

Marsh Insurance Conditions for Yachts 2006

Article 1 General Conditions

1.1 This insurance has been effected on the express condition that the information supplied in the proposal form which was completed to serve as a basis for this insurance contract and signed by the policyholder, is truthful and complete.

1.2 If the proposal form has not been completed in full or truthfully, such may result in a limitation or forfeiture of the right to make a claim. If the proposal form was completed with the intention to mislead the insurers or the insurers would not have accepted the insurance had they had knowledge of the actual state of affairs, they also have the right to cancel the insurance.

1.3 Unless the parties hereto have explicitly agreed otherwise, this contract meets the contingency requirement as referred to in Section 925 of Book 7 of the Dutch Civil Code, if and insofar as the loss or damage incurred by the insured or any third party in respect whereof indemnity is claimed is the result of an occurrence regarding which it was uncertain to the parties at the time the insurance contract was concluded that loss or damage on the part of the insured or such third party had arisen therefrom or would arise therefrom under normal circumstances.

Article 2 Definitions

2.1 The vessel

Vessel is understood to mean the pleasure craft described on the schedule complete with its standard equipment and other appurtenances and, if included under the policy, the engine and/or the jolly boat belonging to the vessel or any other similar vessel complete with its standard equipment.

2.2 Engine or propulsion plant (insofar as included under the policy)

Engine or propulsion plant is understood to mean the installation(s) and accessories inclusive of the propeller shaft and screw serving as the mechanical propulsion of the vessel described on the schedule.

2.3 Inventory/contents

Inventory/contents is understood to mean all objects which are part of the household goods of the vessel, inclusive of audio-visual and optical equipment and such like, and personal effects not insured elsewhere of any other person on board. This however exclusive of money, monetary instruments, glasses, watches, jewellery, antiques and other valuables.

2.4 Insured parties

Insured parties are the policyholder, the owner, and those who have been explicitly or implicitly authorised to use the vessel by a competent person.

2.5 Insurers

Insurers are those parties who have bound themselves either independently or as authorised underwriting agent of one or more insurance companies for the account and at the risk of said companies, to bear the risks specified in the policy, each for their respective share as underwritten by or on behalf of them.

2.6 Repair

Repair is understood to mean:

- a. mending
- b. renewal, which also includes replacement of parts of the vessel.

Article 3 Territorial limits

As stated on the schedule, however in case of the sailing limits being exceeded, full cover will be provided for the risk at an additional premium to be agreed, provided that the insurers are notified of such exceeding in advance or as soon as possible after the insured first had knowledge thereof.

Article 4 Extent of the insurance

4.1 The insured vessel and its equipment and appurtenances are covered without any interruption of risk, both whilst waterborne and on land, whether in winter storage or not.

4.2 The insurance is furthermore in force whilst the vessel takes part in races, opening trips and such like and whilst it is in transit by ship, train, car or any other means of transport customary at such transports, as well as during overhauling, docking and repairing, inclusive of its presence on the slipway, in the shipyard or the dock. The insured has the right to tow or be towed, render assistance and in general to do all such things as are customary for a pleasure craft of the insured type.

4.3 The types of cover mentioned hereinafter apply subject to the provisions of the special conditions and the exclusions referred to in article 5.

4.4 Vessel

The insurance covers any loss of and/or physical damage to the vessel irrespective of the cause thereof, without regard to the provisions of Section 951 of Book 7 of the Dutch Civil Code pertaining to the nature and/or defect of the interest, up to and not exceeding the amount as stated on the schedule/endorsement under the heading 'damage to the vessel'.

4.5 Inventory/contents

4.5.1 Up to a maximum of 20% of the sum insured stated under the heading 'damage to the vessel', however, limited to an amount of EUR 150,000, is included under the policy – as first loss – any loss of and/or damage to the contents – regardless whether these are in or outside the vessel – arising from:

- a. storm, shipwreck, sinking, running aground, running down, collision while sailing or drifting whereby the vessel sustained damage as well;
- b. an accident the means of transport or the insured vessel met with whilst in transit;
- c. fire, explosion, spontaneous combustion and lightning;
- d. theft, in the event of the vessel itself being stolen;
- e. theft, provided that it was preceded by forcible entry into locked up storage rooms on the vessel or into locked up storage rooms on shore.

4.5.2 Entitled to compensation of loss of and/or damage to the contents are:

- a. the policyholder;
- b. the owner of the vessel;
- c. any other person on board, insofar as their inventory/contents are aboard the insured vessel.

4.5.3 The insurance is deemed to cover the inventory/contents of the policyholder and/or the owner primarily and subsequently – insofar as not insured elsewhere – the inventory/contents of any other person on board.

4.5.4 The value of the contents is deemed to be the price of new interests equivalent in type and quality. Allowance for a decrease in value due to wear and tear or obsolescence is made only:

- a. if the decrease in value referred to exceeded 40% prior to the event;
- b. in respect of interests no longer used for the purpose for which they were intended;
- c. in respect of mopeds and bicycles.

With respect to damaged interests which can be properly repaired, the cost of repair will be indemnified, if necessary increased by the amount of the decrease in value which may result from an insured event and may not have been offset in full by the repair.

4.6 Third party liability

4.6.1 The insurers provide indemnity for any claim the insured is obliged to pay pursuant to liability on his part, for:

- a. bodily injury;
which is understood to mean injury or impairment of health whether resulting in death or not;
- b. property damage;
which is understood to mean damage to, loss or destruction of interests;

all this insofar as the loss or damage was caused with or by the vessel and/or jolly boat(s) and/or sail- or surfboard(s) and with the proviso that in respect of each and every occurrence the compensation in total will never exceed the amount stated on the schedule/endorsement under the heading 'liability claims'.

The provisions of this article pertaining to liability do not apply to any interest or person being on board the vessel and the jolly boat or being loaded thereon or unloaded therefrom or otherwise are going aboard or getting off.

Excluded is the liability for bodily injury or property damage caused by water skiers.

If statutory provisions limit the liability to an amount which is less than the sum insured in this respect, the insurance will not extend beyond the statutory maximum.

4.6.2 Included under the policy is any loss or damage and the results thereof caused with or by the vessel to other belongings of the policyholder, provided that such loss or damage is not covered under any other insurance.

4.6.3 Costs of litigation and the cost of legal assistance in respect of the insured's liability are for the account of the insurers, if and insofar as said costs are incurred with their prior consent, even if said costs and the indemnification to be provided combined were to exceed the sum insured.

4.6.4 If the insured has to provide a security, to secure claims in respect of an event insured under this policy, in order to prevent or lift a seizure of the vessel, the insurers commit themselves to provide such security and to reimburse the costs thereof, all this in proportion to and limited to that part of the claim which is charged to this policy, provided that any mortgagees and cessionaries of the insurance money consent to the fact that the ensuing payments will be deducted from their claims to the indemnification.

4.7 Personal accidents

4.7.1 In the event of any loss or damage arising as a result of a personal accident any person on board has met with, while such person was either on board or going on board or ashore, the insurers indemnify up to an amount of EUR 1,500 the necessary medical expenses incurred (as a direct consequence of such accident) and the costs incurred on medical advice for X-rays and transport of the patient within three months following an accident, all this insofar as not insured elsewhere.

4.7.2 Should at one single occurrence or by a series of occurrences arising from one single cause, more than one person on board be injured, then the damages to be paid in total by virtue of this article will not exceed EUR 2,500 and will where necessary be reduced proportionally.

4.8 Raising and debris removal costs

If following a total loss of the insured vessel or the insured vessel being declared unfit, the policyholder is bound by law or under contract to raise the vessel and/or remove the debris, or otherwise deems raising and/or debris removal reasonably necessary, the insurers will, provided that the loss or damage was caused by a peril insured under this policy, also reimburse the raising and/or debris removal costs and such up to and not exceeding 100% of the sum insured in respect of the vessel.

4.9 Rescue and salvage charges and general average

Rescue and salvage charges are also included under this insurance. In addition, any general average contribution payable by the insured will be indemnified in the event that the insured pleasure craft is carried on board a ship.

4.10 Guarding and transportation

The costs of guarding and transportation of the vessel to the nearest repairer, necessary in the event of a loss or damage covered by this insurance, will also be reimbursed, insofar as the vessel cannot reach said repairer on its own.

Indemnity provided hereunder is not subject to a separate maximum.

4.11 Repatriation costs

The transport costs incurred with the insurers' consent, necessary to take the vessel to the Netherlands or its home port in the event that the motor vehicle or the trailer that served as means of transport has been lost or damaged to such an extent that it cannot serve as means of transport any longer as a result of an accident abroad, yet within the agreed territorial limits applying to the vessel, are also included under this insurance.

4.12 Limit of indemnity not restricted to once the sum insured

Payments by virtue of this article will be made irrespective of any other payment hereunder, however, subject to the respective maximum determined in respect of any one item or combination of items.

Article 5 Exclusions

5.1 This insurance does not cover loss of or damage to the vessel and/or inventory/contents:

- a. regardless of the cause thereof, if the insured vessel is hired out or used for purposes other than pleasure;
- b. Acts of war:
 1. caused by or arising from armed conflict, civil war, insurrection, civil commotions, riots, mutiny, and requisition in accordance with the definitions thereof as included in the wording filed by the Association of Insurers in the Netherlands with the Registry of the District Court in The Hague on 2nd November 1981 under number 136/1981;
 2. any loss or damage caused by bombs, mines, or any other kind of ammunition or arms left behind however is covered, provided that the country in which the insured interest is located is not actually subject to any acts of war at the time of said loss or damage.
- c. caused by, manifesting itself during or arising from:
 1. Nuclear reactions, regardless how the reaction has arisen. Nuclear reaction is understood to mean any nuclear reaction in which energy is released such as nuclear fusion, nuclear fission, artificial and natural radioactivity.

This exclusion does not apply to radioactive nuclides existing outside a nuclear facility which are used or

designated to be used for industrial, commercial, agricultural, medical or scientific purposes, with the proviso that a licence pertaining to the manufacture, use, storage and disposal of radioactive substances must have been issued by the government.

The exclusion remains in full force and effect insofar as a third party is liable for the incurred loss or damage pursuant to the law.

The law is understood to mean the Nuclear Accidents Liability Act [*Wet Aansprakelijkheid Kernongevallen*], being the special statutory regulation of liability with regard to nuclear energy.

Nuclear facility is understood to mean a nuclear facility within the meaning of said Act.

2. a chemical, biological, biochemical or electromagnetic weapon.
- d. by or as a result of seizure or confiscation or during use thereof by any authorities;
- e. as a result of inadequate maintenance of and/or insufficient care for the insured vessel attributable to the policyholder;
- f. arising from or aggravated by the policyholder's failure to have a damage repaired or a loss replaced;
- g. arising from the gradual action of:
 - light and moisture;
 - soil, water and air pollution, save insofar as the gradual action is initiated by a sudden violent manifestation of pollution and the policyholder cannot reasonably prevent the consequences thereof;
- h. consisting of or resulting from bubble formation in the polyester which is caused by osmosis and which manifests itself more than three years after the vessel was first launched.
- i. arising while sailing if the captain of the vessel does not have a valid navigation licence, required by law to sail the vessel, save insofar as the captain demonstrates that the vessel was sailed in compliance with all applicable rules and regulations.
- j. consisting of normal wear and tear;
- k. arising from normal wear and tear, if the failure to replace the part which is subject to wear and tear, is attributable to the policyholder.

5.2 If the propulsion plant is equipped with an original marine diesel engine more than 15 years old, an original marine petrol engine more than 10 years old, or a non-original marine engine, this insurance does not cover loss of or damage to the propulsion plant which is caused without being occasioned by fire, explosion, capsizing, running aground, sinking, collision or similar events by any defect in the propulsion plant, or without being occasioned by said events results from the very nature of the propulsion plant.

The periods referred to in this article commence on the day corresponding with the day of inception of this policy, of the year in which the propulsion plan was put into operation.

Article 6 Extent of the indemnification

6.1 When assessing a claim, the applicable provisions of the Turnover Tax Act 1968 [*Wet op de Omzetbelasting 1968*] (V.A.T.) will be taken into account.

6.2

- a. If in the event of loss or damage the insured object is repaired, the cost of repair is indemnified, without regard to the statutory provisions in this respect, up to and not exceeding the sum insured, without deduction on account of improvement from old to new.

The insurers have the right to defer reimbursement of the cost of repair as long as the damage has not been properly repaired; the insurers must be given the opportunity to inspect the repair.

- b. If in the event of loss or damage the insured object:
 - cannot be repaired;
 - is not repaired, although the damage is repairable;
 - came to be outside the control of the insured and recovery thereof is not to be expected within a reasonable period;the value of the insured object is indemnified without regard to the statutory provisions in this respect. The value is deemed to be equal to the sum insured.

The indemnification is reduced by the value of the remainders:

- I of the parts replaced in case of the settlement under article 6.2.a being applied;
- II of the insured object in case of the settlement under article 6.2.b being applied.

The sum insured will apply as the determined value of the insured object (irrespective of its actual value or purchase price), which sum will in the event of loss or damage serve as a basis for settlement.

With respect to sums insured on a first-loss basis, the indemnification for any loss or damage will not exceed the sum which has been stated to apply as first loss, irrespective of the actual value of that which is insured on said basis immediately prior to the occurrence causing such loss or damage.

The sums insured will remain effective for the period of insurance, irrespective of the claims that have been or will be paid under this policy. However, in the event of a total loss of the vessel and in the event of the cost of repair exceeding 100% of the sum insured as described in article 6.3, the cover will expire, without any refund of premium on the unexpired period of insurance

6.3 In the event of the cost of repair exceeding 100% of the sum insured in respect of the vessel, the insurers indemnify the sum insured reduced by the sales value of the damaged or wrecked vessel. For the application of the foregoing provision, the value referred to therein will be deemed to be the sum stated on the covering sheet of the policy and the cost of repair will not be understood to mean the costs of hauling up, refloating and towing of the vessel from the location of the disaster to the shipyard.

6.4 Any non-repaired damage indemnified by the insurers will be deducted from the compensation by virtue of article 6.2.b.

6.5 This insurance includes the customary claim settlement commission of 1% which is charged to the insured parties by the broker. The insurers therefore provide cover for 101% of the sums underwritten by them, which is included in the premium.

This settlement also applies if a general average contribution is charged and such if required in excess of the sum insured and irrespective of the amount of the insured and/or insurable value and/or the contributory value of the insured interests.

Article 7 Loan

The policyholder and/or owner has/have the right to give any third party the loan of the vessel either implicitly or explicitly (provided that it does not qualify as hiring out, unless on the conditions as described on the schedule).

With respect to any claims paid under this policy, the insurers waive their right of recourse against the user or any other person on board, unless the loss or damage was caused by a wilful act or recklessness by any of these persons.

With respect to damage to third parties, the third party liability of the user is included under the policy and such entirely on the conditions which have been stated to apply to the policyholder.

Article 8 Period of insurance / cancellation

This insurance is effective for the period stated in the policy and is deemed to have been renewed for a period of 12 months each time, if it has not been cancelled in writing by one of the parties at least 2 months prior to the premium due date.

If a date has been stated in this policy, this is understood to mean the date mentioned at 00.00 hrs.

If one or more insurer(s) has/have cancelled the insurance for their respective share in compliance with the cancellation period stated in the policy, the policyholder will thereby also be entitled, if so desired, to cancel the insurance accordingly. In such case the cancellation period for the policyholder is reduced by one month.

Article 9 Obligations in the event of loss or damage

9.1 In case of any occurrence causing loss or damage, the insured is obliged to notify the insurers thereof forthwith, unless he wishes to take the consequences of such an occurrence for his own account. In respect of each occurrence the insured will complete the claim form supplied to him by or on behalf of the insurers as accurately as possible and submit it as soon as possible.

9.2 The insured is obliged to refrain from repairing the vessel until the insurers or an expert appointed on their behalf has/have given him permission thereto.

If the cost of repair does not exceed EUR 250,00, the damage may be repaired immediately without the insurers' authorisation being required, provided that the insurers are notified of the accident forthwith and an itemised bill of a professional repairer is submitted, while the damaged parts, insofar as they have been replaced by new ones, must be kept available to the insurers.

9.3 The insured is obliged, if so desired, to authorise the insurers to take all such actions on his behalf as insurers deem necessary. The insured is furthermore obliged, if so desired, to assign any entitlement to compensation he may have obtained towards any third parties in respect of the insured vessel and its contents, to the insurers.

9.4 The insured will forward all correspondence, writs of summons, penalty redemption forms and any other document to the insurers forthwith. In general he will refrain from doing all such things which may prejudice his legal position.

9.5 In case of theft or embezzlement of the vessel, the insured is obliged to report this to the police or any other government agency with investigative powers, immediately upon discovery of such theft or embezzlement.

The insured is obliged to take all such measures and do and concur in doing all such things which may be deemed necessary for the revindication of the vessel and, if required, authorise the insurers to exercise the right of reclamation of the stolen or embezzled or lost vessel on his behalf.

The insurers have the right to await the results of the investigation for a period of 4 weeks following the time of the theft or embezzlement and such in contravention of the provisions of article 9.6.

9.6 The insurers will proceed to pay compensation not later than four weeks after they have been supplied with all information required for the assessment of the claim, unless the insurers are of the opinion that the claim does not – or not entirely – qualify for compensation according to the policy conditions, whereupon they will notify the policyholder of such point of view within the aforementioned period. In case of a partial admission, the insurers will pay compensation for that part of the claim which is undisputed within the aforementioned period.

The insurers will upon a written request to that effect make an advance payment not exceeding the amount that has at that time been established as undisputed claim under the policy.

9.7 If the insurers deem such necessary, they will appoint an expert to assess the claim, to whom all information, documents etc. concerning the claim must be submitted. The costs of said claim assessment are borne by the insurers.

In the event of loss or damage, the insured may at his own discretion appoint an expert to represent him; however, the fee of such an expert is for the account of the insured.

If the insured wishes to be represented by an expert, he is obliged to notify the insurers thereof.

As thereupon the two experts will prior to commencement of their duties appoint a third expert, who, in case of any difference in their assessments, has to assess the claim amount within the limits of both claim assessments, after having consulted both experts or having duly summoned them. The parties will each bear half of the fee of the third expert.

Cooperation in the foregoing will not imply any admission of liability on the part of the insurers.

9.8 The insured parties are obliged to do and concur in doing all such things as may be deemed necessary for the foregoing and to refrain from doing anything which may prejudice the interests of the insurers. They are obliged to refrain from admitting any liability. A rightful admission of liability or an acknowledgement of facts is not deemed to be prejudicial.

9.9 Non-compliance with obligations

In case of non-compliance with any obligation as referred to in article 9 of these conditions by the policyholder and/or the party entitled to compensation, the entitlement to compensation of the loss or damage such obligation refers to will be forfeited, if and insofar as said loss or damage is directly related to the non-compliance and the insurers make a reasonable case for their interests being prejudiced by the non-compliance with said obligation(s).

However, if any party (including any third parties) other than the insured who failed to comply with his obligations, incurs loss or damage as a result thereof, the insurers will not be discharged from their liability to provide indemnity towards said party.

In that case the insurers have the right to recover any amount paid by them pursuant to the foregoing from the insured who failed to comply with his obligations, all this in contravention of any provision stating otherwise.

9.10 As soon as the policyholder or the party entitled to compensation is or should be aware of the materialisation of the risk or the imminence thereof, they will be obliged, insofar as they are in a position to do so, to take within reason all such measures which could result in loss prevention or minimisation.

The insurers indemnify the costs incurred in connection with these measures, as well as any damage to interests which are employed as part thereof.

If the policyholder or the party entitled to compensation has failed to comply with this obligation, the insurers may reduce the compensation by the loss they incurred as a result thereof.

Article 10 Deductible

10.1 If a deductible has been stated on the schedule/endorsement, said deductible will apply in respect of each and every occurrence of an insured peril or series of interrelated occurrences of insured perils arising from one single cause.

10.2 Said deductible will only apply in respect of damage to the insured vessel and/or contents.

10.3 In the event of a total loss or compensation by virtue of article 6.3, the deductible will not be deducted from the amount to be indemnified.

Article 11 Revision of premium rates and conditions

If the insurers revise their premium rates and/or conditions for insurances of the same type as the insurance under consideration, and announce and effect those in altered form, they are entitled to demand that this insurance be adjusted to the new premium rates and conditions with effect from the next premium due date after the alteration in premium rate or conditions was introduced.

If the insurers wish to avail themselves of said right, they will notify the policyholder thereof two months prior to the premium due date at the latest.

The policyholder has the right to refuse the adjustment to the new premium rates and/or conditions, until the end of a period of 30 days after the premium due date at the latest.

If the policyholder avails himself of said right, then the insurance expires on the premium due date in question or – if the refusal takes place thereafter – at the time of refusal. If the policyholder has not availed himself of said right, he is deemed to have agreed to the adjustment.

Article 12 Transfer of ownership

The cover expires as soon as the policyholder or – in case of his decease – his heirs cease(s) to have an interest in the vessel and cease(s) to have effective control thereof as well.

The policyholder or his heirs is/are obliged within 30 days following any circumstance which has resulted in the expiry of cover, to notify the insurers thereof.

Article 13 Payment of premium and claims clause

13.1 Definitions

- a. For the application of this clause ‘premium’ is also understood to mean any other amount due in relation to this insurance.
- b. For the application of this clause ‘insured’ is also understood to mean the policyholder as well as any other party who owes the premium.

13.2 Premium

- a. The broker undertakes to pay the premium as if the broker were indebted to the insurers at the moment the premium is due by the insured pursuant to the insurance contract. Unless explicitly agreed otherwise, now or in the future, the premium will be paid by the broker by crediting the insurers on current account for the premium due by the insured pursuant to the insurance contract, at which point the insured will be discharged towards the insurers.
- b. The insured is obliged to pay the premium to the broker. In case the insurance contract has been concluded through a second intermediary and the insured has paid the premium to said second intermediary, the insured will not be discharged towards the broker by said payment until the second intermediary has paid the premium to the broker.
- c. Without prejudice to the insured’s liability to pay the premium due to the broker, the insurance will only be effective for the period for which the premium has been paid to the broker, as

well as for the period for which the broker has granted the insured credit. For the purposes of interpretation hereof the insured will be deemed to have been granted credit, unless this has been revoked in writing.

- d. On the insured’s acceptance of this contract the broker is deemed to have been irrevocably authorised by the insured to release the insurers of their obligations under this contract prematurely, if the insured or, in case this contract has been concluded through a second intermediary, said intermediary fails to pay the premium to the broker. The broker will not release the insurers of their obligations without prior written notice of such intention to the insured.

13.3 Payments in respect of claims and return of premium

- a. Unless the party entitled prefers a different manner and has given prior written notice thereof to the insurers, the broker will debit the insurers on current account for any amounts payable in respect of claims and return of premium. The insurers will thereby be discharged as soon as the payment in respect of such claim has been received by the party entitled thereto or otherwise has been settled with said party in accordance with the law or any existing arrangement between him and the broker. If the insurers have paid the damages to the broker and the broker defaults on payment thereof to the party entitled, the insurers have the right to reclaim the damages from the broker if they are called upon by the party entitled to make a renewed payment. If the broker has paid the damages received from the insurers to the second intermediary, but the latter defaults on payment thereof to the party entitled, the broker will have the right to reclaim the damages from said second intermediary if he is either called upon by the party entitled to make a direct payment or the insurers reclaim said damages from the broker as provided for in this paragraph.
- b. The broker will transfer any payment in respect of claims and return of premium to the party entitled thereto. However, the broker is only liable to pay the balance that remains after said claim payments and returns of premium have been set off against any receivables from the insured under any other insurance, whether due and payable or not, yet undisputed at the time the liability to pay arises. Nevertheless, such a setoff will not take place in case of insurances which have been made out to bearer or order, unless the policyholder is entitled to the payment and in case of compulsory liability insurance. If the entitlement to payment is subject to a pledge as referred to in Section 229 of Book 3 of the Dutch Civil Code, or a benefit as referred to in Section 283 of Book 3 of the Dutch Civil Code, as well as in case of a non-compulsory insurance against liability, the settlement will not extend beyond that which is payable by the policyholder in respect of the insurance under which the payment is made.

Article 14 Return of premium

14.1 Upon expiry of the insurance contract the insurers will only refund the premium paid in advance to the policyholder on the period during which the insurance is not effective any longer in the following cases:

- a. if the insurance expires by cancellation by the insurers:
- b. if the insurance expires on account of the fact that the policyholder ceases to have an interest in the vessel and ceases to have effective control thereof as well; for the application of this provision, the insurance is deemed to have expired on the day when the insurers received the notification of such circumstance.

14.2 However, no return of premium is granted in the event of the insurance contract expiring following settlement of a claim on the basis of a total loss or on the basis of article 6.3.

Article 15 Applicable law and disputes

This insurance contract is governed by the laws of the Netherlands. Parties hereto will make an effort to settle any dispute arising from this insurance contract out of court. Should an out-of-court settlement prove to be unfeasible, then parties hereto will in case of any dispute submit to the jurisdiction of the competent court in Rotterdam or Amsterdam, without prejudice to the right of parties to agree upon a different form of settlement of disputes. In the event of such a dispute, the insured will elect domicile at the office of Marsh B.V. in Rotterdam or Amsterdam.

Article 16 Limitation of action

16.1 Any legal claim against the insurers to pay compensation becomes prescribed by the lapse of three years after the start of the day following the one on which the party entitled to compensation first had knowledge of the exigibility thereof. Nevertheless, in case of an insurance against liability, the legal claim does not become prescribed until six months have elapsed after the claim against which the insurance provides cover, was submitted within the limitation or expiry period applicable thereto.

16.2 The limitation period is interrupted by a written notification whereby payment of compensation is claimed. A new limitation period becomes effective at the start of the day following the one on which the insurers either admitted the claim or notified unequivocally by registered post to have refused the claim stating as unequivocally the effect referred to in paragraph 3.

16.3 In the event of a refusal, the legal claim becomes prescribed by the lapse of 12 months.

Article 17 Notices and communications

Notices and communications from the insurers and the insured intended for each other are deemed to have been duly made when directed to the broker.

All notices and communications from the broker directed to the insured (parties) mentioned on the schedule at their last-known address are deemed to have been duly made.

Article 18 Order of priority between various provisions

In case of any contradiction in the wording of the provisions which have been stated to apply to this insurance contract, the order of priority is as follows:

- Wording on the schedule prevails over any other provision
- Clauses prevail over special conditions
- Special conditions prevail over the general conditions.

Contradictions between provisions of equal priority will never be interpreted to the prejudice of the insured.

Special Conditions

Article 19 Jolly boats etc. of flexible material

If the insured vessel is made of rubber, canvas or other such flexible material, any loss or damage resulting from leakage will, contrary to the provisions of article 4.4 of the General Conditions, not be indemnified, save insofar as such leakage is the result of a collision with one or more vessels.

If the jolly boat is made of non-flexible material, the cover for the main vessel will be fully applicable to said jolly boat, however, with deletion of the provisions of article 5.1 under h.

Article 20 Water skiers and surfers

Insofar as the insured vessel and/or jolly boat is/are used to pull skiers or surfers, it is hereby provided that indemnity for damage to tow lines, skis or sail- or surfboards, as well as for any accident skiers or surfers may have, is excluded from this insurance.

Article 21 Trailers

If stated on the schedule, the trailer(s) is/are included under the policy, however excluded is any loss or damage caused to third parties by such trailer if it is coupled to a motor vehicle, has been or become disconnected from it and has not come to a standstill outside traffic. Damage to pneumatic tyres exclusively, other than due to theft or an attempt thereto, embezzlement or loss, is also excluded from this insurance.

“This is a free and non binding translation of the original Dutch wording of the policy.

It is understood and agreed that in the event of any discrepancy between this Dutch original wording and this English translation, the Dutch original wording will prevail”.