

PRIVATE EXCURSION BOAT LIABILITY INSURANCE SPECIAL TERMS AND CONDITIONS

SECTION A. SCOPE

A.1. Subject:

1.1. With this private excursion boat liability insurance, the insurer hereby insures the damage liability of the owner, operator or manager of the fishing vessel regarding the damage to the passengers, seamen or other persons travelling on board of the excursion boat, together with their luggage on board, as the result of any incident that may take place in the excursion boat, the details of which have been stated in the policy to which these special terms and conditions are attached, under the following terms and conditions.

1.2. The insurance policy which is an evidence of the insurance contract is subject to the special terms listed below which are discussed and agreed between the parties.

A.2. Definitions:

In these special terms and conditions:

2.1. Fines shall refer to civil penalties, penal damages and other impositions similar in nature to fines;

2.2. Bareboat charter, refers to lease or leave to the use of the boat to third parties without a seaman, except that the excursion boat is leased from a related company to another company within the group companies in inter-company arrangements;

2.3. Valuable items, refer to money, valuable documents, gold, silver, jewelry, ornaments, works of art and other valuable items;

2.4. Extra costs and expenses refers to the costs and expenses over and above those which would ordinarily be incurred had the incident not taken place;

2.5. Seaman compensation and sickness benefits refers to the death, disability or benefit payments as stated in the seaman contracts which have been individually negotiated and agreed, approved by the P&I insurer, those payable under the crew member employment contracts, collective bargaining agreements or where the state requires employers to pay compensation or sickness benefits for personal injuries in the absence of a mandatory state insurance scheme provided that they should be reasonable and appropriate for the duties and position held by the crew member when viewed against the prevailing compensation regime;

2.6. Seaman or seamen, refer/s to any person, who is affiliated to, works for, in on board of the excursion boat, goes towards the excursion board, leaves the excursion boat, including the people working on board during the day time, provided that the number of such persons shall not be more than fifty percent (50%) of the number of crew members of the boat and excluding the yacht brokers, yacht agencies or other suppliers of the yacht, unless otherwise is notified by and agreed in writing with the insurer.

2.7. Incident refers to any incidents related to the operation or use of the insured watercraft, considering the situations where a series of incidents caused by the same reason are treated as a single incident and applying deductible for one claim when settling the damage.

2.8. Cabotage voyage refers to any voyage between two Turkish ports regardless of the route chosen by the assured;

2.9. Accident refers to the incidents that affect the physical condition of the insured watercraft, excluding machine breakdowns, and make it impossible to sail to the planned destination or threaten the life, health and safety of your crew;

2.10. Pollution refers to the accidental discharge or leakage of oil or other hydrocarbon mineral from the insured watercraft;

2.11. Personal belongings refer to the items which are brought to the excursion boat for entertainment purposes and are not related to the vessel's operation. In a carriage operation, personal belongings are divided into two categories where the first one, "personal property" mean the property related to the personal needs of the seamen, passengers and other people, which are under the possession, custody or supervision of them and the second one "other property" mean the property received by the carrier at shore or on board but not returned yet;

2.12. Small watercraft refers to any boat or other watercraft carried on the excursion boat;

2.13. Guests refer to any person or persons invited to the boat, other than the seamen, owner of the excursion boat, port officials, surveyors and other officials

2.14. Deductible is the first amount payable by you before responding to a loss on the policy. It is expressed as excess of damage in some policies. Within the framework of this policy, deductible and excess of loss statements shall have the same meaning.

2.15. Nuclear risks mean any loss, damage or expense due to or arising out of, directly or indirectly from nuclear reaction, radiation or radioactive contamination regardless of how it was caused;

2.16. SDR Special Drawing Right, refers to daily currency basket including an average rate of Euro, US Dollars, English Sterling and Japanese Yen maintained by International Monetary Fund and convertible to Turkish Liras

2.17. Private excursion boat, excursion boat or boat shall refer to any watercraft which is assured against the risks of legal liability arising from its operation;

2.18. Willful misconduct means an intentional act or deliberate omission done by the assured either with knowledge that the act or omission is likely to result in loss, or with a reckless disregard for the likely consequences;

2.19. War risks refer to the liabilities incurred as a result of war, civil war, revolution, rebellion, insurrection, resultant civil strike or any hostile act by or against a belligerent power or by any act of terrorism; capture, seizure, arrest, restraint or detainment; mines, torpedoes, bombs, rockets, shells, explosives or similar weapons of war; any chemical, biological, biochemical or electromagnetic weapons; the use or operation, as a means of inflicting harm, of any computer system,

computer software, malicious code, computer- virus or process or any other electronic system;

2.20. SCOPIC shall refers to the special compensation as per P&I rules;

2.21. Policy holder refers to the party that concludes the insurance contract with the insurer and thereby the party who shall register a watercraft on his/her behalf or another party for whom the application has been made;

2.22. Third party vessel with limited insurance coverage, refers to third party vessels with insurance coverage that is insufficient to cover the medical costs and expenses of the seafarer or guests of the excursion boat;

2.23. Insurer refers to Türk P ve I Sigorta AŞ;

2.24. Insured refers to the third party, for whose benefit the insurance contract has been established between the policy holder and the insurer, every ship-owner, operator or manager or other person designated as an insured under the policy and in the event that more than one person is stated in the policy, the action, neglect, notification or claim of either or all of such persons.

2.25. Uninsured third party vessel, refers to the third party ships that collided with the insured excursion boat due to its inability to stop and fails to introduce or equip itself afterwards, or that do not have a ship operator liability insurance or do not provide existing liability insurance coverage or are insolvent;

2.26. With the expressions of **you** or **your**, the person or company named as insured in the policy is referred. If there is more than one person's name in the policy, the action, negligence, notification or request of any of these persons will be treated as the action, negligence, notification or request of all of them.

2.27. Water sports equipment, refers to the equipment made and designed for recreational diving;

2.28. Manned chartering; also known as time charter, refers to renting or hiring out the boat to third parties (time charterers) together with the seamen on it;

A.3. Other Terms

3.1. The references made to the number of the special terms also refer to any sub paragraphs of such term.

3.2. The headings and the subheadings are only for reference given for information purposes and they do not affect the interpretation of such terms.

3.3. In case any of the terms becomes invalid, this shall not affect the validity of the other remaining terms during all the insurance contract period, unless the term that become valid does not sustain implementation of the contract or makes implementation possible. A provision that becomes null and void, will affect the mutual matters which are imposed to the opposite party and make them invalid and non-operative.

- 3.4. The insured excursion boat should be used for legitimate purposes.
- 3.5. If the insurer does not agree to insure any of the risks mentioned as out of coverage, this shall be indicated on the front of the policy.
- 3.6. Our coverage is valid provided that the excursion boat owner and/or operator is Turkish.
- 3.7. The use of the insured boat under the management of the owner or master is essential for the validity of the coverage.

SECTION B: COVERED RISKS		
Collusion, Third Party Objects	4.1.	Claims for damage arising from collision with other vessels or for loss of or damage to piers, wharves, jetties, pontoons or any other property belonging to other third parties are covered. Claims of third parties for personal injury or death arising from collision are covered.
	4.2.	Other Contractual Indemnities
Other Contractual Indemnities	4.2.1.	Provided that the other contract has been notified to the insurer in advance, the indemnities arising from other contracts related to illness, personal injury, death or material damage arising from the boat and the operation of the boat are under coverage.
	4.2.2.	Indemnities paid to yacht clubs, marinas, port authorities, boatyard and suppliers providing goods and services to the boat are under coverage.

	<p>4.2.3. The coverage limit for claims arising from other contracts is limited to five (5) million USD per claim.</p> <p>4.2.4. If the insured or the insurance holder signs contracts with the boat administration on the equipment of the boat and other relevant contracts in order to make the excursion boat ready for rent, these contracts must be sent to the insurer in advance for examination.</p>
Seamen, Guests, and Others	<p>4.3. Seamen, Guests, and Others</p> <p>4.3.1. Claim of damage made regarding the injuries, sickness or death of seamen, guests and other persons, including seamen compensation and sickness benefits, are under coverage.</p> <p>4.3.2. Claims regarding the liability of the seamen towards the third parties while performing their tasks are under coverage.</p> <p>4.3.3. Expenses made for seamen, guests and other people, including health expenses are under coverage.</p> <p>4.3.4. Claims for damage or loss of personal belongings of seamen, guests and others are under coverage. The maximum amount payable for the personal belongings of seamen, guests and other persons is 2250 SDR per person and per claim, in the case of personal belongings under the possession of the seamen, passengers and others. In case that the item in question is considered as "other goods" or "valuable items delivered to the carrier", the maximum amount to be paid is 3375 SDR per person and per claim.</p>
Fines	<p>4.4. Fines</p> <p>4.4.1 The fines arising from the violation of the legislation on environmental pollution are under coverage if they are due to personal fault, barratry or negligence of the seafarers provided that it is not the result of intentional action.</p> <p>4.4.2 The penalties arising from involuntary violations of the compulsory health and safety legislation applied to the insured watercraft are under coverage.</p>
Defense and Criminal Investigation Costs	<p>4.5. In case of an investigation initiated in the event of an accident involved by the insured watercraft, the reasonable costs incurred by the insured or the insurant in order to protect the rights of the insured or the insurant are under coverage.</p>

The coverage in this article includes seafarers and agents if there is any liability against them.

Prevention and Mitigation of Loss

- 4.6.** Under this policy, the insured or insured is obliged to take measures within the limits of possible in order to prevent, mitigate or increase the damage or to protect the recourse rights of the insurer to third parties in cases where the risk is realized or is likely to occur. Reasonable expenses and costs incurred by the insured or insurant for this purpose are under coverage.

Piracy

- 4.7.** Claims arising from acts of piracy suffered by the insured excursion boat are under coverage, excluding the abduction and ransom demands under the uncovered risks heading.

Pollution and Environmental Obligations

- 4.8. Pollution and Environmental Obligations**
- 4.8.1.** Pollution caused by the insured boat or small vessels on board is covered to include reasonable cleaning costs and measures to be taken to prevent potential pollution risks.
- 4.8.2.** Administrative penalties and other sanctions resulting from damage to coral reefs or other vulnerable marine environments are under coverage provided that they have been caused by a demonstrable accident or incident.

Quarantine Expenses

- 4.9.** Extra costs and expenses to be incurred by the insured or the policy holder as the result of the direct effect of any epidemics are under coverage.

Race Coverage

- 4.10. Race coverage**
- 4.10.1.** Responsibilities arising from the participation of sailing excursion boats in racing events managed by yacht clubs, sailing sports associations or internationally recognized sailing federations are under coverage.
- 4.10.2.** If the primary purpose of the insured boat is to participate in competitive racing, or if the insurer or the insured intends to engage in any professional offshore racing business, prior opinion should be sought in order for the insurer to determine whether it can provide coverage. No race coverage is provided for the motor yachts

If the insurer has not been notified in advance and written confirmation has not been received for insurance.

SCOPIC

- 4.11.** In the event that the rescuers include SCOPIC in the LOF, the liability arising from the SCOPIC obligations of the insurer is under coverage.

Stowaways, Asylum Seekers and Rescue

- 4.12.** Costs and expenses arising from stowaways, asylum seekers on board or in the small sea vehicle on board without the knowledge of the policy holder and life-saving at sea are under coverage.

Damages Caused by Uninsured Vessels or Vessels With Limited Insurance Coverage

- 4.13.** When the seamen or passengers are on the boat or in the small vessel belonging to the boat and if a ship belonging to third parties who are uninsured or with limited insurance coverage causes injury to seamen or passengers, medical expenses and costs that are not collectible from these parties are under coverage.

War Risks 4.14.

Maritime liability claims of the insurant arising from the war risks are under coverage, unless; the insurer has a separate war risk coverage. In the event that the insurer has a separate war risk coverage, the compensation with the amount corresponding to the part in USD Dollars, which exceeds the sum insured regarding the insured watercraft (provided that it shall not exceed 100 million USD) or the amount indemnifiable by the insurer of the war risks insurance, whichever is higher, shall be deemed to be payable by the insurer. Certain special terms and conditions apply to the coverage provided by the insurer under the policy to which this special condition is attached:

1.Claims arising from war, strikes, terrorism and events occurring in areas where the associated risks exist are not covered.

2.The insurer reserves the right to terminate the war risks coverage by sending a seven (7) day policy cancellation notice to the policyholder.

3.The war risks coverage provided for the policy holder under this policy to which these special terms and conditions are attached, shall be terminated automatically if any war emerges in Turkey.

Water Sports	4.15. Claims arising from the use of water sports equipment belonging to the insured boat and carried on the boat are under coverage.
Wreck Removal	4.16. Wreck Removal
	4.16.1. Legal liabilities arising due to wreck removal, marking or lighting costs incurred incidental to total loss of the insured watercraft are under coverage.
	4.16.2. The expenses of the voluntary removal of the wreckage of the boat are also covered, although there is no order to remove debris from an owned, leased or captured place.
	4.16.3. The value of the provisions and equipment rescued from the wreckage will be deducted from any compensation payment and only the difference can be collected.

SECTION C: RISKS NOT COVERED

In order for any damage to be compensated, the damage must have been caused by an event that occurred during the insurance period specified on the policy. In addition, damages arising from following reasons are not covered by the insurer:

Bare Boat Charter	5.1. Liabilities arising from classifying the insured excursion boat as bareboat charter, are not under coverage. The coverage continues against the faultless liabilities that the insured or the policy holder is involved in due to being the owner of the excursion boat, such as environmental pollution responsibilities within the scope of the Bunker Blue Card.
Commercial diving	5.2. Claims arising from the use of commercial diving or submarines, mini submarines, remote controlled vehicles or diving cells are not covered.
Other Contractual Indemnities	5.3. Contractual indemnities other than those relating to illness, personal injury, and death or property damage are not covered.
Seaman Life Insurance or Personal Person Insurance Deductions	5.4. Seaman annuities or seaman personal pension contributions are not covered.
Deductibles	5.5. Deductible amounts, which are obligated to be borne under the insurance policies setting the policy holder or the insurer as the beneficiary, are not under coverage.

Disputes	5.6.	Disputes
	5.6.1	Disputes arising from the liabilities or obligations arising from the contracts with seaman or others or proceedings applicable for the insured boat are under coverage.
	5.6.2.	Disputes between joint insured or those considered as partners are not under coverage
Employment Practices	5.7.	Claims arising from unlawful dismissal, denial of natural justice, victimization, sexual harassment or other forms of discrimination or any law relating to employment practices are not covered.
Environmental Damage	5.8.	Environmental damage arising from the assured's continuous use or presence at a coral reef or other sensitive marine environment are not covered
Fines	5.9	Fines or penalties arising from carrying smuggled goods on insured boat, carrying contraband or violating the embargo are not covered.
Illegal Payments	5.10.	Illegal payments of any kind such as extortion, blackmail or bribery or any associated costs or expenses are not covered.
Kidnapping and Ransom Demands	5.11.	Kidnapping and ransom demands are not covered.
Motor vehicles	5.12.	Claims arising from driving motorized vehicles, which are normally insured under motor vehicle insurance on shore, are not under coverage.
Radioactive Contamination	5.13.	There shall be no recovery in respect of any liabilities, irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the assured or his servants or agents, directly or indirectly caused by or arising from; 1) ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; or 2) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof; or

		3) any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter; or 4) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter.
Other Insurances	5.14.	Amounts which could be recovered under insurance policies the assured have taken out for hull and machinery, war risks and war risk liabilities, motor vehicle or aviation risks are not covered.
Personal Belongings	5.15.	Properties owned or rented by the policy holder or insured, are not under coverage.
Valuable Property	5.16.	Loss or damage to the valuable property such as money, valuable paper, gold, silver, jewelry, works of art, ornaments and other valuable property of the seamen, guests and others, which are not delivered to the carrier for keeping, are not under coverage.
Salvage and Relief Services	5.17.	Salvage and relief services provided to the insured boat or general average payment claims and all related disputes are not covered.
Sanctions	5.18.	Under no circumstances will the insured be entitled for claiming compensation of damages related to the liabilities that the insurer fails to collect under any reinsurance/reassurances from any parties, because of any deficiency in collection from the parties or the reinsurer, due to any sanction, prohibition or any decision given by any state or international organization against it in connection thereto. It covers any shortages or delays by the insurer due to the fact that the parties or the reinsurer have/has paid to the account designated in accordance with the requirements of any state or international organization within the framework of these special terms and conditions.
Towing	5.19.	Unless the insured boat or any small boat belonging to that boat is in danger or the insured or policy holder does not provide emergency assistance, liabilities arising from the towing of other ships are not covered.
Illegal Purposes	5.20.	Liabilities arising from smuggling goods, infringing the blockade or dealing with unlawful or prohibited activities or trade, illegal fishing are not covered

Liabilities arising from the sanctions, restrictions or prohibitions that may arise due to any activity and risk for which the insurer provides coverage or pays the loss, are not covered.

Unseaworthiness

- 5.21.** If the assured fail to ensure that the insured boat is maintained in a seaworthy condition or to keep or operate it in accordance with the requirements of her flag state, certifying authority or classification society, claims which arise as a result, including wreck removal shall not be payable.

Willful Misconduct

- 5.22.** Willful misconduct including the assured's infringement of any law, rule or regulation, or from permitting any activity on board or in connection with the insured vessel, which is unsafe or unduly hazardous are not covered.

**Government
Compensation
Programs**

- 5.23.** If injured parties are entitled to receive compensation for personal injury under a mandatory state or national insurance scheme, there is no payment obligations for these claims under this policy. This exclusion applies even if the policy holder or the assured or the injured parties have failed to take the steps necessary to receive such entitlements.

SECTION D: GENERAL RULES

Transfer	6.1.	The policy cannot be transferred to another party without the written approval of the insurer.
Cancellation	6.2.	The insured or the policy holder may cancel the policy at midday on the renewal date, provided that the policy holder notifies the insurer in writing of the cancellation 30 days in advance. The insurer can cancel the policy at any time, with 30 days prior notice.
Claims	6.3.	In the event of a claim against the policyholder or the insured, it is necessary to follow the procedure for the claims specified in section E.7 of these special terms and conditions. Otherwise the right to claim compensation may be affected.
Complaints	6.4.	The insurer evaluates all complaints from the policyholder or the insured. If the assured is dissatisfied with the insurer's handling of claims or any other aspect of your insurance or the service the insurer provide, please contact the insurer via sikayet@turkpandi.com
Applicable Law and Jurisdiction	6.5.	The disputes arising out of this insurance policy shall be subject to Turkish Law, unless the parties agree otherwise. Istanbul Commercial Courts specialized on maritime disputes shall have jurisdiction for the disputes arising out of this policy.
Joint Policy Holders and Charterers Considered As Partners or Joint Policy Holders	6.6.	Joint Policy Holders and Charterers Considered As Partners or Joint Policy Holders
	6.6.1	The insurer may agree to insure a vessel with one or more than one real or legal person owner, operator or manager and to identify such persons as joint policy owners on the insurance policy attached to the special terms and conditions herein. In this case, the policy's rules (including premium payment terms) shall apply to all of these persons. The actions, negligence, statement or claim of the joint policy holders will affect all other persons similarly. The insurer shall forward all correspondences to the insurance holder indicated on the in the first row as the policy holder on the policy.

- 6.6.2** The insurer may indemnify any claim directed to the person, who is identified as the partner or charterer considered as the joint insurance holder instead of the joint insurance holder on the insurance policy or to any other real or legal person, provided that such claim is listed among the coverages under the policy and subject to the limit stated on the policy. Unlike the joint policy holders, the insurer shall not provide coverage for the liabilities of the partner or charterer considered as the joint insurance holder as they are not obliged to pay premium. The insurer shall not be a successor to the charterer who is accepted as a partner or named as co-policy holder regarding claims arising from the liability of the policy holder.
- 6.6.3.** In the event that the insurer pays any indemnity to either one of the co-policy holders or charterer who are accepted as joint or co-policy holder, the insurer's liability to all of them will cease.

Lay up

- 6.7.** The insurer does not return premium for periods of layup notified in arrears.

Information

- 6.8.** The policy holder is obliged to provide the insurer with all information that may affect the coverage in order to allow it to decide on the conditions applicable for the coverage. This liability is a permanent liability that is valid both during the time the when the insurer is the insurer of the policy holder and before this period. Acting contrary to this responsibility may result in not meeting the indemnity claim of the insurance holder.

Premium

- 6.9.** Insurance premium shall be assessed per year and in case the tendency is not the extension of the coverage or there is not a change of usage of the excursion boat, no further premium payments shall be made. Premium payments shall be made in instalments and on the specified dates. The policy holder shall be in default if he/she did not pay the premium. If the policy holder shall not pay the premium or the first instalment thereof in time, the insurer may avoid the contract within three (3) months as long as the payment is not effected. The period of three months shall commence from the date of maturity. In case the premium is not claimed by way of a lawsuit or enforcement proceedings within three months from the maturity date, the insurer shall be regarded as having avoided the contract.

If any of the subsequent instalments was not paid on time, the insurer shall notify the policy holder by way of a registered letter or a notice served through a notary public that payment must be effected within ten (10) days, failing which the contract is to be deemed as having been terminated at the expiry of the ten days period. In case the outstanding amount remained unpaid at the expiry date of this period, the contract shall be terminated. Any additional rights of the insurer arising under the Turkish Code of Obligations in respect of the assured and policy holder's default are reserved.

Collateral

- 6.10.** Where the insurer consider it appropriate and necessary, the insurer shall provide letters of undertaking, bonds or bank guarantees on behalf of the assured or the policy holder, as a security for covered claims.

Surveys

- 6.11.** The insured and the policy holder shall have a duty in order to ensure that the vessel is seaworthy at all times. The insurer may at any time appoint a surveyor, at the insurers' cost, to inspect the assured's insured watercraft. If there are deficiencies in the watercraft as a result of the survey, it will be required to remedy them according to the surveyor's recommendations.

Termination of the Contract by the Insurer

- 6.12. Termination of the Contract by the Insurer**
- 6.12.1.** The insurance coverage provided under this policy shall be terminated on the date of the policy or in case of sale of the boat, transfer to new equipment, insolvency or bankruptcy.
- 6.12.2.** In the event that you use your insured boats for a prohibited or illegal act or business, we reserve the right to cancel the insurance policies of all these boats upon notice. In addition, we reserve the right to terminate your coverage upon notice if your ongoing coverage exposes the insurer to a ban or an opposition decision by the United Nations, European Union, the United Kingdom or the United States.
- 6.12.3.** If the operator company changes regarding the professionally operated excursion boat or if the insurance coverage is not provided due to any incompliance with the regulations, trade and economic sanctions issued by the United Nations, European Union, United Kingdom and United States of America,

the insurance policy will be canceled without delay.

6.12.4. At the expiry of the security, if no claim is made under the existing policy, it will be possible to benefit from day based premium refund. If no claim is made, the insurer is entitled for the full premium. If the insurance policy premium is not paid at all or relevant portion of the premium is not paid although it has been decided to be paid in installments, no refund will be made.

6.12.5. The scope of the insurance cover, also applies to co-insureds and the charterer who is considered to be a partner or co-insurer, at our discretion.

SECTION E: OBLIGATIONS WITH REGARD TO CLAIMS

Notification

7.1. Notification

- 7.1.1.** The policy holder or the insured is obligated
- a.** To notify any incident that may give rise to their liability within ten (10) days,

b. and any claim made by a third party against the insured immediately and in written form.

7.1.2. Reasonable expenses relating to the claim raised against the insured shall be paid by the insurer. The policy holder or assured must provide all of the documents and information that can be reasonably needed by the insurer.

Documentation

7.2. Documentation

7.2.1. The policy holder or assured must notify the insurer of any information or documentation in his power, custody, control or knowledge relevant to any matter and must, as soon as requested by the insurer, give to the insurer and/or to the experts or lawyers appointed to act on his behalf all such documentation and allow it to be inspected and copied.

7.2.2. The policy holder or assured must allow the insurer, or the appointed experts or lawyers, to interview any person employed by the assured whom the insurer considers may have knowledge of the matter. If any such person is required to act as a witness at any legal proceedings relating to a matter, the policy holder or the assured will use his best endeavours to make sure he attends.

Developments

7.3. The policy holder or assured must keep the insurer fully informed of the progress of any matter which will or may cause the assured to incur liabilities for which he is or may be insured by the insurer in whole or in part, including any costs or expenses, and of any action proposed in relation to such matter

Settlement

7.4. The policy holder or assured must not settle, compromise or admit liability for any matter for which he is or may be insured by the insurer in whole or in part without the approval of the insurer. If the policy holder or assured does enter into a settlement agreement for any matter which may be insured by the insurer in whole or in part, the assured must notify the insurer in writing. If the insurer does not approve the settlement agreement within fifteen (15) days of

notification of the matter to the policy holder or insured, the settlement agreement will be invalid against the insurer.

Recovery

- 7.5.** The policy holder or assured, who incurs any costs or expenses without the agreement of the insurer, or without the matter being conducted by an expert or lawyer appointed or previously approved by the insurer, will only be entitled to reimbursement by the insurer for the reasonable costs and expenses incurred.

Evidence

- 7.6.** The policy holder or insured shall not retain, conceal or falsify any evidence and shall submit to the insurer the necessary documents in relation to 7.1.2. If the obligation is not fulfilled, the insurer's liability is limited to the amount payable if the obligation is fulfilled, provided that the situation has been notified in writing.

Powers of the insurer relating to the handling of the claims

- 7.7. Powers of the insurer relating to the handling of the claims**
- 7.7.1.** The insurer shall inform the assured within five (5) days from the date of notification made in accordance with 7.1 above, whether it will take the necessary legal steps and decisions on behalf of the policy holder or assured under its own responsibility and account and assist in the defense of the assured with regards to the claim presented.
- 7.7.2.** The insurer has the right to control or direct the conduct of any matter or legal proceedings relating to any liabilities in respect of which the policy holder or the assured is or may be insured by the insurer in whole or in part, and in particular to direct the assured to use a particular expert or lawyer.
- 7.7.3.** The insurer has the right to require the assured to settle, compromise or otherwise dispose of any matter or proceeding in such manner as deemed appropriate.
- 7.7.4.** The insurer may, at any time, notify the policy holder or the insured that the approval for the expert or lawyer, who has been appointed to act on behalf of the policy holder or insured, has been withdrawn. In this case,

		the policy holder or insured shall not reimburse the costs and expenses of this expert or lawyer.
	7.7.5.	The insurer may appoint experts or lawyers anytime on behalf of the policy holder or insured, for dealing with the issues that may be insured totally or partially by the insurer subject to the deduction applicable for the policy holder or the insured and the insurer.
Non-Compliance By The Insured or Policy Holder	7.8.	If the policy holder or assured fails to comply with any prescribed requirements or any requirement which's enforcement is specifically expressed under these special terms and conditions, without acting negligently, the insurer's right of avoidance of the insurance contract or wholly or partly cancellation of the insurance contract are reserved.
Payment Rule	7.9.	Unless otherwise agreed by the insurer and provided that the policy holder or the assured performed his/her obligations or made payment without a credit or a similar way, the policy holder or the assured shall be able to claim under the insurance policy from the insurer.
Security	7.10. Security	
	7.10.1.	The insurer is not under an obligation to provide a guarantee on behalf of the policy holder or insured. The insurer may provide collateral under conditions it deems appropriate; however, this guarantee does not imply any acknowledgement of any liability for the claim by the insurer.
	7.10.2.	The insurer to whom the policy holder provides collateral shall, on request or with the express authority of the insurer, replace the collateral upon request or pay an amount corresponding to the amount of such collateral to the insurer, irrespective of whether this amount can be compensated from the insurer.
	7.10.3.	The insurer shall in no event be responsible for any losses to be incurred by the insured, arising from the retention of the boat, the retention, seizure of any other assets of the policy holder or the insured or and the provision of collateral or non-provision.
	7.10.4.	The policy holder or the insured shall cover the amount or amounts that the insurer pays on behalf of the policy holder or insured or under the coverage provided by the insurer to the extent of the payment made

upon the request of the insurer in respect of liabilities which are not compensable in the opinion of the insurer.

- 7.10.5.** These special conditions apply only to the risk of liability arising from cabotage voyages. No payment may be requested from the insurer for any liability that may arise outside the cabotage, unless the parties expressly agree otherwise.

Optional additional coverage

The insurer will need to be contacted if it is wished to benefit from any of the following additional guarantees:

- Charterer's Liability Insurance
- Personal Accident Insurance
- Legal support and defense (for some disputes)