



SPECIAL CONDITIONS OF YACHT LIABILITY INSURANCE



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➤ PART A: SCOPE

1. Subject:

- 1.1. With this yacht liability insurance, liabilities of the yacht's owner, manager, operator as a result of an incident causing loss or damage to the guests, crew members or other parties and their baggages carried on board of such yacht are covered relevant with the conditions set out in the policy to which this special conditions are attached.
- 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.



2. Definitions:

In the rules, the following words and expressions have the following meanings:

2.1. Assured/Insured means the third party whose interest is insured; every shipowner inserted as the assured in the policy; in case of more than one parties are inserted in the policy, one of the parties act, negligence, notice or request shall deems all of the parties act, negligence, notice or request;

2.2. Bare-boat Chartering means making your yacht available for hire or reward to other parties, without your crew onboard. Inter-company arrangements in which your yacht is chartered from one related company to another within a company group or otherwise, is not considered to be bare-boat chartering for the purpose of this policy;

2.3. Cabotage Voyage any voyage between two Turkish ports regardless of the route chosen by the assured and the insurer;

2.4. Crew Compensation and Sickness Benefits are 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. Death, disability or benefit payments the assured provide under individually negotiated and agreed crew member employment contracts should be reasonable and appropriate for the duties and position held by the crew member when viewed against the prevailing compensation regime;

2.5. Crew Member or Crew Members means any person



PART A: SCOPE

2. Definitions:

engaged or employed in any capacity in connection with the insured vessel, whether on board or proceeding to or from the insured vessel or on vessel's business. Crew member does not mean those supplying services to the insured vessel;

2.6. Deductible

have to pay before the insurance policy will respond to a loss under a policy.

2.7. Extra Costs and Expenses means costs and expenses over and above those which would ordinarily be incurred had the incident not taken place;

2.8. Fines include civil penalties, penal damages and other impositions similar in nature to fines;

2.9. Full Crewed Chartering means making the insured vessel available for hire or reward to other parties (time charterers), with crew onboard. Also known as time chartering.

2.10. Guest means any invited person or persons onboard of insured vessel other than crew members, owner of insured vessel, port officials, surveyors, persons carrying out repairs and maintenance services on board and other official authorities;

2.11. Incident means an accident or occurrence relating to the operation or use of the insured vessel. A series of incidents which have the same cause will be treated as one incident and for the purpose of claims' settlements one claim's excess will apply;



2.12. Insurer means Türk P ve I Sigorta AŞ;

2.13. Nuclear Risks means any loss, damage or expense due to or arising out of, directly or indirectly, nuclear reaction, radiation or radioactive contamination regardless of how it was caused;

2.14. Pollution means the accidental discharge or escape of oil or other substances from the insured vessel;

2.15. Personal Belongings means items which are brought on to the insured vessel for recreational purposes and which are unconnected to its operation. Personal effect can be divided into two in terms of touristic passenger carriage by sea. Firstly “personal property” mean the property at the possession, custody, control of the crew members, passengers and others’ personal needs. Secondly “other property” means the property carrier took possession of, at the shore or on board of the vessel, and did not return;

2.16. Policy Holder the party that concludes the insurance contract with the insurer and thereby the party who shall register a vessel on his/her behalf or another party;

2.17. SCOPIC means Special Compensation P&I Club Clause

2.18. SDR Special Drawing Right, 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 by daily value maintained and published by Central Bank of Turkey;



PART A: SCOPE

2. Definitions:

2.19. Ship Casualty means shipwreck, collision or stranding of the insured vessel, explosion, fire or any defect in the insured vessel;

2.20. Tender means the boat or boats which are carried on board of the insured vessel;

2.21. Underinsured Third Party Vessel means a third party vessel whose owner or operator has insufficient insurance to cover medical costs and expenses of the crew member or guests;

2.22. Uninsured Third Party Vessel means a third party vessel which collides with the insured vessel and which fails to stop and identify itself afterwards or a vessel whose liability insurer denies cover or becomes insolvent;

2.23. Valuable Property money, valuable papers, gold, silver, jewellery, trinket, art work and other valuable goods;

2.24. War Risks means liabilities incurred as a result of war, civil war, revolution, rebellion, insurrection, - resultant civil strife 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, bio-chemical or electromagnetic weapon; the use or operation, as a means of inflicting harm of any computer system, computer software programme, malicious code, computer- virus or process or any other electronic system;

2.25. Water Sport Equipments means items which are



designed and built for recreational use in water;

2.26. 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;

2.27. Yacht / Vessel / Sea Vehicle the sea vehicle of whose legal management liabilities are insured;



PART A: SCOPE

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 sea vehicle should be used for legitimate purposes.
- 3.5. The cover shall be valid only providing that the assured yacht is used under the management of the owners or the captain.
- 3.6. This policy of insurance is only applicable to navigational area of the policy. Unless otherwise agreed in the policy, there shall be no recovery by the assured from the insurer for any liabilities incurred by the assured outside of the navigational area.

PART B
COVERED RISKS

PART B: COVERED RISKS

Collision and Property of Other People

4.1. Claims for collision damage to other vessels or for loss of or damage to piers, wharves, jetties, pontoons or any other property belonging to other people are covered.

Crew Members, Guests and Other People

4.2. Crew Members, Guests and Other People

4.2.1. Compensation claims arising out of personal injury, sickness or death of crew members, guests or other people are covered. Crewmembers' compensation and sickness payments are included.

4.2.2. Claims made against the crew members for their liabilities against third parties as a result of carrying out their professional duties are covered.

4.2.3. Expenses made for crew members, guests and other people, including health expenses are covered.

4.2.4. Claims in respect of the personal belongings of the crew members, passengers and other people are covered. Payments for the claims of personal belongings of the crew members, guests and other people shall be maximum SDR 2,250 per person, per claim in case the personal belongings are in possession of the crew members, guests and other people. In case the property is "other property" or "property deposited with the carrier" the maximum amount payable per person per claim is SDR 3,375.

Fines

4.3. Fines issued for breach of pollution, smuggling or immigration laws, providing these were accidental



or caused by the crew member's independent, deliberate actions or omissions are covered.

Investigation and Defence Expenses

4.4. The reasonable costs and expenses of attending the proceedings after a casualty and the reasonable costs of defence during criminal proceedings brought against those who may be involved and for whom you may have a responsibility, such as crew or agents are covered.

Mitigation Costs

4.5. When an incident arises which will or is likely to lead to a claim under this policy, the assured is required to take reasonable steps mitigate the loss or minimise the amount which would be paid as a claim under this insurance. The reasonable costs and expenses incur for this purpose are covered.

Piracy

4.6. The assured remains covered for any of the claims listed hereunder "Part B" which arise following acts of piracy against the insured yacht. In respect of kidnap and ransom demands contained in "Part C" are excluded.

Pollution and Environmental Liabilities

4.7. Pollution and environmental liabilities

4.7.1. Pollution from the insured vessel or its tenders, including the cost of clean up and reasonable measures taken to prevent an imminent risk of pollution are covered.

4.7.2. Administrative fines and penalties issued due to damage o coral reefs or other sensitive marine

➤ PART B: COVERED RISKS

environments providing these occur as a result of identifiable accident or occurrence are covered.

Quarantine Costs

4.8. The extra costs and expenses the insured have to abide by which incur as a direct result of an outbreak of an infectious disease are covered.

Racing Cover

4.9. Racing Cover

4.9.1 Sailing yachts participating in casual racing events or those organised by yacht clubs, sailing associations or racing events governed by an internationally recognised sailing federation are covered.

4.9.2. If the assured's yacht's principal purpose is competitive racing or the assured intend to undertake any form of professional ocean racing, the assured needs to talk to the insurer in advance so that the insurer can determine whether a cover can be offered. Racing cover for motor yachts is excluded unless the insurer has been advised of the racing in advance and the assured has obtained the insurer's written agreement to insure it.

SCOPIC

4.10. If Salvors' elect to include SCOPIC liabilities with the LOF, the assured's SCOPIC liabilities are covered.

Stowaways, Refugees and Life Salvage

4.11. Costs and expenses arising from stowaways and refugees who are on board of the vessel or its tenders without knowledge of the assured and costs and expenses arising from the saving of life



at sea are covered. The assured is liable for checking whether there is a stowaway onboard before the cruise.

Uninsured or Underinsured Boaters

4.12. If an uninsured and underinsured third party vessel is responsible for the assured, the crew or the guests sustaining personal injury whilst onboard the insured vessel or its tenders, any medical costs or expenses which are not recoverable from them are covered.

Water Sports

4.13. Claims arising from the use of water sports equipment belonging to and carried by the insured vessel are covered.

Wreck Removal

4.14. Wreck Removal

4.14.1. Legal liabilities arising due to wreck removal, marking or lighting costs incurred incidental to total loss of the vessel are covered.

4.14.2. Claims for extra costs and expenses incur for removal of hunt, cargo or other property on board of the wreck incidental to total loss of the insured vessel are covered.

4.14.3. The residual value of any property such as provision and equipment recovered may be deducted or offset from the insured's claim.

PART C
EXCLUDED RISKS

➤ PART C: EXCLUDED RISKS

It is condition precedent for eligibility of any claim that the incident giving way to the claim must be sudden and unexpected, and must also have occurred during the policy period stated on the Certificate of Insurance. Unless explicitly agreed otherwise by the insurer in writing, there shall be no recovery for claims arising from, or in relation to, the following;

Bare-boat Chartering

5.1. Claims arising from bare-boat chartering the insured vessel are not covered.

Commercial Diving

5.2. Commercial diving or the use of submarines, mini-subs, remotely operated vehicles, or diving bells are not covered.

Contractual Indemnities

5.3. Contractual indemnities other than those relating to illness, personal injury, and death or property damage are not covered.

Crew Annuities or Crew Pension Contributions

5.4. Crew annuities or crew pension contributions are not covered.

Deductibles

5.5. Deductibles which the assured required to bear under other policies in the assured's name are not covered.

Disputes

5.6. Disputes

5.6.1. The assured's probable disputes with crew and arising out of the agreements concluded with the



third parties or the disputes or proceedings over obstruction or interference with the insured vessel's operations are not covered.

- 5.6.2. Disputes between joint assured and/or co-assured are not covered.

Employment Practices

- 5.7. Claims arising from wrongful or unfair dismissal, denial of natural justice, victimisation, 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 continuing use or presence at a coral reef or other sensitive marine environment are not covered.

Fines

- 5.9. Fines or penalties arising from overloading the insured vessel, carrying contraband or blockade running 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.

Kidnap and Ransom Demands

- 5.11. Kidnap and ransom demands are not covered.

Motor Vehicles

- 5.12. Claims arising from the use of mechanically powered vehicles whilst ashore, which would ordinarily be insured under a motor vehicle policy are not covered.

➤ PART C: EXCLUDED RISKS

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 or agriculture products risks are not covered.

Own Property

- 5.15. Claims arising from the assured owned or leased property are not covered.

Valuable Property

- 5.16. Personal effects which are cash, precious metals or stones or other objects of a rare or precious nature, provided that they are not deposited to the carrier for the agreed purpose of safe-keeping in which case the carrier shall be liable up to the limit provided are not covered.



Salvage Services

5.17. Salvage services to the insured vessel or demands for general average payments and any related disputes are not covered.

Sanctions

5.18. The assured shall in no circumstances be entitled to recover from the insurer that part of any liabilities which is not recovered by the insurer from any other party under any reinsurance(s) because of a shortfall in recovery from the parties or reinsurers thereunder by reason of any sanction, prohibition or adverse action against them by any state or international organization or the risk thereof if payment were to be made by such parties or reinsurers. For the purposes of this rule "shortfall" includes any failure or delay in recovery by the insurer by reason of the parties or reinsurers making payment into a designated account in compliance with the requirements of any state or international organization.

Towing

5.19. Claims arising as a result of towing other vessels unless it is the insured vessel's own tender or a vessel in distress and the assured is providing emergency assistance are not covered.

Unlawful Purposes

5.20. No claim is recoverable if it arises out of or is consequent upon the insured vessel blockade-running or being employed in an unlawful, prohibited or sanctionable carriage, trade, voyage or operation, or if the provision of insurance for a carriage, trade, voyage or operation is or becomes unlawful, prohibited or sanctionable or if the insurer

➤ PART C: EXCLUDED RISKS

determines that the carriage, trade, voyage or operation was imprudent, unsafe, unduly hazardous or improper.

Unseaworthiness

5.21. If the assured fails to ensure that the insured vessel 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.

State Compensation Programmes

5.23. If injured parties are entitled to receive compensation for personal injury under a mandatory state or national insurance scheme, the assured is not obliged to pay such claims. This exclusion applies even if the assured or the injured parties have failed to take the steps necessary to receive such entitlements.

Mental Incapacity

5.24. Liabilities and losses arising from permanent or otherwise mental incapacity of the crew members and/or third parties while on duty, including use of drugs or alcohol.

War Risks

5.25. War Risks



5.25.1. 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, incurred as a result of:

1) war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom, or any hostile act by or against a belligerent power, or any act of terrorism;

2) capture, seizure, arrest, restraint or detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat;

3) mines, torpedoes, bombs, rockets, shells, explosives or other similar weapons of war, save that this exclusion does not apply to liabilities which arise solely by reason of:

a. the transport of any such weapons whether on board the ship or not; or

b. the use of any such weapons, either as a result of government order or with the agreement of the insurer, where the reason for such use was the avoidance or mitigation of liabilities which would otherwise fall within the cover given by the insurer.

5.25.2. In the event of any dispute as to whether or not any act constitutes an act of terrorism, the decision of the insurer shall be final.



PART D: GENERAL TERMS

Assignment

- 6.1. The policy can not be assigned to another party without the written approval of the insurer.

Claims

- 6.2. If a claim is made against the assured, the assured must follow the claims handling procedure set out on E.7. If the assured fails to do so, the assured's ability to claim may be affected.

Complaints

- 6.3. The insurer takes all the complaints made by the assured in consideration. 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 from sikayet@turkpandi.com

Law and Jurisdiction

- 6.4. The disputes arising out of this insurance policy shall be subject to Turkish Law, unless the parties agree otherwise. Istanbul Maritime Courts shall have jurisdiction for the disputes arising out of this policy.

Joint Assureds and Co-assureds

- 6.5. Joints Assureds and Co-assureds
- 6.5.1. The insurer may agree to insure the assured's yacht in the name of more than one person or company and to note them on the relevant policy as joint assureds. In these circumstances, the terms and conditions of the policy (including premium payment obligations) apply equally to all. An act, omission, statement or claim of any joint assured similarly affects all of them. The insurer direct all



correspondence to the first named assured, who receives it on behalf of the others.

- 6.5.2. Whenever the assured has a liability which is recoverable from the insurer but the claim for that liability is made against another person or company who appears on the relevant policy as a co-assured, rather than a joint assured, the insurer will reimburse claim payments made by that co-assured upto the limit of the assured's liability for those payments. Unlike joint assureds, the insurer does not insure the liability of co-assureds and as such they do not have premium payment obligations. The insurer will not subrogate against co-assureds for claims which the insurer pay due to the assured's liability.
- 6.5.3. When the insurer pays a claim to any one of the joint members or co-assured, the insurer has discharged its liability to all of them.

Lay Up

- 6.6. The insurer does not return premium for periods of lay up notified in arrears.

Material Facts

- 6.7. The assured must inform the insurer all facts that may influence whether or not the insured wish to insure the assured and upon what terms. This is a continuing obligation that applies both before and during the period of insurance cover. Failure to do so may result in the insurers' refusal to pay the assureds' claim.

Premium and Default

- 6.8. Insurance premium shall be assessed per year and

PART D: GENERAL TERMS

in case the tendency is not the extension of the coverage or there is not a change of usage of the vessel, 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.

Security

6.9. Where the insurer considers it appropriate and necessary, the insurer shall provide letters of undertaking, bonds or bank guarantees on the assured's behalf, as security for covered claims.

Surveys

6.10. The assured 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 vessel. If such an inspection identifies defects in the assured's vessel, the insurer may require that the assured remedy them as directed at that time.

Termination

6.11. Termination

- 6.11.1. The cover which is provided by this policy shall be terminated on the date written on the policy or in case where the vessel is sold or transferred to new owners, bankrupt or failure in payment.
- 6.11.2. In case where the vessel is used for an illegal or prohibited actions, the insurer remains the right to cancel the whole policy of these vessels upon notification of this situation. In addition, the insurer is entitled to cancel the whole policy upon being notified that the continuance of the policy leaves the insurer in a position against any prohibition or decision of Turkish Republic, United States, The European Union or The United Kingdom.
- 6.11.3. The policy shall be cancelled promptly in case the manager company of the vessel which is being managed professionally for excursion is changed or in case where the policy cannot be provided due to a conflict with regulations issued by United Nations, commercial and economic sanctions and the legislation belonging to Turkish Republic, European Union, United States or The United Kingdom.



PART D: GENERAL TERMS

- 6.11.4. In case the lack of claims within the terminated policy, there shall be the opportunity to take advantage of return of premium on daily basis, where the assured shall be entitled to the full Premium. There shall be no return of premium in case of wholly or partially non- payment.
- 6.11.5. The policy cover, in discretion of the insurer, shall be applied on joint assureds and co-assureds.



PART E
OBLIGATIONS WITH REGARD TO CLAIMS



PART E: OBLIGATIONS WITH REGARD TO CLAIMS

Notification

7.1. Notification

- 7.1.1. The assured shall notify the insurer:
 - a. Within ten (10) days of those events that may give rise to its liability,
 - b. Immediately and in writing, of any claim made by a third party against the insured.
- 7.1.2. Reasonable expenses relating to the claim raised against the insured shall be paid by the insurer. The assured must provide all of the documents promptly that can be reasonably needed.

Documentation

7.2. Documentation

- 7.2.1. An 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. An 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 give evidence at any legal proceedings relating to a matter, the assured will make sure he attends.

Developments

- 7.3. An 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. Any damage caused by the obedience of this article shall be compensated by the assured.

Settlement

7.4. An 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 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 insured, the settlement agreement will be invalid against the insurer.

Recovery

7.5. An 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. An assured must not withhold or conceal any evidence which it is or may be relevant to disclose or make any false statement. If such evidence is withheld or concealed or false statement is made, any liabilities already incurred or reimbursed by the insurer must be repaid by the assured.



PART E: OBLIGATIONS WITH REGARD TO CLAIMS

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 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 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 they see fit.
- 7.7.4. The insurer may at any time on notice to the assured withdraw their approval of any expert or lawyer appointed to act on behalf of the assured; in such circumstances the assured will have no further entitlement to reimbursement of any of the costs or expenses of that expert or lawyer.
- 7.7.5. The insurer may at any time appoint, on behalf of an assured at the expense of the insurer subject to any applicable deductible, experts or lawyers to deal with any matter which may result in liabilities in respect of which the assured is or may be assured by the insurer in whole or in part.



Effects of Non-compliance

7.8. If the assured fails to comply with any prescribed requirements or any requirement which's enforcement is specifically expressed under these special 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.

Pay to be Paid 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 under no obligation to provide security on behalf of an assured but where it is provided it shall be on such terms as the insurer considers appropriate and shall not constitute any admission of liability by the insurer for the claim in respect of which it is given.

7.10.2. An assured on whose behalf the insurer has provided security, with or without the assured's express authority, shall on demand replace the security or pay to the insurer a sum corresponding to the amount of such security whether or not such amount may be recoverable in whole or in part from the insurer.

7.10.3. In no case shall the insurer be liable for the detention



PART E: OBLIGATIONS WITH REGARD TO CLAIMS

of the ship, or for any other detention or attachment of an assured's assets, or for any damage whatsoever caused to an assured by reason of the provision or non-provision of security.

- 7.10.4. An assured shall upon demand reimburse the insurer such sum or sums as the insurer has paid on his behalf or under security provided by the insurer to the extent that such payment is, in the opinion of the insurer, in respect of liabilities not recoverable from the insurer.
- 7.10.5. This special conditions herein is only valid within the area covered by this policy. No claims can be raised out of the area of coverage determined by this contract unless the parties agree upon the contrary.

On-demand additional coverage:

The assured needs to contact with the insurer for the additional securities below:

- Charterers liability insurance
- Personal accident insurance
- Legal aid and defense cover (for certain disputes)
- Assistance service

PART F: TÜRK P VE I SİGORTA A.Ş. YACHT ASSISTANCE TERMS AND CONDITIONS

1. Temporary Yacht / Motorboat Procurement

Türk P ve I Sigorta A.Ş. hereby undertakes to organize procurement of yacht / motorboat to the Assured in order to enable the Assured continue his voyage, where the Assured is deprived of use of his yacht, due to yacht's repairs taking more than 48 hours following an incident or breakdown, should the Assured request so

* Türk P ve I Sigorta A.Ş., is only responsible for organization of the aforementioned service..

**All fees, costs, taxes and duties which may arise due to procurement of this service are at Assured's account.

2. Overnight Stays at Hotel

Türk P ve I Sigorta A.Ş., hereby undertakes to organise Assured's stay at a Hotel for a maximum uninterrupted period of 3 nights outside the Assured's hometown, where the Assured may require so due to the Assured having been deprived of use of his yacht, owing to yacht's repairs taking more than 48 hours following an incident or breakdown outside the Assured's hometown, and following Türk P ve I Sigorta A.Ş.'s failure to arrange travel to Assured's hometown, including but not limited to causes such as adverse weather and road conditions.

*The accomodating hotel will be four or five stars in vicinity of the area of incident, always subject to availability of such hotels / rooms..

** The nomination of the hotel will be at discretion of Türk P ve I Sigorta A.Ş.

*** All fees, costs, taxes and duties which may arise due to lodgings at Assured's account, with Türk P ve I Sigorta A.Ş.'s only responsibility being arrangement of hotel room.

3. Assured's Travel to Home, or Extension of the Travel

Türk P ve I Sigorta A.Ş., hereby undertakes to organise completion of Assured's travel or return travel to his permanent residence, owing to immobilisation of Assured's yacht for a period of more than 48 hours following an incident or breakdown.



* All fees, costs, taxes and duties arising from Assured's Travel to Home or Extension of his Travel are at Assured's account with Türk P ve I Sigorta A.Ş.'s only responsibility being arrangement of this service.

4. Travel Costs to Stolen Yacht's Location After Discovery

Türk P ve I Sigorta A.Ş., hereby undertakes to organise Assured's and/or his nominated agent's travel costs to the boat's location following it's discovery after a theft, in order to enable to the Assured or his Agent take possession of the yacht, subject to the yacht having been discovered outside the Assured's hometown.

* All fees, costs, taxes and duties arising from Assured's travel costs to stolen yacht's location after discovery are at Assured's account with Türk P ve I Sigorta A.Ş.'s only responsibility being arrangement of this service.

5. Travel to Vessel's Location After Repairs

Türk P ve I Sigorta A.Ş., hereby undertakes to organise Assured's and/or his nominated agent's travel costs to the boat's location after repairs, in order to enable to the Assured or his Agent take possession of the yacht, subject to the yacht being located outside the Assured's hometown at time of completion of such repairs.

* All fees, costs, taxes and duties arising from Assured's travel costs to yacht's location after repairs are at Assured's account with Türk P ve I Sigorta A.Ş.'s only responsibility being arrangement of this service.

6. Transportation of Spare Parts

Türk P ve I Sigorta A.Ş., hereby undertakes to organise transportation of necessary spare parts to yacht's repair site or repairers, subject to such spare parts being unavailable in vicinity of repair site, and such parts being available to a maker company in Turkey.

*Türk P ve I Sigorta A.Ş.'s only responsibility is organisation of this service.

** All fees, costs, taxes and duties arising from Assured's use of this service are at Assured's account.

***Transportation of spare parts is subject to Assured's prior confirmation to assume costs of the spare parts.

PART F: TÜRK P VE I SİGORTA A.Ş.

YACHT ASSISTANCE TERMS AND CONDITIONS

7.Travel Costs of Expert Repairsmen

Türk P ve I Sigorta A.Ş., hereby undertakes to organise travel costs of suitable technical personnel to yacht repair site, in case the local technicians / repairmen are unavailable to complete necessary repairs following an incident.

* This service is limited to organisation only.

** All fees, costs, taxes and duties arising from Assured's use of this service are at Assured's account.

***Finding the suitable technical personnel remains Assured's responsibility.

8.Shipment of Spare Keys

Türk P ve I Sigorta A.Ş., hereby undertakes to organise shipment of spare keys to the Assured, following loss / theft of yacht's keys, or the Assured being locked out the vessel, subject to delivery spare keys to Türk P ve I Sigorta A.Ş. head office.

* This service is limited to organisation only.

** All fees, costs, taxes and duties arising from Assured's use of this service are at Assured's account.

9.Temporary Replacement of Captain

Türk P ve I Sigorta A.Ş., hereby undertakes to organise a temporary replacement for yacht's captain , in case the original captain being unavailable to complete his duties following injuries sustained after an incident or becomes ill.

* This service is limited to organisation only.

** All fees, costs, taxes and duties arising from Assured's use of this service are at Assured's account.

10. Legal Costs and Advance on Bail Expenses

Türk P ve I Sigorta A.Ş., to guarantee the legal costs and expenses related to criminal actions, shall deposit the bail amount(security amount) required within the limit of maximum TRY1000 from assured to the competent authorities. This amount shall be guaranteed via a necessary



document called “Security advance form”, previous to payment made to the competent authorities. The subject amount shall be deemed as a credit granted by Türk P ve I Sigorta A.Ş. to its assured. The assured shall promptly refund this amount to Türk P ve I Sigorta A.Ş. in case where no action is brought against or in case of acquittal. Case of conviction of assured, within lastly 15(fifteen) days of upon being notified of such decision the assured is liable to refund the advance to Türk P ve I Sigorta A.Ş. In any case, the assured is liable to refund any the advance payment to Türk P ve I Sigorta A.Ş.

*Advance on bail expenses does not cover any incident occurred whilst using a motor vehicle or related to a crime.

**The maximum amount regarding this interest is determined as TRY1000.

***Any expenses to be arisen from procurement of this service shall be on assured.

11.Cash Advance on Urgent Needs

A cash advance limit of maximum 1.000TL will be provided to the Assured in cases of loss of Money(partial or in whole), wallet or credit card, unexpected illness and accidents whilst trading in turkish cabotage waters as a loan in order to be able to cover their urgent expenses in return of proving official document. This amount shall be guaranteed via a necessary document called “Security advance form”, previous to payment made to the competent authorities. Assured has to provide a file an approved report at competent authorities about the emergency. The paid advance has to be repaid to Türk P ve I Sigorta A.Ş. by the assured within 15 (fifteen) days. In case Assured can not be contacted or will not make the repayment within (fifteen) days, the company obliges to provide necessary support to Türk P ve I Sigorta A.Ş.

*This benefit has a maximum limit of 1.000TL

**Any kind of expenses arising caused by this service will be covered by the Assured

PART F: TÜRK P VE I SİGORTA A.Ş. YACHT ASSISTANCE TERMS AND CONDITIONS

12. Online Translator Services Information Call Line

Türk P ve I Sigorta A.Ş. will provide contact details of translators close to the assureds location in cases English language assistance is needed by the assured on emergency situations.

*This service is provided as a information call line

**Any kind of expenses arising caused by this service will be covered by the Assured

13. Medical Advisor Information Call Line

Türk P ve I Sigorta A.Ş.'s medical team will provide information on any kind of health problems the assured might occur with. Numbers and addresses of Doctors, Specialists, Dentists, Hospitals, Diagnosis centers and pharmacies on duty will be provided. Sanitation advises will be given but a diagnosis can not be done or no medication can be advised.

14. Marina Guide Information Call Line

Detailed information about Marinas can be given to the assured and also Hotel or Restaurant Reservations can be made in the assureds name.

15. Official Information Call Line

Preliminary information on weather forecast, banks, embassies, taxes, consulates can be given to the assured prior travel.

16. VIP / Airport transfer

Türk P ve I Sigorta A.Ş. will be responsible in the organization of this services. VIP/Airport transfer services will be a short range private car hiring service including a driver. Assured may contact Türk P ve I Sigorta A.Ş. Head offices 48 hours prior service is requested.

*Transfer services provided in Istanbul, Ankara, Izmir, Dalaman and Bodrum

**Any kind of expenses arising caused by this service will be covered by the Assured



17. Discount on Rental Cars

Up to 40% discount may be provided to Reservations made by Türk P ve I Sigorta A.Ş. in the name of the assured at car rentals within Turkey borders. The discount rate may change depending on region and season and is given to Türk P ve I Sigorta A.Ş. directly and transferred to the assured without any commission.

*Discount rate may change by regions

**Any kind of expenses arising caused by this service will be covered by the Assured

18. Return to Permanent Domicil in Cases of a Loss Event

In cases where the assured needs to return to his permanent domicil due to theft, fire or explosion in his residence and arising damage and risks Türk P ve I Sigorta A.Ş. will pay the costs and organize a economy class return flight or use valid ticket if existing.

*In order to warranty this service Assured needs to provide formal documents from authorities regarding the incident and submit to Türk P ve I Sigorta A.Ş (Fire department report, Police report etc.)

19. Loss of Personal Documents

In case assured may loose his personal documents like passport, national identity card or visa Türk P ve I Sigorta A.Ş. will provide information about whom to contact and where to apply for these documents.

20. Returning to Permanent Domicile of the Assured After the Accident / Theft of the Insured Yacht

In case the yacht which had an accident /is stolen and is not being able to be repaired / found within 48 hours, the returning to permanent domicile of the Assured is organized and transportation costs are paid by Türk P ve I Sigorta A.Ş. The transportation options will be determined by Türk P ve I Sigorta A.Ş. through below alternatives:

- Bus Ticket: One way bus ticket (return) for the distances

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below 500 km.

- Plane Ticket: One way economy class plane ticket for the distances exceeding 500 km. (if an airport exists in the arrival location)

21. Legal Information Desk

The Assured can communicate with an legal adviser within the working hours (08:30-17:30) in the weekdays.

In the consultancy service performed, no legal document is prepared, no document is examined, no referring is made to a person or corporation that is dealing in law business or fullfilment / reinforcement of legal actions on behalf of the Assured.

22. Medical Information Desk

Concerning all the medical problems of the Assured no matter it is emergent or not, Türk P ve I Sigorta A.Ş. Medical Team is on duty and advises doctor, specialist, dentist, hospital, diagnose centers, the names, addresses and phone numbers of the open pharmacies. The team give advise for the precautions that have to be taken for the health problem, but cannot make a diagnose or recommend a medicine.

23. Medical Transport (Ambulance)

In case of a sudden illness or injury fullfilling the criterias defined by World Health Organization, Türk P ve I Sigorta A.Ş., undertakes all the expenses of the transport of the Assured to the nearest medical center by the most appropriate means of transport identified by Türk P ve I Sigorta A.Ş. Medical Team, maximum 2 times a year, 350 TL per incident, Air Ambulance organisation is also made.

** Türk P ve I Sigorta A.Ş. are only responsible for the expenses of ground ambulance transporting. The expenses of the transport by Air Ambulance is paid by the Assured. But all the organisations of Air Ambulance is made by Türk P ve I Sigorta A.Ş.



24. The Organisation of Forgotten Medicines

In case the Assured forgot his/her medicines in another location which he / she has to take and unable to reach them, subject to the obtaining of the medicines by his/ her family members from the place that they are forgotten and bringing to Türk P ve I Sigorta A.Ş., all transportation expenses of the medicine are met.

- The transportation expenses are paid by the Assured.

25. Delivery of Urgent Messages

If needed, Türk P ve I Sigorta A.Ş., maintains the delivery of urgent messages of the Assured mutually to his / her friends, colleagues and relatives domiciliating in the same place.

26. Returning to Permanent Domicile after the Treatment

In case of discharge from the hospital of the Assured after a serious illness or injury during his / her travel, Türk P ve I Sigorta A.Ş. is responsible for the organisation of the transportation of the Assured (land route / air way) and one way economy class bus / airplane ticket using the existing ticket with a limit of 100 TL.

- The Medical staff nominated by Türk P ve I Sigorta A.Ş. will determine whether the transportation of the Assured is appropriate or other additional servies are needed, bodily injury or appropriate transportation vehicle (land ambulance, air ambulance, scheduled flight etc.) by the help of the report of doctor responsible for the treatment of the Assured.

27. The Return of the Family to Permanent Domicile after Death

In case the Assured died during the travel and the family members should terminate their holiday, the organisation of the transport of the family to permanent domicile by an economy class scheduled flight (if there is existing flight ticket, it can be used) is made and the transportation costs are paid by Türk P ve I Sigorta A.Ş.

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28. The Accommodation of Family Members in case of Assured' Death

In case the Assured died during the travel and the family members should accommodate in the place the accident happened, the accommodation expenses will be paid by Türk P ve I Sigorta A.Ş., limited to maximum 7 days, 150 Euro per night (standard room + breakfast)

- The hotel will be determined by Türk P ve I Sigorta A.Ş.

29. Information, Reservation and Organisation Services

- **Hotel, Restaurant and Club Recommendations / Reservations:** In the travel location choices in line with the restaurant / bar submission of proposals ,such as the reservation process if requested. The Assured is responsible for all costs and expenses.
- **Flight Ticket Reservation and Delivery:** Reservations required flights according to the demands of the Assured provided by Türk P ve I Sigorta A.Ş.. The Assured is responsible for all costs and expenses.
- **Party Reservations for up to 20 persons** All organizational processes in place or proposed land required . The Assured is responsible for all costs and expenses.
- **Information about Maritime Businesses** The Assured is informed for all transactions related to Turkish ports and flag.
- **Local Information and Orientation Services** The Assured in informed for all the must see places in the location that he / she is.
- **Route Planning Organisation**
- **Yacht Classification Observing Organisation**
- **Short Term and Long Terms Yacht Chartering Organisation**
- **Yacht Cleaning and Maintenance Services Organisation**
- **Holiday Planning Organisation**
- **Organisation of Guidance by a Captain**



SECTION III – SPECIAL CONDITIONS

1. All redeemable costs in association with services provided under this agreement are subject to prior approval of Türk P ve I Sigorta A.Ş. The Assured hereby relinquishes right of recovery from Türk P ve I Sigorta A.Ş. where he may pursue direct disbursement of such costs without prior approval of Türk P ve I Sigorta A.Ş.
2. All costs arising in course rendering services on behalf of the Assured are charged At Assured's account, and with prior explicitly consent given by the Assured.
3. Türk P ve I Sigorta A.Ş. reserves the right to reject services which at Insurer's discretion may be deemed in contravention of laws, regulations, or the Insurer's principles.
4. Türk P ve I Sigorta A.Ş.' liabilities are limited to within scope of services provided, Türk P ve I Sigorta A.Ş. can not be held liable for damages, losses or costs which may arise outside the scope of services provided.
5. Türk P ve I Sigorta A.Ş., agrees to provide above detailed services to it's best endeavours but always within reasonable possibilities.
6. All requests arising in non-Turkish waters are excluded.
7. Türk P ve I Sigorta A.Ş., does not guarantee absolute fulfillment and satisfaction in services where reservation possibilities may be limited, and subjective VIP services (shows, hotels, restaurants and similar services.)
8. All costs and liabilities arising from cancelled reservations and sold tickets are at Assured's liability. This condition will be reminded by Türk P ve I Sigorta A.Ş. to the Assured in course of services provided, and no services shall be rendered by Türk P ve I Sigorta A.Ş. without Assured's consent in this regard.
9. This agreement excludes all of Insured's liabilities in following situations;

PART F: TÜRK P VE I SİGORTA A.Ş.

YACHT ASSISTANCE TERMS AND CONDITIONS

- Force majeure, earthquake, fire, nuclear risks, volcanic eruption, flood or any other environmental disaster, unless explicitly agreed otherwise.
- War, invasion, acts of foreign enemies, military clashes (regardless if war declared or not), civil war, riot, coup d'état, terrorist acts, acts of military or any other legal force, insurrection, and civil movements.
- Acts not allowed by legal authorities.
- Delays of service due to extraordinary climate conditions.