical loss or damage from any external cause; deliberate physical loss of or damage to the personal effects directly caused by anyone other than the Insured or the legal or beneficial owner, paid crew or the Insured's guests; theft from the Yacht of personal effects; and physical loss of or damage to personal effects caused by piracy. For the purpose of this Insurance, "personal effects" are items of a personal and portable nature which are taken on board the Yacht and which would not normally be sold with the Yacht.
8. **Ship's Cash:** Ship's cash is insured for all risks of physical loss or damage from any external cause, piracy and theft (but not mysterious disappearance) up to the limit(s) specified in the Schedule for any one claim and in the aggregate for any one policy period from the time of collection of the money from a local bank or shipping agent's office at the Yacht's port of call to delivery onboard the Yacht, while onboard the Yacht and until disbursed or until re-deposited in a bank or a shipping agent's office at a subsequent port of call provided that at all times the money is in the close personal custody of no less than two of the Yacht's employees or crew while in transit to and from the Yacht and provided that when the money is onboard the Yacht, the money is promptly deposited in and kept in the Yacht's locked safe.
9. **Fine Art:** Fine art, objects and antiques ("fine art") onboard the Yacht are insured for all risks of physical loss or damage from any external cause and also deliberate damage, piracy and theft while onboard the Yacht as follows:

- up to a maximum limit of €20,000 for any one item of fine art and an aggregate limit of €200,000 for any one occurrence where no fine art is specified in the Schedule; or
- up to the value of the fine art individually specified in the Schedule,

but, in contrast with the provisions of §3.1 (Agreed Fixed Value) below, the amount recoverable for fine art will not exceed the current market value of the fine art at the time of such loss or damage onboard the Yacht.

If the physical loss or damage is to a set or pair of fine art there is no cover for any loss in value that may be attributed to the fact that the fine art is no longer a complete set or pair.

10. **Food, wine, provisions, fuel and consumable oils:** The Yacht's food, wine, provisions, fuel and consumable oils are insured within the limit of the Agreed Fixed Value of the Yacht against all risks of physical loss or damage from any external cause while onboard the Yacht or while being loaded onto or unloaded off the Yacht and also against theft, if stolen from the Yacht.
11. **Mopeds, motorbikes and bicycles:** The Yacht's mopeds, motorbikes and bicycles are insured within the limit of the Agreed Fixed Value of the Yacht against all risks of physical loss or damage from any external cause while onboard the Yacht and while being loaded onto or unloaded from the Yacht and also against piracy and theft, if stolen from the Yacht while securely locked to the Yacht or, if stolen while securely locked and parked alongside the Yacht.

12. Equipment not owned but installed on the Yacht: Physical loss of or damage to equipment and apparatus not owned by the Insured but installed for use on the Yacht and for which the Insured has assumed contractual liability, whether such equipment or apparatus be in the nature of aids to navigation or communication or otherwise where such loss or damage is recoverable under Section A §I of this Insurance. In no event shall the liability of the Insurer exceed the lesser of the contractual liability of the Insured for loss of or damage to such equipment or apparatus or its replacement value. All such equipment and apparatus shall be included in the Agreed Fixed Value of the Yacht.

13. Loss of Charter Income: Loss of the Yacht's charter income up to the Loss of Charter Income Limits (Daily Limit and Overall Maximum Limit), if specified in the Schedule, in circumstances where the Yacht is prevented by physical loss of or damage to the Yacht from starting or continuing a charter provided that:

- the charter deposit and/or charter fee was paid to the Insured or its charter management in accordance with a written and binding charter agreement; and
- the Insurer has agreed in writing that such physical loss of or damage to the Yacht is covered under Section A of this Insurance; and
- there is no other insurance covering the loss of charter income.

No deductible shall apply to this §2.13, but the first 7 days of loss of charter income are not recoverable under this Insurance.

14. Newly Acquired yachts, tenders and craft: Physical loss of or damage to a yacht (up to a maximum of €5,000,000) and/or any additional tenders, dinghies, outboards, windsurfers and/or personal watercraft (up to a combined maximum of €500,000) that has/have been purchased by the Insured during the policy period for the first 30 days of ownership by the Insured prior to notification to the Insurer provided that:

- the maximum designed speed of the yacht, tender and/or craft does not exceed 50 knots; and
- the Insured promptly pays the additional premium(s) required by the Insurer after declaring the newly acquired yacht, tender(s), dinghy(ies), outboard motor(s), windsurfer(s) and/or personal watercraft; and
- the physical loss or damage occurred in the Navigational Limits specified in the Schedule; and
- the physical loss or damage is recoverable under Section A §I of this Insurance.

15. Breach of Warranty by the Yacht's Captain, paid crew members or charterer: The insurance cover under this Section A shall not be prejudiced by breach of any warranty contained in this Insurance by the Yacht's Captain, paid crew members or a charterer provided that the breach of such warranty does not constitute a violation of the laws of the country that has jurisdiction over the Yacht at the time the breach occurred or such breach is not committed with the consent, approval or knowledge of the Insured or the legal or beneficial owners of the Yacht.

§3. Agreed Fixed Value, Total and Partial Loss and Deductible(s):

16. Agreed Fixed Value: The Agreed Fixed Value of the Yacht specified in the Schedule shall be based on the new replacement value of the Yacht at the commencement of this Insurance. The same basis of Agreed Fixed Value shall apply to personal effects and other property insured under Section A §2 of this Insurance (except fine art insured under §2.9).

The Agreed Fixed Value specified in the Schedule shall be conclusive proof of the insured value of the Yacht and property insured under Section A §2 (except fine art insured under §2.9).

The Insurer shall not penalise the Insured for under-insuring or over-insuring the value of the Yacht and/or property insured under Section A §2.

17. Total Loss / Constructive Total Loss: Where the Yacht is an actual total loss or a constructive total loss (where the costs of reinstatement exceed the Agreed Fixed Value), the Agreed Fixed Value of the Yacht shall be paid to the Insured in respect of a recoverable claim. If the Yacht is destroyed, stolen or lost and not recovered after the lapse of a reasonable time when no news of the Yacht has been received, the Agreed Fixed Value of the Yacht shall be paid for a claim recoverable under this Insurance. The Insurer shall be entitled to deduct the realisable market value of any remaining insured property. This clause also applies to the insurance of any other property insured with specified limits under Section A §2 of this Insurance.

18. Partial Loss: Claims for partial loss of or damage to the Yacht shall be settled on the basis of reasonable repair and/or replacement costs necessary to re-instate the Yacht as nearly as is reasonably possible to its pre-accident condition where a claim is recoverable under this Insurance. These necessary costs will include the cost of transporting the Yacht to the nearest appropriate repair facility. The Insurer will not apply any “new for old” deductions. This clause will also apply to the insurance of any other property insured with specified limits under Section A §2 of this Insurance.

19. Deductibles: The deductibles specified in the Schedule will apply in respect of each claim except that in no circumstances shall a deductible apply in respect of a total loss of the entire Yacht (§3.2); or in respect of inspection after grounding (§2.1); salvage costs and the costs of wreck removal (§2.2); sue and labour costs (§2.3); commercial towing fees and emergency costs and search and rescue costs (§2.4); emergency accommodation costs (§2.5), and loss of charter income (§2.13).

§4. Exclusions applicable to Section A:

This Insurance does not cover:

1. Any loss or damage directly or indirectly caused by gradual deterioration, inherent vice, vermin or electrolysis;
2. Any loss or expenditure incurred in remedying a fault in design or construction or any cost or expense incurred by reason of betterment or alteration in design or construction;



3. The cost of repairing or replacing the worn out part of the Yacht proven to have caused the physical loss of or damage to the Yacht;
4. The cost of repairing or replacing the latently defective part of the Yacht proven to have caused the physical loss of or damage to the Yacht;
5. Any loss or damage caused by a latent defect in circumstances where and to the extent that such loss or damage to the Yacht is covered under a guarantee or warranty;
6. Loss of use, loss of charter (unless the Schedule specifies that loss of charter is insured under Section A §2.13), loss of market value, loss of racing performance, loss of manufacturer's warranty or any other form of non physical loss or damage;
7. Theft of gear, equipment and other moveable property insured under this Section A unless there are visible signs of forcible and violent removal and/or entry or exit to the Yacht, or to locked and secure temporary storage ashore or whilst in transit;
8. Loss of or damage to jewellery, cash, credit, debit and/or bankcards, cheques, stock or any other financial instrument (but this exclusion does not apply to the cover under §2.8 above);
9. Loss of or damage to computer software, programs or data;
10. Loss of or damage to fine art caused directly or indirectly, in whole or in part by fading, thinning, colour transfer, creasing, denting, scratching, tearing, latent defect, rot, fungus, mould or infestation, change of temperature or humidity, smog, birds, insects or during use, other than as a collection of fine art;
11. Loss of or damage to the Yacht that is attributable to the recklessness of the Insured or the legal or beneficial owners of the Yacht;
12. Loss of or damage to the Yacht arising from the Yacht failing to remain in Class with its Classification Society or failing to comply with the Yacht's Classification Society's recommendations and/or restrictions or notations to the Classification Society's Certificate of the Yacht;
13. Loss of or damage to the Yacht arising from transportation of the entire Yacht as cargo unless the Schedule or an Endorsement states that a particular transit of the Yacht as cargo is insured under this Insurance; or
14. Loss of or damage to the Yacht caused by strikers, locked out workmen or persons taking part in labour disturbances, riots or civil commotions, war, civil war, revolution, capture, seizure, arrest or detainment, terrorist or any person acting from a political motive, confiscation, appropriation or any other loss or damage that may be recoverable under Section C of this Insurance.

Section B. INCREASED VALUE

§1. Insurance cover:

If cover has been agreed and a policy Schedule issued for Increased Value insurance, then subject always to the terms and conditions of this Insurance, this Section B covers the financial interests of the Insured in respect of increased value and/or disbursements provided that:

- such interests are not insured under Section A of this Insurance; and
- the Insurer of Section A has declared in writing that the Yacht is an actual total loss or a constructive total loss under Section A of this Insurance.

§2. Sum Insured:

In the event that the Insurer of Section A declares in writing that the Yacht is an actual total loss or a constructive total loss under Section A of this Insurance, the Insurer of Section B shall pay the sum insured specified in the Increased Value Schedule.

The Insurer of Section B hereby confirms that the decision of the Insurer of Section A is binding upon them as the Insurer of Section B of this Insurance.

The sum payable under this Section B is in addition to the amount paid under Section A of this Insurance.

§3. Proof of Loss:

The insurance under Section B shall be considered to be sufficient proof of the Insured's financial interest for the sum insured as specified in the Increased Value Schedule.

Section C. WAR AND RELATED PERILS

§1. Insurance Cover:

1. If cover has been agreed and a policy Schedule issued for War and Related Perils, then subject to all the exclusions specified in Section A (except the exclusion §4.14) and all the other terms and conditions of this Insurance, this Section C will cover, up to the limit specified in the War and Related Perils Schedule, physical loss of or damage to the Yacht caused by strikers, locked out workmen or persons taking part in labour disturbances, riots or civil commotions, war, civil war, revolution, capture, seizure, arrest or detainment, terrorist or any person acting from a political motive, confiscation, appropriation, derelict mines, torpedoes, bombs or other derelict weapons of war, but excluding loss or damage in areas listed in the document “Confiscation, Strikes and War Conditions Exclusions” attached to the Schedule.
2. In the event that the Yacht shall have been the subject of capture, seizure, arrest, restraint, detainment, confiscation or appropriation, and the Insured, by reason thereof, has lost the use and disposal of the Yacht for a continuous period of 12 months (even though condemnation has not occurred), provided the loss is recoverable under this Insurance, then for the purposes of ascertaining whether the Yacht is a constructive total loss, the Insured shall be deemed to have been deprived of the possession of the Yacht without any likelihood of recovery.
3. “Restraint” as used in this Section C shall be deemed to include the inability of the Yacht to sail from any port or place to the high seas because of closure of the connecting waterway to all vessels of similar size or draft due to blockage of such waterway caused by hostilities or warlike operations.
4. No deductible applies to claims under this Section C.

§2. Additional Cover:

This Section C also covers:

1. Salvage costs and the costs of removal of wreck: Reasonable salvage charges incurred in preventing a loss recoverable under this Section C and also the reasonable costs incurred in removal of the wreck of the Yacht, are recoverable in addition to the limits of insurance specified in the Schedule and no limit shall apply.
2. Sue and Labour costs: The costs incurred by the Insured, its servants and agents in taking such measures as may be reasonable for the purpose of averting or minimising a claim under this Section C are recoverable in addition to the limits of insurance specified in the Schedule and no limit shall apply.

§3. Cancellation:

1. The cover under this Section C may be cancelled by the Insured or the Insurer by giving 7 days written notice, but this notice will not affect the operation of the automatic termination provisions in §3.2 below. The cancellation becomes effective on expiry of 7 days from midnight of the day on which the notice is posted to the Insured at the Insured's address in the Schedule.
2. Whether or not notice of cancellation has been given, cover under this Section C will **terminate automatically** and simultaneously with:
 - the occurrence of any hostile detonation of any nuclear weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or
 - the outbreak of war (whether there be a declaration of war or not) between any of the following countries: United States of America, United Kingdom, Germany, France, Russia or the People's Republic of China.
3. In the event of cancellation by automatic termination or notice of cancellation under this Section C, the Insured will be entitled to a proportionate return of premium for this Section C for the remaining unused policy period if there has been no claim.

§4. Exclusions applicable to Section C:

This Insurance does not cover:

1. Arrest, seizure, detainment, confiscation or appropriation of the Yacht by governmental or customs authorities for breach of VAT or similar excise regulations and/or requirements not arising from actual or impending hostilities.
2. Capture, seizure, arrest or detainment, confiscation, or appropriation by the country in which the Yacht is owned or registered.

Section D. THIRD PARTY LIABILITY INSURANCE

§1. Insurance Cover:

1. Indemnity: The Insurer agrees to indemnify the Insured, up to the Third Party Liability Limit specified in the Third Party Schedule, for damages that the Insured is legally liable to pay to a third party by reason of the Insured's ownership, operation and use of the Yacht, arising out of an accident during the policy period, in respect of bodily injury or death or damage to the property of a third party.
2. The indemnity under §1.1 above shall extend to the Insured's family, the beneficial owner of the Yacht or the family of the beneficial owner of the Yacht, the Yacht's Captain, the Yacht's crew, and guests onboard the Yacht with the consent of the Insured or the legal or beneficial owner where such person becomes liable to a third party for bodily injury or death or damage to the property of a third party by reason of their operation and/or use of the Yacht during the policy period.
3. Section D will not extend to a person operating or employed by a shipyard, repair facility, fuelling facility, boat yard, yacht club, sales agency, charter agent or any similar organisation unless such person has been expressly asked by the Yacht's Captain in advance of leaving port or anchor to be crew onboard the Yacht.
4. Section D will not extend to a delivery skipper (unless approved of in advance in writing by the Insurer).

§2. Additional Cover:

Subject to the terms and conditions of this Insurance, this Section D includes an indemnity for the Insured, and those listed in §1.2 above,

1. For legal liability to a third party arising out of or from:
 - 1.1. Waterskiing, Water Sports and Diving Equipment etc.: water-skiing and para-sailing using the Yacht's tender(s) or watercraft, and the ownership and use of the Yacht's tender(s), personal watercraft, water sports equipment and diving equipment that is used in connection with the Yacht.
 - 1.2. Pollution: the sudden and accidental release or escape of oil, fuel, chemicals, waste materials or other pollutants arising from the operation and use of the Yacht.
 - 1.3. Newly Acquired Yachts, Tenders and Craft: the ownership, operation or use of newly acquired yachts and/or any additional tenders, dinghies, outboards, windsurfers and/or personal watercraft that has/have been purchased by the Insured during the policy period, for the first 30 days of ownership by the Insured prior to notification to the Insurer provided that:

- the maximum designed speed of the yacht, tender and/or craft does not exceed 50 knots; and
 - the Insured promptly pays the additional premium(s) required by the Insurer after declaring the newly acquired yacht, tender(s), dinghy(ies), outboard motor(s), windsurfer(s) and/or personal watercraft.
2. Marine Environmental Damage and Water Pollution Fine Extension: for up to €50,000 for any one occurrence for the payment of any government fine or penalty incurred by reason of marine environmental damage or water pollution arising out of the operation and use of the Yacht.
 3. Search and Rescue Costs: for search and rescue costs being levied on the Insured and/or the Yacht arising from an unintentional activation of one of the Yacht's emergency rescue devices (such as EPIRB or GDMSS devices) when no emergency situation existed, provided that these costs cannot be recovered elsewhere.
 4. Uninsured Boater's Insurance: for bodily injury sustained onboard the Yacht caused by a third party vessel that has left evidence of direct physical contact with the Yacht but where the operator or owner of the third party vessel is not insured and/or is not identified up to the limit(s) specified in the schedule.

This uninsured boater's insurance does not cover claims where the claimant is eligible for benefits or compensation under any employer's liability law, workmen's compensation, disability benefits or similar law or in respect of a claim where the uninsured vessel is owned by the Insured.

5. Legal costs: for a payment of legal costs and disbursements reasonably incurred in contesting liability or issuing legal proceedings to limit liability and/or the legal costs and disbursements reasonably incurred in proceedings before an official inquiry by the state or authorities where the accident occurred that gave rise to the death of the third party, provided the Insurer's prior written permission has been obtained.

§3. Conduct of the investigation, the claim or action:

The Insurer is entitled to investigate and settle at its sole discretion any claim or action brought by a third party. The Insurer reserves the right to appoint lawyers to represent the Insured or person claiming an indemnity under §1.2 above.

§4. Amount of indemnity:

1. The Third Party Liability Limit specified in the Third Party Liability Schedule shall be the maximum liability of the Insurer in respect of any one accident or occurrence regardless of the number of Insureds that may be specified in the Schedule or persons claiming an indemnity under §1.2 above, the number of vessels insured under this Insurance, claims made or persons injured.
2. The Insurer's obligation to indemnify the Insured or person listed in §1.2 above for legal costs and disbursements under §2.5 above and/or costs incurred in complying with the duty to mitigate under Section E §2.12.2 shall be in addition to the indemnity under the Third Party Liability Limit specified in the Schedule, however where a claim is asserted under the US or Canadian law and/or practice, irrespective of the jurisdiction, then the Insurer's total indemnity including cover under §2.5 above and/or Section E §2.12.2 shall be the Third Party Liability Limit specified in the Schedule irrespective of whether legal costs were incurred solely as a result of the Insurer's instruction.

§5. Third Party Liability Exclusions:

This Insurance does not cover any liability, claim or expense arising directly or indirectly from:

1. Any fines, penalties and/or assessments by any authority and/or any punitive, multiple or exemplary damages of any nature whatsoever (except where there is cover under the Marine Environmental Damage and Water Pollution Fine Extension under §2.2 above);
2. The use of any diving equipment by a person not in possession of the appropriate qualification and required licence, except in circumstances where a lesson or training is being given to an unqualified person by a member of the crew that is a qualified and licensed diving instructor;
3. The release, discharge or escape of oil, fuel, chemicals, waste materials or other pollutants which arises directly or indirectly from a deliberate act or omission by the Insured, the legal or beneficial owners of the Yacht or where committed with their consent, approval or knowledge;
4. The operation of the Yacht, its tender(s) and/or watercraft by a person who does not possess the necessary licences required by the flag state of the Yacht and/or the relevant authorities unless the Insured or the legal or beneficial owner had reasonable grounds to believe and did so believe that the operator of the Yacht, its tender(s) and/or watercraft had the relevant licence(s) but this Insurance does not provide an indemnity for an unlicensed operator;
5. Any liability arising from participation in racing or speed tests or any trials in connection therewith by the Yacht, its tenders or any of its watercraft of any nature whatsoever when under power;
6. Any liability assumed by the Insured or its representatives under any contract or agreement (including, but not limited to a contractual exclusion, limitation of liability or any waiver or limitation of the Insurer's subrogated rights of recovery) unless the Insurer's prior approval is set out in the Schedule or in an Endorsement;



7. Any claim against the Insured or the beneficial owner of the Yacht by any paid crew of the Yacht employed by the Insured, the legal or beneficial owner or a crew agency to be paid crew on board the Yacht or in connection with the Yacht;
8. The ownership, possession, use, storage, handling and/or control of any firearm or deadly weapon;
9. Any liability arising out of helicopter operations;
10. Any liability arising from the operation of any vehicle required to be licensed for use on any public highway; or
11. Any claim for damages of the Insured or the legal or beneficial owner of the Yacht.

SECTION E: GENERAL TERMS AND CONDITIONS

§1. General Exclusions applicable to all sections of this Insurance:

This Insurance does not cover loss, damage, liability, claim or expense arising directly or indirectly, in whole or in part from:-

12. Nuclear Hazard: any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
13. Chemical, Biological and Other Weapons: the use of chemical, biological or bio-chemical substances, electro-magnetic waves, any computer system, virus or process or any electronic system as a weapon or as a means of inflicting harm;
14. Illegal Acts: operation or use of the Yacht for any illegal activity or purpose, so far as the Insured or the legal or beneficial owners of the Yacht can control the matter;
15. Deliberate Acts or Omissions: the deliberate acts or omissions of the Insured or the legal or beneficial owners of the Yacht or deliberate acts or omissions committed with the consent, approval or knowledge of the Insured or the legal or beneficial owners of the Yacht.
16. Prejudice of the Rights of the Insurer: any contractual exclusion or limitation of liability, waiver or any other limitation of the Insurer's subrogated rights of recovery (unless approved in advance in writing by the Insurer).
17. Incident covered under another Section: a claim that is already recoverable under another Section of this Insurance.

§2. General Terms and Conditions:

The following terms and conditions regulate this Insurance and the requirements set out below must be strictly complied with because they are conditions precedent to the Insurer's liability to indemnify the Insured or make any payment under this Insurance.

1. Material Disclosure and Representation: The Insured is required to make a complete and true disclosure of all material information that might influence the Insurer in deciding whether or not to offer insurance, on what terms and at what premium. The Insurer has relied upon the representations and information submitted by the Insured or its intermediary. Failure to disclose all material information or making a misrepresentation to the Insurer could result in this Insurance being declared void by the Insurer and/or a claim being rejected. Any questions asked and/or information specifically requested in any Application Form shall not restrict the Insured's duty to make a full and accurate disclosure to the Insurer of all material information when applying for insurance.

2. Change in Risk: The Insured is required to notify Pantaenius as soon as reasonably possible of any changes in circumstances that increase the risk. Failure to do so may invalidate this Insurance.
3. Policy Period: This Insurance covers the Yacht during the policy period specified in the Schedule. Cover commences at 12:00 hrs GMT on the commencement date specified in the Schedule.
4. Navigational Limits: This Insurance covers physical loss of or damage to the Yacht and other property insured under Sections A, B or C of this Insurance within the Navigational Limits specified in the Schedule. Third party liability cover under Section D of this Insurance applies on a worldwide basis.
5. The Yacht's Captain: The Yacht's Captain is to be approved in advance in writing by the Insurer.
6. Use of the Yacht: This Insurance covers the Yacht while the Yacht is afloat, in commission, while being used for private and pleasure purposes, for business entertainment, while laid up, while being exhibited at a recognised boat show or navigated for demonstration purposes, while ashore, at a shipyard or repair facility, while being lifted and launched and while being moved ashore provided that the Yacht is always under the control of the Yacht's Captain (unless the Insurer's prior written agreement has been obtained).
7. Charter of the Yacht: The Yacht will be covered under this Insurance for skipper charter provided that the Schedule or an Endorsement states that skipper charter usage of the Yacht is covered under this Insurance.
8. 12 Passenger Extension: The Insurer agrees, subject to compliance with flag state requirements, that from time to time there may be more than 12 passengers onboard whilst moored alongside or stern-to in port or whilst at anchor provided that all persons are transported to the Yacht at anchor by other craft if the Yacht is moored outside the port.
9. Sisterships: If the Yacht, her tender(s) dinghies and/or personal watercraft, come into collision with another vessel belonging wholly or in part to the Insured or under the same management as the Yacht, the Insured shall have the same rights under this Insurance as it would have if the other vessel were entirely the property of owners having no interest in the Yacht. However in such cases, the liability for collision shall be referred to a sole arbitrator to be agreed upon between the Insured and the Insurer.
10. Affiliated Companies: In the event of the Yacht being chartered by an associated, subsidiary or affiliated company of the Insured and in the event of loss of or damage to the Yacht recoverable under Section A of this Insurance, the Insurer agrees to waive its rights of subrogation against such charterers unless and to the extent that such charterers have the benefit of separate liability insurance.
11. Pilots Non-Liability Clause: This Insurance shall not be prejudiced by reason of any agreement limiting or exempting the liability of pilots, tugs and/or tow boats and/or their owners when the Insured and/or the charterers accept such contract in accordance with established local practice or are reasonably compelled to accept such contracts.

12. Insured's duties after a loss: In the event of an occurrence which may give rise to a claim under this Insurance, it is a condition precedent to the liability of the Insurer under this Insurance that the Insured complies fully with the following obligations:

- 12.1. Notification: Notify Pantaenius in the first instance without delay of every event which may give rise to a claim under this Insurance. Thereafter give written notice of the claim to Pantaenius by sending a completed Claim Form signed by the Insured by e-mail or telefax. The contact telephone and telefax numbers and e-mail addresses are specified in the Schedule.
- Also notify the relevant government authority (i.e. police or coastguard) if the Insured believes a crime has been committed or if required to do so by local practice or law and provide the incident reference number to the Insurer.
- 12.2. Duty to mitigate: Take all reasonable measures to avoid and/or minimise any loss or damage that may be recoverable under this Insurance and to minimise liabilities to third parties. The Insured is required to act as if it was uninsured.
- 12.3. Inspections: Allow inspections, as many times as necessary, of the damaged Yacht or equipment by the Insurer's representative(s).
- 12.4. Information and documents: Provide the Insurer with detailed and accurate reports, invoices, receipts, and other bills regarding the circumstances and damages of the insured event within a reasonable time of the insured event and permit extracts and copies of such documents to be made.
- 12.5. Examination under oath: Submit to an examination under oath, as many times as necessary, and in so far as it is within the Insured's power, ensure that any employees, or others associated with the Yacht co-operate with the Insurer and their representative(s) and submit to examination under oath with the Insurer and/or their representative(s).
- 12.6. Witnesses: Provide the Insurer with the names and addresses of any known injured persons or witnesses and if necessary, assist in securing their attendance at the trial of any liability/recovery claim.
- 12.7. Co-operation: Provide full co-operation to the Insurer and/or its representative(s) in the defence of any liability claim, including providing any letters of demand, claim forms, writs, and other legal documents to Pantaenius as soon as they are received and take no action without the approval of the Insurer and/or its representatives.
- 12.8. Subrogation: Upon payment of any loss, damage or expense, the Insured agrees that the Insurer shall be subrogated to all the rights of the Insured to the extent of such payment.

12.9. Fraud, false statement and misrepresentation: If the Insured or its authorised representative(s) makes any claim (including any part of a claim) or statement in connection with any claim, which is false or fraudulent or if the Insured or its representative fails to disclose any material information in connection with that claim, the Insured will not be entitled to the benefit of this Insurance and the insurance will be void from the start, as if it never took effect. No premium will be re-paid to the Insured in this event.

12.10. No admission of liability: Not make any admission of liability in relation to any liability that may be covered by this Insurance.

13. Premium: It is a condition precedent to the Insurer's obligation to indemnify the Insured or make any payment under this Insurance that the Insured pays the premium(s) due in respect of this Insurance by the due date specified in any of the Insurer's invoice(s).

If any premium is not paid to the Insurer by the due date, the Insurer may cancel this Insurance with 10 days written notice to the Insured. The cancellation for non-payment of premium will be effective at 11.59 GMT on the 10th day after sending the written notice.

The Insured will remain liable to the Insurer for the time on risk premium and any costs incurred in recovering the premium due to the Insurer.

The annual premium will be deemed to be fully earned and shall be paid to the Insurer prior to any claim being paid by the Insurer under this Insurance.

14. Currency: Payments by the Insurer and the Insured under this Insurance will be made in the currency of the sums insured and premium stated in the Schedule.

Where amounts are expressed in Euros in these Pantaenius Superyacht Clauses, the equivalent in the currency of the sums insured stated in the Schedule shall apply.

15. Un-repaired damage: The Insurer shall not be liable for any un-repaired damage in the event of a subsequent loss (whether or not covered under this Insurance).

16. Cancellation of this Insurance:

16.1. The Insured may give written notice of cancellation of this Insurance to Pantaenius specifying the future date (not less than one calendar month) of the cancellation.

16.2. The insurer may cancel this insurance where, in the sole opinion of the Insurer, there has been a material increase in risk, provided that 30 days' written notice of cancellation has been given by Pantaenius, or in accordance with the provisions in Section C §3 .

16.3. The Insurer will refund the rateable proportion of the remaining policy period if there has been no claim unless there is a provision to the contrary in these Pantaenius Superyacht Clauses.

17. Change of Ownership: This Insurance shall become cancelled from the time when the Yacht is sold or transferred to new ownership or there is a change in the controlling interest of the Insured Company and a proportionate return of the unused premium shall be made by the Insurer if there has been no claim.
18. Assignment: No assignment of or interest in this Insurance or any amount payable under this Insurance shall be recognised by the Insurer, without the prior written consent of the Insurer.
19. Loss Payee: All claim payments for physical loss of or damage to the Yacht under this Insurance shall be paid to the Loss Payee specified in the Schedule or any Endorsement.
20. Other Insurance: If the Insured has other insurance in respect of a loss recoverable under this Insurance, the Insurer will pay only the rateable proportion of the loss that this Insurance bears to the total amount of all insurance covering the loss.
21. Distribution of recoveries: In the event of recoveries from third parties in respect of any claim which has been paid in whole or in part by the Insurer under this Insurance, all such recoveries shall be distributed between the Insurer and the Insured in the following order of priority:
- to the Insurer to the extent of all sums paid by the Insurer under this Insurance;
 - to the Insured in respect of any applicable policy deductible under this Insurance;
 - to the party paying the reasonable costs and expenses incurred in making such recoveries from the third party;
 - to the Insured in respect of any uninsured losses that are recoverable from the third party; and finally
 - to the Insurer and the Insured equally in respect of any interest recovered, notwithstanding that by the addition of interest the Insurers may receive a larger sum than they have paid under this Insurance.
22. Notices: Notices are to be given in writing. Notices to the Insured will be sent to the address of the Insured specified in the Schedule. Notices to the Insurer are to be sent to Pantaenius at the address specified in the Schedule.
23. Law: The parties are free to choose the law applicable to this Insurance. Unless the Schedule states to the contrary, this Insurance shall be governed by and construed in accordance with English law.
24. Jurisdiction: Unless the Schedule provides to the contrary, this insurance shall be subject to the exclusive jurisdiction of the Courts of England and Wales.
25. Mediation: Without prejudice to §2.24 above, any dispute between the Insured and Insurer, if not settled amicably by negotiation, must be referred to mediation.

26. Legal Actions against the Insurer: No action shall be brought against the Insurer under this Insurance unless:

- the Insured has complied fully with all the requirements of this Insurance; and
- such action is commenced within two years from the date of that happening or occurrence from which the claim arose.

27. Rights of Third Parties: No term of this Insurance is intended to confer any benefit or right on any third party under any applicable legislation, including but not limited to the Contract (Third Parties) Act 1999.

28. Insurer's Share: In the event that a Section of this Insurance is underwritten by more than one insurer, each insurer subscribing to that Section of this Insurance shall only be liable for its share of the indemnity, i.e. there is no joint liability. Any agreement between the leading insurer(s) of a particular Section of this Insurance and the Insured is binding on all other insurers subscribing to that Section of this Insurance.

29. Complaints: The aim is to provide excellent service, but if there is a complaint about the service provided in respect of this Insurance or a dispute about this Insurance, the complaint should be addressed in the first instance to Pantaenius, which will refer the matter to the nominated executive of the leading underwriter of the Insurer.

If the complaint is not resolved satisfactorily, the Insured may have the right to ask the Financial Ombudsman Service (or an alternative authority) to review the case. The Insured's right to commence legal proceedings against the Insurer is not affected by this process.

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PANTAENIUS
Courtier d'Assurances Yachts

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