

PLEASURE BOATS



LIBERTY **PLEASURE BOATS**

General
Conditions



LIBERTY **PLEASURE BOATS**

LI10EMR 04/11

Important Note

This translation is only intended as a rough guide and the company cannot accept any liability for omissions, inaccuracies or variations arising from the translation. The contract between the insurer and the Insured is on the basis of the Spanish text which prevails in case of any differences. The English translation does not form any part of the insurance contract.

INFORMATION STATEMENT

The member state that controls the insurance activity of the company is Spain, and the controlling authority is the Directorate General for Insurance and Pension Funds.

The insurance company **LIBERTY SEGUROS, Compañía de Seguros y Reaseguros, S.A.** has its registered offices at **Calle Obenque 2, 28042, Madrid, Spain.**

APPLICABLE LEGISLATION

This insurance policy is governed by its general conditions and its schedule, and is subject to:

- The Insurance Contracts Act 50/80, of 8 October.
- The Revised Text of the Regulation and Supervision of Private Insurance Act, approved by Royal Legislative Decree 6/2004, of 19 October.
- The Royal Decree 607/99, of 16 April, which sets forth the mandatory Public Liability Insurance Regulations for pleasure boats and sports boats.
- The Spanish Port Authority and Merchant Shipping Act 27/1992, under Article 78.
- The Spanish Personal Data Protection Act 15/1999 of 13 December.
- The Commercial Code and other legislation which may be applicable during the contract validity period.

CUSTOMER CLAIMS AND PROTECTION

Liberty Seguros has a **Customer Service Department** and a **Customer Ombudsman** to handle and resolve complaints and claims arising from actions by the Company itself, or by its insurance agents or bank insurance operators, in accordance with the procedures set forth in Order ECO 734/2004, of 11 March.

- **Customer Service Department.** C/ Obenque 2, 28042, Madrid. Fax: 91 301 79 98.
email: atencionalcliente@libertyseguros.es
- **Customer Ombudsman.** C/ Marqués de la Ensenada 2, 6ª planta, 28004, Madrid. Fax: 91 308 49 91.
email: reclamaciones@da-defensor.org

All complaints and claims will be handled and resolved within a period of two months after being submitted. After this term has elapsed and having received no response, or in the event of disagreement, the claimant may address the **Claims Service of the Directorate General for Insurance and Pension Funds**. Paseo de la Castellana 44, 28046, Madrid. For the resolution of conflicts in court, the court in the insured's city of residence will hold jurisdiction.

The **Regulations for Customer Defence** are available to customers at the offices of Liberty Group companies and detail the procedures for handling complaints and claims. The Regulations are also available on the www.libertyseguros.es website or from your insurance agent.

CONTENTS

0	Preliminary article - definitions	5
1	Object of the insurance	6
2	Covered risks	6
3	General exclusions	18
4	Nautical assistance	19
5	Common provisions	27
6	Index-linked sums insured	28
7	Declarations of risk	29
8	Information when arranging the insurance, reserve or misrepresentation	29
9	Information and visits	29
10	In the event of an increase in risk	30
11	Powers of the insurer in the event of an increase in risk	30
12	Consequences of not reporting an increase in risk	30
13	In the event of a decrease in risk	30
14	In the event of transfers	31
15	Execution and effects of the contract	31
16	Insurance period of cover	31
17	Payment of the premium	32
18	Incidents	33
19	Subrogation	36
20	Recours	36
21	Termination and nullity of the contract	36
22	Limitation period	37
23	Arbitration	37
24	Notifications and jurisdiction	37
25	Indemnity clause	37

The following definitions shall be used for this contract:

■ **Insurer:** The insurance company is **Liberty Seguros, Compañía de Seguros y Reaseguros, S.A.**, which signs the policy together with the insurance policyholder and is bound, through its collection of the relevant premium, to pay the benefit corresponding to each cover included in the schedule, pursuant to the limits and conditions set forth in the policy.

■ **Insurance policyholder:** The individual or legal entity that signs this contract alongside the insurer, and to whom the obligations arising therefrom correspond, unless they must be met by the insured, due to their nature.

■ **Insured:** The shipping company or owner of the boat, and, where applicable, the person who is duly authorised by the owner to be the skipper or to navigate the boat, people who support boat steering, and skiers who are pulled along by the boat.

■ **Third party:** Any individual or legal entity other than the insurance policyholder or the insured.

■ **Beneficiary:** The individual or legal entity entitled to indemnity.

■ **Policy:** The document containing the regulatory conditions of the insurance contract. The policy is made up of the following: the general conditions; the policy schedule; the special conditions; and the supplements or appendixes that are issued with the policy to complement or modify it.

■ **Boat:** A floating vessel for personal use in recreational or sports navigation, which is propelled by a motor or by a sail.

■ **Fixtures:** Items that make up the whole boat and which are attached or affixed to it, and/or items that are necessary for the navigation thereof.

■ **Personal belongings:** All the clothing and objects that are for personal use and enjoyment, which at all times are brought on board the insured boat by occupants, and are not necessary for navigational or steering purposes.

■ **Occupants:** Any person who occupies the insured boat or who boards or disembarks the boat, at no cost, and one who is authorised to do so by the insured.

■ **Insured sum:** The amount established for each policy item, making up the maximum indemnity limit to be paid by the insurer in the event of an incident.

■ **New-for-old cover:** This is the purchase amount of the insured boat, in accordance with current selling prices, including VAT where applicable and other relevant taxes, in new condition, or another boat with similar features, should the insured model no longer be available on the market.

■ **Actual cash value or real value:** Market value of the insured boat immediately before the incident occurred, bearing in mind its use, wear and age.

■ **Incident or breakdown:** Any event causing damage which is partially or totally covered under the policy.

A sole and unique incident is understood to be one or a series of damaging events due to the same original occurrence or cause, regardless of the number of claimants or lodged claims.

■ **Accident:** An accident is an occurrence stemming from violent, sudden or external causes beyond the control of the insured, which results in material damage to items or bodily injuries to individuals.

■ **Salvage expenses:** Expenses incurred through using means to lessen the consequences of the incident.

■ **Personal injury:** Physical injuries or death caused to individuals.

■ **Material damage:** Damage, deterioration or destruction of an item and damage caused to animals.

■ **Economic loss:** Damage that is the direct result of personal injuries or material damage suffered by the claimant of the loss.

■ **Premium:** The cost of the insurance. The receipt will also include the legally applicable surcharges and taxes.

■ **Excess:** The sum, percentage or any other quantity set forth in the policy to be deducted from the indemnity to be paid to the insured or beneficiary of each incident.

1

OBJECT OF THE INSURANCE

Within the limits established in the policy, the following risks are covered, provided that they are expressly included in the policy schedule:

- Mandatory public liability insurance.
- Voluntary public liability insurance.
- Boat damage.
- Claim for damages.
- Personal accidents.
- Nautical assistance.

Territorial boundaries

This policy covers compensation for incidents that occur inside Spanish maritime waters.

2

COVERED RISKS

TYPE A: MANDATORY PUBLIC LIABILITY INSURANCE

This cover is regulated in accordance with the limits, terms and conditions established under Royal Decree 607/99, of 16 April, which sets forth the mandatory public liability insurance regulations for pleasure boats and sports boats, pursuant to the terms in the Spanish Port Authority and Merchant Shipping Act 27/1992, under Article 78.

Object of the insurance

Through the mandatory public liability insurance, within the legally endorsed limits, extra-contractual public liability is covered, which, due to fault or negligence, may link the insured, according to current legal regulations, to material damage, personal injuries, economic loss caused to third parties, and damage caused to maritime facilities and ports, as a result of an impact, collision, and other events in general, arising from using the insured boat within Spanish maritime waters, or objects or skiers that are being towed in the sea by the boat.

Benefits from the insurer

Up to the current regulatory quantitative limits, this insurance covers the following risks:

- Payment to the injured parties or to their entitled dependants of indemnity arising from the public liability of the insured.
- Defence of the insured.
 - For any judicial proceedings which settle public liability, regardless of the jurisdiction in which the proceedings occur, and which stem from an incident covered by the policy, the insurer will assume the cost of legal representation regarding the injured party's claim, and will appoint the counsel and attorneys to defend and represent the insured in legal actions that may arise from public liability claims covered under this policy.
 - The insured shall offer the necessary cooperation regarding this defence, agreeing to grant any powers of attorney and personal assistance that might be required.
 - Whatever the ruling or result of the legal proceedings, the insurer reserves the right to decide whether or not to initiate the pertinent legal appeals against said ruling or result, or to accept it.
 - If the insurer deems an appeal inadmissible, it will notify the insured, who will be free to file it exclusively at his/her own expense, and the **former will be obliged to reimburse the legal costs and those for lawyers or attorneys should said appeal succeed.**
 - If a conflict arises between the insured and the insurer when the latter has interests contrary to those of the insured with regard to the incident, the insurer will make this known to the insured, notwithstanding the need to carry out processes that, due to their urgent nature, are necessary for the defence. In this case, the insured may opt to allow the insurer to continue to manage his/her legal affairs or to entrust the defence to another person. If this occurs, the insurer will be obliged to pay said legal representation expenses up to the limit accorded in the policy.
- Payment of any costs and legal or out-of-court expenses inherent to the management of the incident and to the defence thereof.
- Payment of legal bail required of the insured to cover his/her public liability.

Temporary scope

The insurance contract shall cover liability for damages arising for the first time during the valid insurance period as a result of an event occurring after the effective date of the contract. The claim for such damages must be duly communicated to the insurer during the valid term of the policy or within 12 months from the contract termination date.

The date of the claim will be taken as the date on which:

- Administrative or legal proceedings are instigated or a formal written claim is filed against the insured, as being allegedly liable for damages, or against the insurer.
- An insured becomes aware, for the first time, of any circumstances or information that could lead him/her to reasonably expect a claim to be filed against him/her or against the insurer.

TYPE B: VOLUNTARY PUBLIC LIABILITY INSURANCE

Object of the insurance

This insurance covers extra-contractual public liability affecting owners of pleasure or sports boats, people who are duly authorised by the owner to navigate the boat, people who support boat steering, and skiers who are pulled along by the boat, due to material damage, personal injuries and subsequent damage caused to third parties, as a result of an impact, collision, damage caused to maritime facilities and ports, and, in general, due to other events arising from boat use, or objects or skiers that are being towed by the boat, within the limits established under the policy schedule, and **always in excess of the cover and quantitative limits of Type A: Mandatory public liability insurance.**

Exclusions applicable to types A and B

THE FOLLOWING IS NOT COVERED:

- a. Damage caused to the insurance policyholder, the shipping company or the owner of the boat identified in the policy, or to the insured or user of the boat.
- b. Death or injuries suffered by transported people who make payments for a cruise or trip.
- c. Death or injuries suffered by the boat skipper or pilot, and death or injuries suffered by people who are professionally involved in boat maintenance, conservation and repairs.
- d. Material damage caused to the insured boat.
- e. Damage caused by the boat during repairs, while on land, or when it is being towed or transported over land, be it on a vehicle or any other method.
- f. Damage caused to goods (ownership, storage, use, handling, transport or other) that, for any reason, are held by the insured, the people who depend on him/her, or the boat occupants.
- g. Personal injuries or material damage suffered by people while voluntarily on board a boat, navigated or skippered by a person who does not have adequate qualifications, if the insurer is able to prove that the former were aware of these circumstances.
- h. Damage caused to towed objects or boats, in a bid to salvage them, or to rescue occupants.
- i. Personal injuries and material damage caused by the insured boat if it is stolen or mysteriously disappears.

- j. Sanction and fine payments as well as consequences related to payment default.
- k. Damage due to participation in regattas, unless otherwise stated, trials, competitions related to speed, or to nautical skiing and training, including bets and challenges.
- l. Any costs and/or expenses, including the establishment of legal bail, when concerning claims of criminal liability of the insured.

TYPE C: BOAT DAMAGES

Benefits from the insurer

This insurance covers damage to the boat itself and/or other insured components. The indemnity limit to be met by the insurer in the event of an incident covered under the policy is the insured sum that is indicated in the policy schedule, or the actual cash value prior to the incident if it is less, as a direct result of:

C.1. Total loss

Total loss or abandonment of the boat due to a boating accident, understood as total disappearance or final destruction of the boat, as a result of shipwreck, sinking, running aground, being bogged, impact, collision with objects and facilities (both in the air, or fixed or floating), fire, explosions, green water loading, green water loading due to storms or other boating accidents considered 'risks' or 'perils' of the sea.

If a right to abandon the boat exists, as regulated by the Commercial Code, the insurer reserves the right to opt for total loss without ownership transfer, within a period of 30 days from the abandonment notification date, between the acceptance thereof and the incident settlement date.

C.2. Constructive total loss

Constructive total loss, understood as damage suffered by the boat as a result of any circumstances indicated in cover C.1., with repair costs exceeding 75% of the boat's real value at the time the incident occurred.

In this case, the insurer will indemnify the insured as if total loss had occurred, less the payment relating to the residual value of the damaged boat.

C.3. Salvage expenses

Salvage expenses incurred reasonably by the insured to meet his/her obligations to salvage the boat from destruction and/or disappearance, and to minimise the cost and consequences of the incident.

For the aforementioned purposes, salvage expenses will be understood as the reasonable **towage** costs related to the **damaged** boat.

C.4. Wreckage removal

Wreckage removal of the insured boat, solely and exclusively by order of the marina authorities, **provided that it was the result of a covered incident, up to the maximum limit of 10% of the insured sum for the hull and motors.**

C.5. Total loss due to theft with violence of the entire boat and/or its auxiliary craft

The insurer will provide indemnity, up to the limits established in the schedule, for total loss of the entire boat and/or its auxiliary craft, **solely and exclusively when placed in premises or garages that are duly locked and have the sufficient surveillance and security measures in place, or when afloat, it is docked or moored to a pier with similar measures.**

For the aforementioned purposes, theft with violence is understood as the illegitimate procurement or removal of insured goods, using force with items, or violence or intimidation with people.

THE FOLLOWING IS NOT COVERED:

- a. Theft with violence occurring when the boat is on an open shore or beach, and no staff are on board.
- b. Theft with violence by the insured's family members or by people who live with and/or who are dependent on the insured.
- c. Mysterious disappearance, understood as the illegitimate procurement of the insured boat, without force when removing items, nor intimidation or violence regarding people.
- d. Theft with violence or attempted theft with violence not reported to the competent authorities.

C.6. Partial damage (particular average)

Material damage that may occur to the boat and/or other insured elements is covered, with an indemnity limit of the insured sum indicated in the policy schedule, for the following circumstances:

1. **When navigated, afloat or moored**, damages sustained by the insured boat are covered, as a result of:
 - a. Sinking, shipwreck, running aground, being bogged, bottoming, fire, impact, crashing, collision, or coming into contact with solid objects and facilities (both in the air, or fixed or floating), and other boating accidents considered 'risks' or 'perils' of the sea.
 - b. Green water loading.
 - c. Damages to the motor as a result of the accidental input of solid objects or foreign bodies via refrigeration pipes and circuits, **provided that they solely and exclusively occur when circuit and pipe inputs are protected, and are correctly used and operated.**
 - d. Lightning.
 - e. Acts of vandalism or malicious actions which do not involve theft with violence, caused by third parties, **provided that the boat is in an adequate place, home port, anchorage or storage area, with the necessary enforced security and surveillance measures**, including road transfers and/or stops made in fitted out parking areas.
 - f. Damages sustained during hoisting, lifting and lowering operations into the water, **provided that they occur in a suitable place, using elements and measures appropriate to the type and nature of the boat, and for the purposes of carrying out**

maintenance, repairs or conservation, or for transfer or transport to a new mooring or anchorage point, or for storage on land.

2. **On land, in storage or in enclosed garages and/or winter storage**, provided that these areas have sufficient security measures and are appropriate for the type and nature of the insured boat, damages sustained by the boat are covered, as a result of:

- a. Fire and/or explosion.
- b. Crashing, collision, or contact with other objects during the land storage period. **Water damage, regardless of the cause, is not covered.**
- c. Slipping or overturning when immobile.

3. **In transit or during land transport**, damages sustained by the insured boat are covered, as a result of:

- a. Accidents involving the towing or carrying vehicle, **provided that this form of transport is suitable and usual, that the trailer is prepared and is appropriate for the type and nature of the boat, and that the towing or carrying vehicle is authorised to carry out these kinds of operations.**
- b. **Trailer loading and unloading, provided that these are carried out using the appropriate measures.**

4. In the event of theft with violence, damages sustained by the boat and by items or fixtures which are affixed to the boat are covered, due to theft with violence or attempted theft with violence, and damages sustained by the boat during the period it is held by outsiders as a result of the theft with violence.

Outboard motor theft with violence is also covered, provided that motors have an anti-theft device as well as their regular fastening methods, as well as theft with violence of auxiliary equipment and personal belongings declared in the policy, when these are locked up in the boat cabin or in other locked compartments of the boat.

Excess

1. No excess applies for total loss or constructive total loss of the boat.
2. With regard to partial damages to the boat and/or motors and/or equipment and/or fixtures, the excess stipulated in the policy schedule will be applied to each declared incident.
3. When the incident affects the elements or interests included in personal belongings and/or trailers or cradles, applicable excess **will be 20% of the incident amount, with a minimum of 150 euros.**
4. If the incident occurs as a result of the accidental input of solid objects or foreign bodies into the motor via refrigeration circuits, **excess will apply as indicated in the schedule amounting to 25%, with a minimum of 150 euros.**
5. **If no excess has been determined in the policy schedule, the previous item 2 becomes void, with excess stipulated in items 3 and 4 always taking precedence.**

Exclusions applicable to types A and B

THE FOLLOWING IS NOT COVERED:

- a. Progressive deterioration or wear due to use or operations, inherent vice, weathering, corrosion, oxidation, cavitation, rust, encrustation, osmosis and parasites of any type, as well as effects from simple marks, scratches or scrapes.

- b. Fire or explosion when the boat does not have the regulatory prevention and extinguishing systems installed during navigation or while afloat.
- c. Dislodgement or collapse of motors and consequences thereof, unless caused by sinking, shipwreck, collision, running aground or being bogged.
- d. Running aground due to normal tides.
- e. Damage to sails, covers or awnings caused by the wind or bad weather (rain, hail or similar).
- f. An internal mechanical or electrical breakdown, damages to motors or machinery and batteries, as well as to connections thereof, unless these were all directly caused by a previous accident covered under the policy.
- g. Loss or damage sustained by motors, directly or indirectly caused by the blockage and/or ingestion of any external substances (understood as fluid or semi-fluid materials, such as oil, fuel, petrol and derivatives, including tar) through motor water refrigeration systems or any other devices on the boat that function by using exterior water.
- h. Loss or damage sustained by the insured boat as a result of a lack of maintenance or conservation.
- i. Loss of use and/or any other loss and/or consequential damage.
- j. Stains, moisture, soaking, breakage, mysterious disappearance, loss or disappearance of equipment or fixtures and/or personal belongings and/or similar, which did not occur as a direct result of risks covered under the policy.
- k. Damage or theft with violence when the boat does not have due surveillance or assistance, either on an uncovered shore or beach, devoid of the necessary security measures during its period of suspension, inactivity or winter storage, as well as land transport during stops that are carried out in parking spaces and/or areas.
- l. Any personal belongings, fixtures, motor/s, sails, auxiliary boats, etc. that are not indicated in the policy schedule and/or special conditions.
- m. Money in cash, traveller's cheques, credit cards, store charge cards or similar (bank, telephone or similar), mobile telephones, laptops, video game consoles, documents with or without value, jewellery or watches of any kind, and leather.

TYPE D: CLAIM FOR DAMAGES

D.1. Covers

- 1.1. Claims, including legal claims, for damages caused by a third party to the insured boat or to one of its occupants, covering all the necessary expenses to settle the claim in question. The combined limit of these expenses is indicated in the current general conditions.
- 1.2. Advance indemnity payments, according to the established limit, which, after negotiations carried out by Liberty Seguros, formally recognise insurers owed by third parties who were responsible for the claimed damages.

D.2. Clarifications

- 2.1. Negotiated claims will be managed by the insurer or by professionals appointed by the insurer.
- 2.2. If claims are heard in court, the insured may, with prior written correspondence to the insurer and the latter's express acceptance thereof, appoint the professionals s/he believes are suitable to file the claim.
If it is deemed necessary to contract professionals, such as doctors or experts, who will issue a report supporting the claim, the insurer must appoint them.
- 2.3. If the insurer considers the submitted claim to have no grounds, the insured, in mutual agreement with the appointed professionals, may proceed with the claim via the means s/he deems necessary, at which time the insurer's liability will become void. If the claim is settled successfully, the insurer will reimburse the insured for the expenses stemming from the lawsuit, according to the insured sum limit.
- 2.4. When the insurer obtains an offer for the indemnity payment from the party responsible for the damage or from its insurers, and if it considers that the amount cannot be improved, the insurer will inform the insured in a reliable way within the shortest period possible.
- 2.5. If the offer is not accepted by the insured, in mutual agreement with the appointed professionals, the insured may proceed with the claim via the means s/he deems necessary, at which time the insurer's liability will become void. **If the claim is settled successfully, the insurer will reimburse the insured for the expenses stemming from the lawsuit, according to the insured sum limit.**

D.3. Insured sums

- 3.1. The maximum indemnity limit which can be covered under this policy is set at **2,500 euros.**
- 3.2. 100% for advance indemnity payment per incident and/or occurrence is set at **15,000 euros.**

D.4. Professional fees

Fees for lawyers or attorneys directly nominated by the insured, which are assumed by the insurer, will be a maximum of the amounts established as minimums by relevant professional bar associations.

THE FOLLOWING IS NOT COVERED:

Claims of less than 300 euros.

TYPE E: PERSONAL ACCIDENTS OF OCCUPANTS ON THE BOAT AND/OR OF SKIERS AND/OR THE SKIPPER

1. The insurer will cover indemnity payments up to the limit established in the schedule, in the event of an accident that occurs to any of the insured boat occupants, while they are on board the boat, or while boarding or disembarking from the boat.

2. This solely and exclusively covers the number of people who are indicated in the schedule, and this number cannot exceed the authorised maximum for the insured boat.
3. If the number of transported people at the time of the accident exceeds the legally authorised spaces, the relevant indemnity for each occupant will be reduced according to the proportion between the number of authorised spaces and the number of occupants.
4. By express agreement, which will be indicated in the schedule, a person or people who carry out waterskiing activities and who are being towed by the insured boat, will be included under this cover and will therefore be considered occupants.
5. Covers:

A. Death due to an accident

If the insured's death is directly caused by an accident covered under the policy, the insurer will indemnify the beneficiaries indicated in the policy with the established sum insured indicated in the schedule for the risk of death **within one year from the date the accident occurred during the insurance validity period.**

When no beneficiary has been indicated, the beneficiaries will be determined by the preferential and exclusive order described below:

1. The spouse who is not divorced or separated from the victim.
2. The children, in equal parts.
3. The insured's parents, in equal parts.
4. His/her heirs.

If, before the death of the insured, the insurer paid indemnity for permanent disability caused by the same accident, this amount shall be deducted from the indemnity payment corresponding to the death due to an accident cover.

B. Permanent disability due to an accident

In this contract, permanent disability is understood to be the loss, injury, shortening or functional impotence of any organ or extremity as a result of an accident covered under this policy.

Total permanent disability is any disability that completely disables the insured from performing any profession or occupation. **Total permanent disability** shall also be applied when, as a result of an accident covered by the policy, the insured sustains residual injuries that shall be indemnified with 100% of the sum insured for the permanent disability due to an accident cover, and it will be considered **partial** when it does not reach said percentage, in accordance with the scale established in the policy.

If the insured suffers from total or partial permanent disability as the direct result of an accident covered under the policy, **declared within a maximum one-year term from the date the accident occurred during the insurance validity period, the insurer shall pay indemnity corresponding to the degree of disability, in accordance with percentages set forth in the policy scale, applied to the sum insured indicated in the policy schedule for permanent disability due to an accident.**

The classification and degree of disability shall at all times be established in accordance with the scale detailed below, regardless of the insured's profession or any medical decision or judgement regarding the individual, handed down by a labour or criminal court.

Permanent injuries	Percentage
Skull	
Incurable mental derangement preventing all work	100%
Persistent vegetative state or complete brain death	100%
Post-concussion disorder, mild traumatic brain injury	15%
Loss of capacity for spoken communication	30%
Post-traumatic epilepsy requiring continuous treatment	20%
Total post-traumatic amnesia	40%
Face	
Loss of upper jawbone	40%
Ablation of lower jawbone	30%
Loss of nose	30%
Loss of smell	10%
Amputation of the tongue	30%
Loss of taste	10%
Loss of both eyes or total blindness	100%
Loss of one eye or total blindness in one eye	30%
Loss of one outer ear	10%
Complete deafness in both ears	60%
Total deafness in one ear	20%
Torso	
Fracture with improper healing of ribs and/or sternum	3%
Fracture with improper healing of collarbone	5%
Paralysis of one vocal cord (dysphonia)	10%
Paralysis of two vocal cords (aphonia)	30%
Permanent tracheotomy with cannula	30%
Mastectomy of one breast	15%
Mastectomy of both breasts	30%
Abdomen and pelvis	
Total loss of spleen	15%
Loss of one kidney	25%
Loss of both kidneys	70%
Total destruction of the penis	35%
Traumatic loss of one testicle	15%
Traumatic loss of both testicles	30%

Injuries to the vulva with serious dysfunction	35%
Loss of the uterus	30%
Loss of one ovary	15%
Loss of both ovaries	30%
Cervical spine	
Complete loss of flexion and extension, rotation and inclination movements	25%
Dorsal lumbar spine	
Loss of flexion and extension, rotation and inclination movements greater than 30%	25%
Loss of flexion and extension, rotation and inclination movements less than 30%	15%
Traumatic condition on a vertebra or an intervertebral disc	5%
Upper limbs	
Complete functional loss or amputation:	
Of both arms or both hands	100%
Of one hand or arm and one foot or leg	100%
Of one arm	75%
Of one hand at the wrist	60%
Of the thumb	22%
One index finger	15%
Of any other finger	10%
Total loss of movement:	
Of the shoulder	25%
Of the elbow	20%
Of the wrist	15%
Lower limbs	
Complete functional loss or amputation:	
Of both legs or feet	100%
Of one foot or one leg and one hand or one arm	100%
Of a leg above the knee	75%
Of a leg below the knee	60%
Of a foot	50%
Of the big toe	10%
Of any other toe	5%

Total loss of movement:	
Of the hip	30%
Of the knee	25%
Of the ankle	20%
Partial removal of a limb:	
Less than 3 cm	10%
Greater than 3 cm	15%
Unset fracture	20%
Central or nervous system	
Total hemiplegia, paraplegia or tetraplegia	100%

For injuries not included in the previous scale, the degree of disability will be determined by analogy with the provided percentages.

The absolute and permanent loss of the use of a limb corresponds to the total loss thereof.

Partial anatomical or functional loss will be set proportionally in relation to the total loss of the affected organ or limb.

The sum of various partial losses, regarding one limb or organ, shall not exceed the percentage of indemnity established for its total loss.

The degree of disability, when the same accident causes different injuries to the insured, shall be calculated by adding the percentages corresponding to each injury. Under no circumstances will the indemnity exceed 100% of the sum insured for the permanent disability due to an accident cover.

If a limb affected by an accident already displayed a physical or functional defect before the accident, the degree of disability shall be determined by the difference between the pre-existing disability and that which was caused by the accident.

If total permanent disability is declared after the insurer indemnified the insured for a partial permanent disability resulting from the same accident, the insurer shall indemnify the difference between the indemnified amount and the sum insured for this cover.

C. Medical and pharmaceutical assistance

With the limits established for said item in the policy schedule, the insurer expressly assumes all the medical and pharmaceutical assistance costs that the insured boat occupants incur for a period of one year from the accident date, provided that these costs are the result of an incident covered under the policy and that these services are provided by doctors authorised under the policy. This also covers hospitalisation costs if required due to the nature of the injuries.

D. Funeral expenses

With the limits established for said item in the schedule, the insurer assumes the payment of incurred costs of the cremation or burial, depending on the circumstances, of the person or people who died as a result of the accident covered under the policy.

Exclusions applicable to type E

THE FOLLOWING IS NOT COVERED:

- a. In the case of death, people under 14 years old when the accident occurred.
- b. Accidents suffered by people over 70 years old at the time of occurrence.
- c. Costs incurred to search for and locate bodies or limbs.
- d. Accidents occurring in a state or under the influence of intoxication, narcotics or hallucinogenic drugs.
- e. Recklessness, active participation in quarrels, be they in legitimate defence or not, duels or challenges.
- f. Infarctions, hernias or illnesses of any type or nature, as well as intoxication, congestion, insolation and/or other effects of temperature or atmospheric pressure.
- g. Accidents that only cause psychological effects, those stemming from diving, underwater fishing, as well as those caused by the action of plunging.
- h. Light-headedness, syncope, strokes or epileptic seizures, as well as bodily injuries resulting therefrom or of any other morbid conditions.
- i. Suicide or suicide attempts, self-harm and accidents voluntarily caused by the injured's entitled dependants and/or accidents intentionally caused by the policyholder and/or the insured or the beneficiaries.
- j. Misconduct or negligence by the skipper and/or insured and/or beneficiary and/or supervisor of or during navigation or transport.

3

GENERAL EXCLUSIONS

With regard to all policy covers:

- a. Incidents that occur when the insured boat is used to perform or carry out commercial or lucrative transactions, or any other activity that is not specific to recreational boating, even when the boat has been rented to a third party, including or excluding the crew, and this circumstance has not been expressly communicated to and duly accepted by the insurer.
- b. The consequences of seizing, confiscating or selling the boat, as well as bail expenses that may arise when releasing the boat from seizure.
- c. Participation of the boat in regattas, sporting competitions and/or training events, including when the boat is used for support, assistance or monitoring purposes, unless otherwise stated.
- d. Material damage, expenditure or costs arising from the towage of other boats, which are not directly the result of the maritime assistance obligation, as well as those occurring due to an excess of people or cargo on board the boat.
- e. Incidents that occur and the results thereof, when the policyholder and/or insured or any person who navigates the boat have not met the requirements established under the legislation governing mandatory permissions to handle any kind of pleasure boat.

- f. Loss or damage caused by civil war, invasion, revolution, rebellion, insurrection or civil strife arising therefrom, capture, arrest, looting, apprehension, confiscation, lien, restriction, detention, or any consequences or any attempt for such purposes, as well as consequences stemming from hostility or warlike operations, whether there is a declaration of war or not; and also loss and damage caused by strikers, workers suffering from lockout, labour unrest, rebellions, civil unrest, terrorism and sabotage.
- g. Incidents that occur outside of the navigation limits agreed to in the schedule, or due to the infringement of current legal regulations regarding navigation or orders provided by competent authorities.
- h. Loss or damage sustained by the boat if it goes adrift while moored, anchored or attached without due care, measures or assistance on an uncovered beach or shore, or when not sufficiently safeguarded.
- i. Loss, damage, liability or costs, directly or indirectly caused, due, or related to:
 - 1. Ionising radiation emanating from or radioactive contamination arising from any nuclear fuels or from nuclear waste, or from the combustion of nuclear fuel.
 - 2. Radioactive, toxic, explosive or other dangerous properties of any nuclear power plant or any nuclear complex, or any nuclear component thereof.
 - 3. Any weapon of war used in nuclear or atomic fission and/or fusion, or any other radioactive force or material.
- j. Claims arising directly or indirectly from work accident or employer's liability laws, common law, or any other legal provisions, regarding employee accidents or illnesses, or any other people who are employed in any way by the policyholder and/or insured.
- k. The cover awarded in these general conditions and in the annexed schedule and/or special conditions are subject to a valid seaworthiness certificate being maintained, as well as the approval of technical and periodic requirements to which the insured boat is legally bound, according to Royal Decree 1434/1999, of 10 September. If this is not the case, the cover will not be enforceable and, as a result, no incident will be accepted under said cover.

4

NAUTICAL ASSISTANCE

Definitions

The following definitions apply for the purposes of this insurance contract:

■ **Policyholder/insured:** An individual or legal entity policyholder, a resident of Spain and/or with a boat that has its home port in Spain as well, listed in the policy schedule and who signs the contract in his/her name alongside the insurer, as the owner of the sailing or motor pleasure boat.

The following may also be considered insured parties:

As regards covers relating to boat occupants:

- Every natural person who is on board the insured boat for the purposes of sailing on the boat, **provided that they do not exceed in number, the amount indicated on the corresponding seaworthiness licence or on the dispatch and crew muster.**

- The provision of emergency health cover to people who are not boat occupants is uniquely provided to the boat owner, his/her spouse, first-degree relatives in the ascending and descending line who live with the insurance policyholder/insured.

■ **Boat:** The floating object made up of the hull or hulls with sails or a motor, equipped with all the safety requirements as per its category, which is sailed solely for private pleasure purposes, and which is not rented or chartered.

■ **Navigational risks and accidents or perils of the sea:** Fires or explosions, running aground, being bogged, storms, collisions, crashes with fixed or floating objects, shipwreck and other accidents related to the sea.

In this insurance, accidents are also those that are sustained by the towing vehicle and/or trailer transporting the boat (if being transferred upon said vehicle via road to its home port).

4.1. Object and definition of the insurance

Via the nautical assistance insurance, the institution covers the various provisions detailed below, to help resolve compromising or difficult situations which could occur with regard to maritime displacement or travel (including navigable lakes, rivers and canals) using a pleasure boat, to enable said travel to continue.

4.2. Interest of the insured

The provision of nautical assistance for pleasure boats and emergency travel health care from a national and international organisation to the insurance policyholder and the insured, in order to provide the shortest periods possible and the best quality insurance provisions.

4.3. Territorial scope

1. Covers related to the boat and its occupants

The coastal maritime area up to the distance authorised under the nautical certificate held by the boat skipper; the boat must also be able to be navigated in these areas based on its classification and up to the limits defined by the International Maritime Organization (IMO), and in liable maritime search and rescue areas which correspond to Spain, Portugal, France (**solely the Mediterranean area**), Monaco, Italy and Greece.

The territorial scope of navigation also includes the network of navigable lakes, rivers and canals in any of the aforementioned nations.

Covers 7, 8 and 9 are solely valid in Spain.

2. Covers related to the towing vehicle and the trailer (if the boat is transported via road)

With regard to the towing vehicle and the trailer of the boat, the territorial scope is understood as the road network of the aforementioned countries.

3. Emergency health care covers

Emergency health care covers are valid in the countries indicated in item 4.3.1. solely for the owner, his/her spouse, first-degree relatives in the ascending and descending line who live with the insurance policyholder/insured.

4.4. Covered risks

For this cover, the insurer will cover the risks that are indicated below, in accordance with agreements made in the schedule.

COVERS RELATED TO THE BOAT AND ITS OCCUPANTS

1. Towing of the boat or mechanical and technical assistance to the insured boat when travelling or in displacement (nautical day)

- a. If the insured boat has a sea accident or breakdown while being navigated which prevents it from arriving to port, the insurer, after being informed of the emergency via a maritime radio or telephone call, covers the towing costs of the boat to the nearest port.

If the insurer agrees, and towing is carried out by a vessel or boat with the right to charge a fee, the insurer will assume the cost of **said fee up to a maximum determined by the lowest amount, between 25% of the real value of the boat valuation before the breakdown or accident occurred, or 6,010.12 euros.**

If towing occurs without the insurer being notified due to force majeure or a justified physical impossibility by a boat with the right to charge a fee, the insurer will assume the cost of the **fee up to the limit established in the previous paragraph.**

If there is the option to recover the costs indicated in this section, the insured will provide the insurer with as many documents as deemed necessary.

- b. If possible, the insurer will provide emergency repairs to the boat in its specific location to avoid towing to the nearest port.

The insurer covers the costs of the assisting boat displacement and labour to carry out repairs, **but does not cover the cost of replacement parts.**

The cover takes effect at the port entrance (open water of the port of departure) or half a nautical mile from the beach or coast.

2. Hotel accommodation costs

When the boat remains immobile due to a breakdown or accident for less than four days, the insurer will assume overnight stay hotel costs for the insured parties. This cover is limited to a **three night stay maximum with a limit of 60.10 euros per person, per day, and a total maximum of 721.21 euros for all the insured parties.**

This cover does not apply when the port to which the broken down or affected boat is towed to is located less than 100 km from the boat's home port, or the address or residence of the insurance policyholder or insured parties.

3. Transport costs of the insured to collect the boat

If the breakdown or accident of the insured boat obliged it to be towed to a port other than its home port, once the boat has been repaired, the insurer will assume the displacement costs of the insured owner or the person appointed by the former to recover the boat.

To do so, the insurer will provide a one-way first class train ticket or an economy class aeroplane ticket to the insured owner from his/her home address or from the boat's home port to the port at which the repairs were carried out.

4. Sending a pilot or skipper

If the owner or person navigating the insured boat dies, is injured or suddenly gets sick, and the remaining insured parties are not able to continue their trip or return to their homes (if none of them have the skills and are legally authorised to navigate the boat), the insurer will send a legally authorised person to navigate the boat to the home port or to the port of destination, depending on whether half of the maritime journey has been completed or not.

The insurer will solely assume the costs of the person sent, **excluding all the remaining costs, regarding both the insured parties and the boat itself.**

5. Search and shipment of replacement parts

If the broken down or affected boat requires a replacement part for its repairs which cannot be located in the breakdown area, the insurer will carry out the possible procedures to find the part and will send it to the repair location.

Only the shipment costs will be assumed by the insurer. Once the insured has returned home, s/he will reimburse the insurer for the cost of the received parts.

6. Transfer or repatriation of boat occupants due to boat breakdown or accident

When the boat is immobilised due to a breakdown or accident during navigation for over eight days, the insurer will be responsible for transport and repatriation of the insured occupants of the boat to their home in Spain, or to their destination if over half of the maritime journey has been completed and the insured parties opt for this second alternative.

7. Boat surveillance

If, as a result of theft with violence or breakdown covered under the policy, the boat is easily accessible from the outside and this means that a surveillance service must be contracted by the insured, the insurer will assume the costs thereof **for a maximum period of 48 hours and up to an amount of 90.15 euros.**

The insured must provide the insurer with the report issued at the competent authorities.

8. Reimbursement of locksmith expenses if keys are lost

The insurer will assume costs of up to a **maximum of 90.15 euros**, for a locksmith or professional to solve the problem if this occurs.

9. A service connecting the insured with repairers, fitters and miscellaneous professionals, without an incident occurring covered under the policy

The insurer will cooperate in providing the insured with details (name, telephone number and address) of the nearest professionals in the area in which the insured is located, who carry out the following activities (these services must be requested between **9:00 a.m. and 6:00 p.m. on workdays**):

- Plumbers
- Locksmiths
- Electricians
- Antenna installers
- Electrical appliances
- Upholsterers
- Painters
- TV/video repairs
- Varnishers
- Glaziers
- Knife sharpeners
- Carpenters
- TV/video rental
- Messengers
- Nursing assistants/nurses

In this case, **fees (both labour and materials), displacement or any other amounts which may arise will be completely assumed by the insured.** The insurer is solely obliged to cooperate in finding the details of the required professional.

The insured must previously inform the insurer of his/her interest to contract any of the aforementioned services.

4.5. Health care covers

1. Remote medical advice

If an insured party suffers from a sudden illness or is injured, the insurer will provide medical advice, alongside the involved doctor, to decide on the best treatment to follow, and the most suitable transfer method of the injured or ill party, where necessary.

2. Emergency health repatriation or transfer of injured and ill parties

If an insured party suffers from a sudden illness or is injured **while on board the boat or on a coastal strip of land less than 5 km** from the coast when involved in the displacement or trip, the insurer will be responsible for transfer or repatriation to the most suitable hospital or to his/her home via the most appropriate mode of transport (ambulance, medical helicopter, regular airline with specific provisions, etc.), depending on the medical judgement of the insurer.

In the first case, if the insured subsequently needs to be transferred to another hospital or to his/her home, the insurer will also assume said costs.

3. Medical, surgical, pharmaceutical and hospitalisation costs while abroad

If, as a result of a sudden illness or an accident which occurred during the policy validity period, the insured requires medical, surgical, pharmaceutical or hospital care, the insurer will assume the following costs:

- a. Emergency transfer costs to the medical centre.
- b. Medical and surgical expenses and fees.
- c. Hospitalisation expenses.
- d. Expenses for medication prescribed by the medical team attending to the insured.

This cover is solely applied for incidents which occurred abroad and has a maximum limit of 3,005.06 euros. Likewise, incidents must occur when the insured is either on board the boat or on a coastal strip of land less than 5 km from the coast.

4.6. Covers related to people

1. Transfer or repatriation of deceased parties and transport of accompanying insured parties

If one of the insured parties dies while involved in a maritime journey, the insurer will assume all necessary bureaucratic management and will also organise and pay the costs that arise from the transfer and repatriation from the place of death to his/her burial site in Spain.

The insurer will also be responsible for transporting the other insured parties accompanying the deceased party to their home address, if they are not able to return via the initially established methods.

2. Transfer/repatriation of accompanying parties

When one or more insured parties have been transferred or repatriated due to an illness or injury, in accordance with the previous section, and said circumstances prevent the other accompanying beneficiaries to return to their home address via the initially established methods, the insurer will be responsible for transporting them to their home address or to the hospital at which the transferred or repatriated insured party/ies is/are located.

3. Return of the holder to his/her home address if a relative has been hospitalised and/or has died

In the event of death or severe illness, that is, at risk of death, in

Spain, of the spouse, first-degree relatives in the ascending and descending line or brother or sister of the insured or his/her spouse, the insurer will organise and will be responsible for transportation of this person to the burial site, hospital or regular home address, when said party is not able to return via the initially established methods.

4. Urgent message transmission

The insurer will be responsible for transmitting urgent messages as indicated by the insured with regard to covers contracted under the policy, or any other reasons, when there is reasonable and demonstrable just cause.

4.7. Covers related to the towing vehicle and the trailer (if the boat is transported via road)

1. In situ emergency repairs

If the towing vehicle transporting the trailer with the boat cannot begin or continue the journey to the boat's home port due to a breakdown or accident, the insurer (where possible) will provide emergency repair in its specific location, for a **maximum duration of 30 minutes**, to avoid needing to tow the vehicle to the workshop.

The repair cover is also provided to the actual trailer in the event of a breakdown.

The insurer does not cover the replacement part costs and only assumes the displacement and labour costs to carry out the repairs.

2. Towing of the towing vehicle and the trailer with the boat

If the towing vehicle or the trailer with the boat cannot be repaired in the same place as the breakdown or accident, the insurer will move it using a tow truck to the nearest workshop from the location of the occurrence.

The insurer covers all towage costs in Spain and up to a **maximum of 120.20 euros** when it occurs abroad.

3. Transfer of trailer with the boat to the home port

If, during the travel or displacement period of the towing vehicle attached to the trailer transporting the insured boat to its home port, the towing vehicle breaks down or has an accident that requires repairs (according to the brand rate) exceeding **eight hours** or must be immobilised for **more than three days**, the insurer will be responsible for transferring the trailer and the boat to its home port.

4.8. Additional conditions for the nautical assistance cover

1. The general conditions of the policy are applied to the additional cover, as long as they do not contradict that established in these conditions.

Under all circumstances, the insurer is not responsible for delays or breaches that occur due to force majeure.

2. **To allow the insurer to carry out its obligations, it is essential to immediately notify the insurer of insured contingencies and to have the insurer provide consent. The reimbursement of expenses will occur using justifying documents (invoices, receipts and similar), within the agreed limits, reserving the right to request insured parties return travel tickets that have not been used.**

IMPORTANT NOTE

Using covers for incidents included in the policy does not free the insured from submitting the relevant incident claim, within the periods stipulated in the boat policy general conditions.

3. The insurer is subrogated in all the rights and actions which may correspond to insured people, against any liable third party, up to the limit of its liability amount regarding the specific incident.
4. Nautical assistance cover for boats is provided by Universal Asistencia de Seguros y Reaseguros, S.A. Unipersonal; the company's duty is to provide this service.

To do so, contact telephone numbers are provided to facilitate the process of providing said services.

4.9. Specific exclusions regarding nautical assistance cover

A. THE FOLLOWING RISKS ARE GENERALLY EXCLUDED FROM THE COVER:

1. Covers and benefits which were not requested from the insurer and were not carried out with or by agreement, except in situations of force majeure or proven physical impossibility.
2. Incidents caused due to wilful misconduct or notoriously dangerous or reckless activities by the insurance policyholder, the entitled dependants or the insured parties travelling in the boat, or those that are entrusted with the boat or with its navigational control.
3. Accidents or breakdowns sustained by the boat as a result of being involved in official or private sporting competitions or regattas, training, trials and bets.
Accidents or breakdowns that occur as a result of carrying out waterskiing or parasailing activities are not included either.
4. Costs and expenses which are incurred due to actions such as aid, rescue and other boat removal activities, except for subsequent towage costs to the boat's home port.
5. Events that occur due to natural phenomena such as earthquakes, tsunamis, floods, cyclones, falling astral bodies and other events that are considered catastrophes or disasters.

6. Incidents which occur in the event of war, demonstrations, political or social disturbances, popular uprisings, acts of terrorism and sabotage, strikes, riots, restrictions to public circulation or any other case of force majeure, unless the insured proves that the incident is not related to these events. Likewise, quarantine or other disinfection or health measures.
7. Violent acts or actions of the armed forces or of the security forces and services in times of peace.
8. Incidents caused by nuclear radiation, other ionising radiation, or other dangerous or polluting explosives.
9. When a person who is navigating the boat does not have the seaworthiness certificate required by the competent authorities.
10. When an accident or breakdown occurs if the person navigating the boat is under the influence of alcoholic beverages, drugs, poisons, narcotic drugs and/or psychotropic substances.
11. When the boat has been rented to a third party who is or is not part of the crew.
12. Outside of the geographical scope of navigation established in these particular general conditions.
13. Navigation for the purposes of smuggling, drug trafficking or prohibited or clandestine trading.

B. COVERS RELATED TO THE INSURED BOAT AND ITS OCCUPANTS

1. Motor and/or sail boats where over 30 years have passed since the first registration, in the case of breakdowns.
2. Offshore motor boats.
3. With regard to cover 4.5.2. 'Hotel accommodation costs' do not apply when the port to which the broken down or affected boat is towed is located less than 100 km from the boat's home port, or the address or residence of the insurance policyholder or insured parties.

C. COVERS RELATED TO HEALTH CARE

1. Any medical and/or pharmaceutical expenses which are less than 30.05 euros.
2. Illnesses, injuries or conditions that already existed, or chronic illnesses (prior to displacement or travel), as well as complications or relapses thereof.
3. Injuries sustained while performing manual labour.
4. Death by suicide or illnesses and injuries arising from attempted suicide or intentionally caused by the insured him/herself.
5. The treatment of illnesses or pathological conditions caused by the intentional ingestion of toxic or narcotic drugs, or by the use of medicines without a medical prescription.
6. Expenses related to glasses, contact lenses, crutches and prostheses in general.
7. Birth and pregnancies, unless there are unforeseen complications during the first six months.
8. Any type of mental illness.

D. COVERS RELATED TO PEOPLE

Burial and funeral costs, in the event of transfers or repatriation of deceased persons.

E. COVERS RELATED TO THE TOWING VEHICLE OF THE TRAILER WITH THE BOAT

1. Any towing vehicle that is not owned by the insurance policyholder, the proprietor of the boat.
2. Vehicles where over 10 years have passed since the first registration, in the case of breakdowns, unless they have passed the relevant technical specifications.

5

COMMON PROVISIONS

1. Equipment and maintenance of the boat

To ensure validity of the awarded covers, the insured boat must meet all the legal provisions required by the naval command or other competent authorities when beginning any navigational activities or nautical days, and maintenance must also be suitable to offer the duly appropriate security during navigation.

2. Area of navigation

The area is limited by inland waters and territorial seas which are navigable, and to trips over land in Spain and countries of the European Union, and outside of them, solely and exclusively up to 200 miles from the Spanish and Portuguese coast, including passages between ports in the Iberian peninsula and the Canary Islands, except for the section regarding navigation and/or the scope of cover which outlines 'cover E: nautical assistance' and Article 25 - Extraordinary risks (only applicable to the personal accident cover).

Under all circumstances, the insured boat's navigational radius will be limited to the authorisations outlined in the regulations and/or by the competent authorities for boats of its class.

3. Limitation of utilisation and use of the boat

The insured boat is utilised and used solely and exclusively for pleasure navigation and/or sporting purposes, and is therefore registered on List 7, pursuant to the information indicated in Royal Decree 1027/1989 of 28 July (Official State Gazette no. 194), unless otherwise stated.

The insured boat must not be used as a primary residence, nor may it be rented or chartered as the rights awarded under this policy will be lost, unless otherwise stated.

Under no circumstances will this insurance be beneficial to third parties and/or institutions which are not linked to the insured, which guard and/or monitor the boat covered by this contract.

6

INDEX-LINKED SUMS INSURED

1. The effects of these index adjustments are solely applied to the insured sums and the net premium corresponding to the covers included in cover C, which will be modified upon each expiry date in accordance with the General Consumer Price Index fluctuations published by the National Statistics Institute.

Both parties may oppose this adjustment in writing, two months before the annual expiry date.

2. The new sums insured and the annual net premium shall be established after each expiry date by multiplying those contained in the policy by the value obtained by dividing the expiry date index by the base index.

The following terms are defined as:

- **Base index:** The last General Consumer Price Index published by the National Statistics Institute prior to the date of issue of the policy, which must be recorded therein.
- **Expiry date index:** That which is shown in each premium invoice, corresponding to the last invoice published by said body upon policy annual expiry.

BASIS OF THE CONTRACT

7

DECLARATIONS OF RISK

- The application and questionnaire filled out by the insurance policyholder, as well as the insurer's proposal, where applicable, together with this policy, constitute a single whole, the foundation of the insurance, which only covers, within the accorded limits, those risks specified therein.
- Should the policy's content differ from that of the insurance proposal form or the established clauses, the insurance policyholder may, within one month from the date on which the policy is handed over, claim against the insurer to rectify the existing discrepancy. Should said period elapse without any claim being filed, the terms of the policy shall apply.
- The insurance contract and its modifications must be formalised in writing.

8

INFORMATION WHEN ARRANGING THE INSURANCE, RESERVE OR MISREPRESENTATION

- This policy has been arranged based on the statements made by the insurance policyholder, in accordance with the application and questionnaire that s/he submitted to the insurer and which were used for the latter's acceptance of the risk, the undertaking of the contractual obligations and the establishment of the premium.
- In the event of reserve or misrepresentation by the insurance policyholder, the insurer may rescind the policy through a statement addressed to the insurance policyholder or the insured within one month from the time it learns of said reserve or misrepresentation. Once the insurer issues this statement, the premiums corresponding to the period underway shall remain in its ownership, except when it occurs through wilful misconduct or gross negligence.
- Should an incident occur before the insurer has made the statement explained in the previous paragraph, the benefits provided by the insurer will be reduced in the same proportion existing between the premium listed in the policy and that which actually corresponds to the true nature of the risk. When the reserve or misrepresentation is due to the insurance policyholder's wilful misconduct or gross negligence, the insurer shall be released from its obligation to pay the benefits.

9

INFORMATION AND VISITS

- The insurance policyholder or insured are obliged to inform the insurer in advance of the existence of any other policies they have contracted with other insurers that cover any of the same interests for an identical period of time.
- The insurer reserves the right to visit the insured risk throughout the valid term of the policy. The insured is obliged to allow people appointed by the insurer to enter premises for the visits, and to provide any data, information and documents that may be requested.

10 IN THE EVENT OF AN INCREASE IN RISK

- Over the term of the contract, the insurance policyholder or insured must inform the insurer, as soon as possible, of any circumstances that increase the risk and are of such a nature that, had they been known to the insurer when the contract was formed, it would not have been executed or its conditions would have been more demanding.

11 POWERS OF THE INSURER IN THE EVENT OF AN INCREASE IN RISK

- If the insurer is informed of an increase in risk during the term of the policy, it may propose a modification of the conditions of the contract within a period of two months from the date it receives notice of the aggravating circumstance. In this case, the insurance policyholder shall have 15 days, upon receipt of this proposal, to accept or reject it.
- If the insurance policyholder rejects it or makes no mention of it, the insurer may terminate the contract once the period has elapsed, providing prior notice to the policyholder and giving him/her a new period of 15 days to respond, following which, and within the next 8 days, it shall inform the insurance policyholder of the definitive termination.
- In addition, the insurer may terminate the policy notifying the insured of this decision in writing within one month from the date it received notice of the increase in risk.

12 CONSEQUENCES OF NOT REPORTING AN INCREASE IN RISK

- If an incident occurs and no increase in risk is reported, the insurer shall be released of its obligations to provide benefits if the insurance policyholder or insured have acted in bad faith. Otherwise, the benefits provided by the insurer will be reduced based on the proportional difference between the accorded premium and that which would have been applied had the true magnitude of the risk been known.
- If an increase in risk during the policy validity period gives rise to a premium increase, when the contract is terminated for this reason, if said increase is attributable to the insured, the entirety of the collected premium shall correspond to the insurer. If said increase is the result of causes beyond the control of the insured, s/he is entitled to the reimbursement of the portion of the paid premium corresponding to the period of the insurance year underway which has not yet elapsed.

13 IN THE EVENT OF A DECREASE IN RISK

- The insurance policyholder or insured may, over the term of the contract, inform the insurer of all those circumstances that decrease the risk and are of such a nature that, had they been known by the latter when the contract was drawn up, it would have been executed under more favourable conditions for the insurance policyholder.

- At all times, upon finalisation of the insurance period covered by the premium, the insurer shall reduce the cost of the future premium by the corresponding proportion. If this does not occur, the insurance policyholder shall be entitled to the cancellation of the policy and the reimbursement of the difference between the paid premium and that which would have corresponded to him/her to pay from the time the decrease in risk was communicated to the insurer.

14 IN THE EVENT OF TRANSFERS

- If the insured object is transferred, the purchaser subrogates the rights and obligations that corresponded to the previous policyholder, at the time of transfer.
- The insured must inform the purchaser in writing of the existence of the policy for the transferred object. Once the transfer has been verified, s/he must also inform the insurer or representatives thereof in writing within a period of 15 days.
- The purchaser and the previous holder (or if s/he dies, his/her heirs), shall be jointly and severally liable for the payment of the premiums due at the time of transfer.
- The insurer may terminate the contract within a period of 15 days from the date it becomes aware of the verified transfer. The insurer, exercising its rights and by notifying the purchaser in writing, must reimburse the portion of the premium corresponding to the insurance period which did not display any risk, as a result of the termination.
- The purchaser of the insured object may also terminate the contract by providing written notice to the insurer within a period of 15 days upon learning of its existence. In this case, the insurer is entitled to collect the premium corresponding to the period that has elapsed up to contract termination.
- The same underwriting rules apply in the event of death or bankruptcy of the insurance policyholder or insured.

15 EXECUTION AND EFFECTS OF THE CONTRACT

- The insurance contract is executed by consent, as evidenced by the contracting parties underwriting the policy or provisional document. The contracted cover and its modifications or additions will not take effect until the premium has been paid, except where otherwise accorded in the policy schedule.
- If there is a delay in meeting these requirements, the insurer's obligations shall begin 24 hours after the contract requirements have been met.

16 INSURANCE VALIDITY AND PERIOD OF COVER

- The policy covers shall take effect on the date and at the time indicated in the policy schedule.

- When the period indicated in the policy schedule expires, the policy will be extended for a period of one year, and so on, each year the policy expires.
- Applicable fee and/or premium amounts will generally be reviewed each year by the insurer, based on the principles of equity and adequacy established in the Regulation and Supervision of Private Insurance Act. The criteria to determine the new premium will be founded on technical studies, using the costs of the following factors as the basis:
 - a. Indemnity for bodily injuries.
 - b. Health care.
 - c. Repairs to the boat, including transfers, spare parts, painting and labour.
 - d. Frequency of incident rate.
 - e. Management of incidents.
 - f. Objective variations of risk which occurred during the previous year.
- Both parties may oppose the extension of the contract by providing written notice to the other party at least two months before the conclusion of the insurance period currently underway.

Tacit extension is not applicable to insurance contracted for periods of less than one year.
- The policy shall be declared null, except under the circumstances provided for in the Insurance Contracts Act, if at the time of its conclusion there was no risk in existence or the incident had occurred (Article 4 of the Act), or if the insured displays no interest (Article 25 of the Act). It will be ineffective when the insured sum notably exceeds the value of the insured interest, if the insured acts in bad faith (Article 31 and Paragraph 4 of Article 32 of the Act).
- If interest or risk ceases during the contract validity period, the insurer has the right to take possession of the remaining premium portion.

17

PAYMENT OF THE PREMIUM

1. Time of payment

The insurance policyholder must pay the first or single premium upon execution of the contract. Any subsequent premiums shall be paid on their corresponding due dates.

If the policy does not take effect immediately, the policyholder may delay payment of the premium until the policy is to become effective.

2. Place of payment

Should no place for the payment of the premium be stipulated in the policy schedule, the payment is to be made at the residence of the insurance policyholder.

3. Consequences of non-payment of the premium

If, by fault of the policyholder, the first premium is not paid or the single premium is not paid on its due date, the insurer shall be entitled to terminate the contract or to demand the amount due for the outstanding premium based on the policy. Under all circumstances (unless otherwise stated in the schedule), if the premium has not been paid before an incident occurs, the insurer shall be released from its obligations.

If one of the subsequent premiums is not paid, the insurer's cover shall be suspended one month after the premium due date. If the insurer does not demand payment within a period of six months following the date a premium comes due, the contract will be understood to have been terminated.

At all times, during the contract suspension period, the insurer may only demand payment for the current premium.

If the contract has not been resolved or terminated in accordance with the previous paragraphs, the policy cover will take effect again 24 hours after the insurance policyholder pays the premium.

18

INCIDENTS

1. Obligations in the event of an incident

In the event of an incident, the policyholder, insured or beneficiary, as applicable, must:

- Report the incident and its consequences to the insurer within a maximum period of seven days from becoming aware of the incident, unless a longer period is established in the policy. If this obligation is breached, the insurer may claim for damages caused as a result of the incident not being declared.
- File a report with the competent authorities, making a note of the incident, its circumstances, how it occurred and the possible consequences and/or repercussions thereof, and provide a copy of the report to the insurer, displaying the fact that it was diligently filed.
- Preserve the insurer's rights of subrogation with regard to liable third parties.
- Use all means available to reduce the consequences of the incident. Breaching this obligation will entitle the insurer to reduce the benefits proportionally, bearing in mind the significance of damages arising from the incident and the degree to which the insured was at fault. If this breach occurs with the clear intention of harming or misleading the insurer, the latter shall be released from providing all benefits stemming from the incident.

Expenses incurred due to compliance with this obligation, provided they are not inappropriate or disproportionate to the salvaged goods, shall be borne by the insurer, even when said expenses have not had effective or positive results.

Measures adopted by the insured and the insurer to salvage, protect, reduce or recover the insured object will not be considered the renouncement or acceptance of abandonment, nor will they affect either party's rights.

2. Valuation of damages

Valuation of damages will be carried out according to the following regulations:

- **In the event of total loss or constructive total loss, indemnity will be the result of the insured interest actual cash value before the incident occurred, after the wreckage value has been deducted.**
- Under no circumstances will the salvage expenses and/or wreckage removal costs, as well as the indemnity amount exceed the insured sum in place at the time the incident occurred.
- Partial damage. Indemnity for loss or partial damages will be provided based on the repair or replacement cost, applying new-for-old cover. If the insured sum is less than

the insured interest value on the market at the time the incident occurred, the insured will be his/her own insurer for the proportion corresponding to the difference between the indicated values, thereby applying the corresponding average condition and deduction of excess, where applicable.

- Incidents that affect insured interest under the personal belongings section always receive indemnity based on their actual cash value.
- Items with a unit value exceeding 300.51 euros will not receive indemnity if they have not been previously declared in the policy schedule.
- Repairs. The insured must make the necessary replacements and repairs, without delay, to correct the damages and deterioration suffered.
- If items are partially damaged by:
 - Masts and spars.
 - Protective covers and sails.
 - Tackle.
 - Rigging in general.
 - Outboard motors.

They will be valued at real value, applying the appropriate new-for-old deduction, which will be a third of the incident amount plus the general excess established in the policy schedule for items that are over two years old.

3. Incident payment and processing

1. Own damages

The insurer shall appoint the suitable expert to visit the incident location, as quickly as possible, to begin the operations to verify the causes of the incident, how it occurred, the declarations contained in the policy, its valuation, and the damages sustained by insured goods and objects.

2. Public liability

For incidents included in this cover, neither the policyholder, nor the insured, nor any other person acting on their behalf may negotiate, admit or reject any claim without prior express authorisation from the insurer.

For events covered under the policy, the insurer will take control of all procedures related to the incident, acting on behalf of the insurance policyholder or the party causing the occurrences, to negotiate with the injured parties or their entitled dependants, providing indemnity where applicable. If an agreement is not reached, the insurer will defend the policyholder or the party responsible for the damages through its lawyers and attorneys with regard to civil proceedings. The defendant must provide the necessary powers of attorney to the insurer for said purposes.

If the insured is convicted, the insurer will decide whether to appeal the decision before the competent High Court. However, if the insurer deems the appeal to be inadmissible, this will be communicated to the insured/interested party, who may decide to lodge an appeal. The insurer is obliged to reimburse him/her the expenses incurred up to the reached financial limit, **if the outcome of the appeal is beneficial.**

The insurer also covers any bail that is required by the courts for the insurance policyholder or the insured, with regard to public liability.

If the bail is required for joint criminal and public liability purposes, the insurer will provide half of the overall required bail, in response to its public liability obligations.

3. Personal accidents

- In the event of death: If any of the insured people die as a result of the accident, the insurer will pay the sum insured to the victim's beneficiary.
- In the event of disability: The degree of disability arising from the accident will be determined after the disability medical certificate has been submitted. The insurer will notify the insured in writing about the relevant indemnity amount, in accordance with the degree of disability indicated on the medical certificate and the established policy scales. If the insured does not agree with the insurer's proposal regarding the degree of disability, medical experts will reach a decision about the agreements, pursuant to Article 38 of the Insurance Contracts Act.

4. Concurrent insurance

When two or more contracts arranged with different insurers cover the effects that a single risk might produce because of identical insured interest for the same period of time, the insurance policyholder or the insured, unless otherwise agreed, must inform each insurer of the other insurance s/he has taken out. When the incident occurs, the insurance policyholder or the insured must report it to each insurer, indicating the names of the others.

The insurers will contribute to the payment of the indemnity and expenses in proportion to the sum they insure, and in no case may this exceed the cost of the damage. Within this limit, the insured may request the owed indemnity from each insurer, according to the respective contract.

If, due to wilful misconduct, this communication is not made, and if an incident occurs when there is overinsurance, the insurers are not obliged to pay out indemnity.

5. Incidents – indemnity payment

1. As a general rule, the insurer undertakes to pay indemnity upon conclusion of the investigations and appraisals required to establish the existence of the incident and, where applicable, the cost of the damages arising therefrom. Under all circumstances, the insurer must, within a period of 40 days from receiving the incident report, pay the minimum sum it owes, according to the circumstances known to it.
2. If the expert opinion is disputed, the insurer will pay the minimum amount that is referred to in the previous paragraph.
3. When the nature of the insurance allows and the insured also agrees, the insurer may substitute indemnity payment for repair and replacement of the affected object.
4. The insurer is in default when it has not provided benefits within a period of 3 months from the incident occurring and has not proceeded to pay the minimum sum it owes within a period of 40 days from receiving the accident report, in which case the indemnity will be increased through the payment of an annual interest 50% greater

than the legal interest on money. This interest will be considered to accrue daily, without the need to file legal claims. Nevertheless, once 2 years have elapsed from the incident date, the annual interest may not be less than 20%.

5. If, after the incident, recovery or compensation is received due to any causes, the insured must notify the insurer, and the latter may deduct the amount from the indemnity.
6. For accidents causing death to one of the occupants, the insurer has the right to retain that part of the sum insured which, in accordance with the circumstances, is applied to the tax debt stemming from the payment of general estate tax, which will be paid when the tax payment has been recognised.

19 SUBROGATION

- Once the indemnity has been paid, and when there is no need for any other assignments, transfers, deeds or orders, the insurer is subrogated to all the rights, appeals and actions that, as a result of the incident, correspond to the insured, as regards individuals who perpetrated or were liable for the incident, including other insurers, where applicable, up to the indemnity limit.
- The insurer may not exercise the rights it has subrogated in detriment to the insured.
- The insured shall answer to the insurer for the damages that, with his/her actions or omissions, s/he might cause to the insurer with regard to its right to subrogate.

20 RECOURS

- The insurer may sue the insured for the indemnity amount it had to pay as a result of the exercise of direct action by the injured party or the entitled dependants thereof, when the damage caused to the third party resulted from wilful misconduct by the insured.
- Likewise, the insurer may file a claim for damages caused to it by the insured and/or the insurance policyholder in the cases and situations set forth in the policy and may request the reimbursement of any indemnity it paid to third parties harmed by incidents not covered under the insurance.

21 TERMINATION AND NULLITY OF THE CONTRACT

- **Should the insured interest or risk cease to exist during the term of the policy, the insurance contract shall be terminated and the insurer shall be entitled to the remaining premium.**
- The insurance contract shall be null and void, if, at the time of its conclusion, the risk does not exist or the incident has occurred.

Limitation for actions stemming from the insurance contract shall be for a term of two years, with regard to insurance for damages, and five years, with regard to insurance for people.

If both parties do not agree, they may submit their differences to the judgement of arbitrators, in accordance with current legislation.

- All notifications to the insurer by the insurance policyholder, the insured or the beneficiary will be made at the registered office of the insurer indicated in the policy. If they are made to an agent of the insurer, they will have the same effects as if they had been made directly to the insurer.
- Communications from the insurer addressed to the insurance policyholder, the insured or the beneficiary shall be sent to the address indicated in the policy, unless the insurer has been notified of a change of address.
- Any communication sent by an insurance broker to the insurer on behalf of the insurance policyholder shall have the same effects as if they had been sent by the policyholder, unless otherwise stated. The express approval of the insurance policyholder shall be required, at all times, to enter into a new contract or to modify or terminate the insurance contract currently in force.
- This insurance contract shall be subject to Spanish law. Any disputes arising therefrom shall be heard by the competent court corresponding to the insured's address. If the insured's address is abroad, the insured shall provide an address in Spain for such purposes.

THE INSURANCE COMPENSATION CONSORTIUM FOR LOSSES ARISING FROM EXTRAORDINARY EVENTS.

PERSONAL INJURIES CLAUSE

In accordance with the provisions set forth in the revised text of the Legal Statute of the Insurance Compensation Consortium, approved by Royal Legislative Decree 7/2004 of 29 October, and amended by Law 12/2006 of 16 May, the policyholder of an insurance contract that by law must include a surcharge in favour of said public business entity has the power to reach an agreement for the cover of extraordinary risks with any insurance entity that meets the conditions required by the legislation in force.

Indemnity stemming from incidents which result from extraordinary events that occur in Spain and that may affect the risks located therein and also those which occur abroad when the insured has his/her primary residence in Spain, will be paid by the Insurance Compensation Consortium when the policyholder has satisfied the corresponding surcharges in favour thereof and whenever any of the following situations occur:

- a. The extraordinary risk covered by the Insurance Compensation Consortium is not covered by the insurance policy taken out with the insurer.
- b. That, even if it is covered by said insurance policy, the insurance company cannot meet its obligations because it has been judicially declared bankrupt or it is subject to compulsory liquidation proceedings or such liquidation has been undertaken by the Insurance Compensation Consortium.

The Insurance Compensation Consortium shall comply with the provisions set forth in said Legal Statute, in the Insurance Contracts Act 50/1980 of 8 October, in the Regulations on extraordinary risk insurance, approved by Royal Decree 300/2004 of 20 February, and in all complementary provisions.

SUMMARY OF LEGAL REGULATIONS

1. Covered extraordinary events

- a. The following natural phenomena: earthquakes and tsunamis, extraordinary floods (including battering of coastal waters), volcanic eruptions, atypical cyclones (including extraordinary winds with gusts exceeding 135 km/h and tornadoes), and falling meteorites.
- b. Those caused suddenly as a result of terrorism, rebellion, sedition, riots or civil unrest.
- c. Acts or actions of the armed forces or the security forces and services in times of peace.

2. Excluded risks

- a. Those that do not give rise to indemnity according to the Insurance Contracts Act.
- b. Those caused to people or property insured by insurance contracts other than those that include the obligatory surcharge in favour of the Insurance Compensation Consortium.
- c. Those caused by armed conflicts, even when not preceded by an official declaration of war.
- d. Those derived from nuclear energy, without detriment to the terms of the Nuclear Energy Act 25/1964, of 29 April.
- e. Those caused by natural phenomena other than those set forth in Article 1 of the Regulations on extraordinary risk insurance and, in particular, those caused by a rise in the water table, hillside movements, landslides or settlement movements, falling rocks and any other similar phenomena, unless these are evidently caused by the action of rainwater that simultaneously caused extraordinary flooding in the area.
- f. Those caused by the actions of people arising over the course of meetings and demonstrations held in accordance with the provisions of Organic Law 9/1983, of 15 July, which regulates the freedom of assembly, as well as during legal strikes, except when said actions may be considered extraordinary events pursuant to the terms of Article 1 of the regulations on extraordinary risk insurance.

- g. Those caused by the insured acting in bad faith.
- h. Those related to incidents which occurred prior to payment of the first premium or when, in accordance with that set forth in the Insurance Contracts Act, the cover provided by the Insurance Compensation Consortium has been suspended or the insurance has been terminated due to non-payment of premiums.
- i. Incidents that, due to their magnitude and severity, are qualified by the Nation's Government as a national catastrophe or disaster.

3. Scope of the cover

The cover of extraordinary risk will apply to the same people and be subject to the same sums insured established in the policy for the purposes of insurance against ordinary risk.

With life insurance policies that, pursuant to the terms of the contract and in accordance with the laws regulating private insurance, generate policy reserves, the Consortium's cover will refer to the sum insured at risk for each insured, that is, to the difference between the sum insured and the policy reserves that, pursuant to the aforementioned laws, the insurer that issued the policy must have established. The amount corresponding to the policy reserves will be paid by the aforementioned insurer.

PROCEDURE FOR ACTIONS IN THE EVENT OF AN INCIDENT COVERED BY THE INSURANCE COMPENSATION CONSORTIUM

In the event of an incident, the insured, policyholder, beneficiary or their respective legal representatives must report the incident, directly or through the insurance company or insurance agent, within a period of seven days from becoming aware of it, to the appropriate regional office of the Consortium for the place where the incident occurred or via telephone on **902 222 665**. The report must be made using the form established for this purpose, which is available on the Consortium's website www.conorsegueros.es and at its offices or the offices of the insurance company, and the documents required according to the nature of the injuries must be attached thereto.

To clarify any doubts that may arise regarding the procedures to be followed, the Insurance Compensation Consortium offers the following telephone helpline to the insured: **902 222 665**.

LIBERTY



Liberty
Seguros

libertyseguros.es