

PLEASURE BOATS



LIBERTY **PLEASURE BOATS**

Generals
Conditions



LIBERTY **PLEASURE BOATS**

LI10EMR 12/07

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 of the Ministry of Economy and Treasury.

Applicable legislation: the 1980 Spanish Private Insurance Supervision and Ordinance Act, approved by Royal Legislative Decree 6/2004, and the regulations developing this.

The headoffice of the insurance company **LIBERTY SEGUROS, Compañía de Seguros y Reaseguros, S.A.** is registered in calle **Obenque, 2, 28042, Madrid, Spain.**

CUSTOMER CLAIM AND PROTECTION REQUESTS

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 banking and insurance operators, in accordance with the procedure set forth in Order ECO 734/2004 of 11 March.

– **Customer Service Department.** C/ Obenque 2, 28042 MADRID. Fax: 91 301 79 98 e-mail: atencionalcliente@libertyseguros.es

– **Customer Ombudsman.** C/ Marqués de la Ensenada 16, 3º, oficina 23, 28004 Madrid. Fax: 91 308 49 91. e-mail: reclamaciones@da-defensor.org

All complaints and claims will be handled and resolved within a period of two months after being submitted. After this period has elapsed and having received no response, or in the event of disagreement, the claimant may address the **Commissioner for the Defence of Insurance Policyholders and Participants in Pension Plans.** Pº de la Castellana 44, 28046 MADRID. For their solution of conflicts in court, the court in the policyholder's city of residence will hold jurisdiction.

The Regulations for Customer Defence are available to customers at offices of the Companies within the Liberty Group, which detail the procedures for handling complaints and claims. These regulations are also available on the website: www.libertyseguros.es, or from your insurance agent.

CONTENTS

| | | |
|----|---|----|
| 0 | Preliminary article - Definitions | 5 |
| 1 | Object of the insurance | 6 |
| 2 | Risks covered | 7 |
| 3 | General exclusions | 22 |
| 4 | Maritime rescue service | 23 |
| 5 | Common stipulations | 31 |
| 6 | Index linking | 32 |
| 7 | Statements concerning the risk | 33 |
| 8 | Information given on contracting the insurance, non-disclosure and misrepresentation | 33 |
| 9 | Information and access | 33 |
| 10 | Deterioration of the risk | 34 |
| 11 | Insurer's options in the event of deterioration of the risk | 34 |
| 12 | Consequences of not notifying deterioration of the risk | 34 |
| 13 | Improvement of the risk | 34 |
| 14 | Change of ownership | 35 |
| 15 | Issue and Inception of the contract | 35 |
| 16 | Duration and validity of the insurance | 36 |
| 17 | Premium payment | 36 |
| 18 | Claims | 37 |
| 19 | Subrogation | 41 |
| 20 | Recourse | 41 |
| 21 | Extinction and annulment of the contract | 41 |
| 22 | Limitation | 41 |
| 23 | Arbitration | 42 |
| 24 | Notices and jurisdiction | 42 |
| 26 | Indemnity clause | 42 |

In this contract, the following definitions will apply:

■ **Insurer:** The insurance company is **Liberty Seguros, Compañía de Seguros y Reaseguros, S.A.**, which subscribes this policy with the policyholder and undertakes, in exchange for payment of the corresponding premium, to pay the benefits corresponding to each cover included in the policy.

■ **Policyholder:** The individual or corporate body who, together with the insurer, subscribes this contract and assumes the obligations derived from same, except for those undertakings that, by their nature, should be fulfilled by the insured.

■ **Insured:** The individual or corporate owner of the vessel, the person who is duly authorised by the owner to captain or pilot the vessel, the persons who may assist him or her in controlling the vessel and the water skiers who may be towed by the vessel.

■ **Third party:** Any individual or corporate body other than the policyholder or insured.

■ **Beneficiary:** The individual or corporate body that holds the right to indemnity.

■ **Policy:** The document containing the conditions governing the insurance contract. The general conditions, policy schedule, special conditions and such endorsements or riders as may be issued to complement or modify the terms of the insurance all form an integral part of the Policy.

■ **Vessel:** Floating object for private use designed for recreational or sporting navigational purposes, driven by motor or sail.

■ **Accessories:** Those items attached to or installed in the vessel forming an integral part of same and/or those items necessary for navigation.

■ **Personal effects:** All those items of clothing and objects designed for personal use and enjoyment that the persons on board the insured vessel may be wearing or carrying at any time and that are not necessary for the navigation and control of the vessel.

■ **Passengers:** Any person on board the ensured vessel or boarding or disembarking from same, free of charge and with the authorisation of the insured.

■ **Sum insured:** The amount agreed for each of the sections of cover included in the policy and that constitutes the maximum liability of the insurer in the event of a claim.

■ **New replacement value:** The amount for which the insured vessel could be purchased, as new, in accordance with current sale prices, including VAT where applicable and all other taxes that may be payable, or, if the model in question is no longer available on the market, the cost of purchasing, as new, a vessel of similar characteristics.

■ **Real or actual cash value:** The market value of the insured vessel immediately prior to the occurrence of a claim, taking depreciation for use, the condition and the age of the vessel into account.

■ **Premium:** The price of the insurance, the receipt for which will moreover include the legally applicable surcharges and taxes.

■ **Excess:** The amount, percentage or other measure agreed in the policy that will be payable by the insured or beneficiary and therefore subtracted from the indemnity otherwise payable in the event of each claim.

■ **Claim or average:** Any event the harmful consequences of which are totally or partially covered under the risks insured as described in this policy.

The occurrence of a harmful event or series of harmful events derived from the same original cause will be considered a single claim, irrespective of the number of claimants or the number of different claims presented.

■ **Accident:** Any event originating from a violent, sudden and external cause beyond the will of the insured that causes material damage to things or personal injuries.

■ **Salvage expenses:** The costs incurred in taking measures to reduce the consequences of a claim.

■ **Fire:** The combustion or burning by flame capable of spreading from one object to others not intended to be burned at the time and place it occurs.

■ **Explosion:** The sudden and violent action of the pressure or depressurisation of a gas or vapours.

Those originated by the following shall not be considered explosions:

- **Electrical arcing.**
- **Breakage of containers or pipes due to freezing.**
- **Sonic booms.**
- **Breakage of valves or safety disks, pressure diaphragms or fusible coverages.**

■ **Lightning:** Violent discharge produced by a disturbance in the atmosphere's electrical field.

■ **Theft:** The unlawful removal or taking of the goods described in the policy against the will of the insured, through the use of violence or force on objects or by climbing or through the use of false keys, picklocks or other instruments not normally intended for opening doors or windows.

■ **Robbery or hold-up:** The unlawful removal or taking of the goods described in the policy against the will of the insured, through the use of intimidation or physical violence against the persons holding or guarding the property.

■ **Larceny:** The unlawful removal or taking of the goods described in the policy against the will of the insured, without the use of force or violence on property or physical violence or intimidation against persons.

1

OBJECT OF THE INSURANCE

Up to the limits established in the policy, the risks as enumerated below are covered by this insurance, provided they are specifically stated as included in the policy schedule:

- Required liability insurance.
- Additional liability insurance.
- Damage to the vessel.
- Personal accidents.
- Maritime rescue services.
- Claims for damages.

A. REQUIRED LIABILITY INSURANCE

This section is subject to the limits, terms and conditions set forth in Royal Decree 607/99, of 16th April, which approves the Regulations for required Liability Insurance on pleasure and sporting craft, pursuant to the terms of Article 78 of Law 27/1992, governing National Ports and the Merchant Marine.

COMMON DEFINITIONS FOR SECTIONS A AND B

■ **Claim:** Any event that gives rise to damage or injury for which the insured may be legally liable and that is necessarily derived from the insured risk and occurs during the period of insurance.

The occurrence of a harmful event or series of harmful events derived from the same original cause will be considered a single claim, irrespective of the number of claimants or the number of different claims presented.

■ **Sum insured:** The maximum amount of indemnity that the insurer may be required to pay in respect of any one claim, as defined in this article and as established under applicable law.

■ **Sum insured per claim:** The maximum amount that the insurer may be required to pay in respect of each risk for the sum of all indemnities, interest and expenses deriving from a claim, irrespective of the number of victims or injured parties, as established under applicable law.

■ **Sum insured per victim:** The maximum amount that the insurer may be required to pay, where applicable and in respect of each risk, for the sum of all indemnities, interest and expenses related to a single victim, as well as those that might correspond to his or her successors or injured parties, as established under applicable law.

To this end, the limit per loss stated in the policy schedule will be understood to apply in the event of a single accident giving rise to multiple victims or injured parties, as will the individual limit stated for each victim at all times.

■ **Personal injury:** Bodily harm or death caused to human beings.

■ **Property damage:** Damage, deterioration or destruction caused to tangible property, as well as harm caused to animals.

■ **Consequential loss:** The financial loss that is a direct consequence of the personal injury or property damage suffered by the claimant of same.

Object of the insurance

he object of this Section, required Liability Insurance, is to cover, up to the limits stated below, the extra-contractual Legal Liability that, in case of fault or negligence and in accordance with current law, may be incurred by the insured for property damage, personal injury and consequential loss caused to third parties, and for damage caused to port constructions and marine installations, as a result of collision, contact and, in general, all other events derived from the use of the insured vessel in Spanish coastal waters or from the objects or water skiers it may tow at sea.

Legally established quantitative limits

The maximum liability undertaken by the insurer per claim resulting in damages for which the insured may be legally liable and necessarily deriving from an insured risk is that established under applicable law.

Scope of the coverage

Up to the legally established quantitative limits in force at any time, this insurance covers the following risks:

- Payment to the injured parties or their successors of the compensations and damages for which the insured may be legally liable.
- The defence of the insured.

In any legal proceedings undertaken involving Liability, irrespective of the jurisdiction under which such Liability is based, arising from a claim covered by the policy, the insurer will undertake, at its own expense, the legal defence of the claim and will appoint the lawyers and solicitors who will defend and represent the insured in all proceedings involving civil liability covered under this policy.

The insured will be obliged to co-operate in the defence and undertakes to provide such powers of attorney and make such personal appearances as may be required.

Irrespective of the verdict or result of a Court hearing, the insurer reserves the right to accept same or lodge an appeal against same as the Law may allow.

Should the insurer decide that an appeal is not worth pursuing, the insured will be informed accordingly and will be free to appeal at his or her own expense. **If such appeal is successful, the insurer will be obliged to reimburse the fees of the lawyers and solicitors incurred by the insured.**

Should any conflict of interest arise between the insured and the insurer because the latter has to defend interests contrary to the defence of the insured in the claim, the insured will be informed accordingly, without prejudice to those actions that, due to their urgent nature, are necessary for the insured's defence. In these circumstances, the insured will have the option of leaving control of his or her defence in the hands of the insurer or entrusting it to another person. If the latter option is chosen, the insurer will be liable for the costs of such control, up to the limit agreed in the policy.

- Payment of the judicial or extra-judicial expenses and costs inherent to handling the claim and the legal defence.
- Constitution of such monetary court or bail bonds as may be required of the insured to guarantee the possible award.

THE FOLLOWING IS NOT COVERED:

The coverage provided by this insurance excludes the consequences of claims originating from the following causes:

- a. Damage caused to the policyholder, the Individual or corporate owner of the vessel identified in the policy or the insured or user thereof.
- b. Personal injuries suffered by passengers who pay to be taken on board for a cruise or journey.

- c. Personal injuries suffered by persons who are paid to perform the maintenance, upkeep or repair of the insured vessel.
- d. Personal injuries suffered by the captain or pilot of the vessel.
- e. Damage caused to the insured vessel.
- f. Damage caused by the vessel while it is being repaired, is being kept on land or is being towed or transported on land, whether on board a vehicle or otherwise.
- g. Damage caused to goods that, for any reason (ownership, deposit, use, handling, transport or other), are in the custody or control of the insured or the insured's dependents or persons on board the vessel.
- h. The personal injuries or property damage suffered by persons who voluntarily occupy a vessel that is piloted or captained by a person who does not hold the necessary qualifications, when the insurer can prove that such persons were aware of the circumstances.
- i. The damage caused to vessels and towed objects in order to salvage them and save their passengers.
- j. The personal injuries and property damage caused by insured vessels that have been robbed or stolen.
- k. The damage produced due to the participation of the vessels in regattas, trials, competitions of any kind and training for any such activity, including bets and challenges, unless otherwise expressly agreed.

LIKELIKEWISE, THE COVER PROVIDED BY THIS INSURANCE DOES NOT INCLUDE:

- 1. The payment of fines and sanctions, as well as the consequences of non-payment thereof.

Territorial score

The cover provided by the policy includes compensation for claims occurring in Spanish coastal waters.

B. ADDITIONAL LIABILITY INSURANCE

Definitions

Those established in Section A.

Object of the insurance

The object of this section is to cover the extra-contractual Legal Liability that may be incurred by the owners of pleasure or sporting crafts, the persons who, with due authorisation of the owner, captain such vessels, and the persons who may assist them in controlling the vessel, as well as by the water skiers the vessel may tow, for property damage, personal injury and consequential loss caused to third parties as a result of collision, contact, damage caused to port constructions and marine installations and, in general, all other events derived from the use of the vessel, as well as from the objects and water skiers it may tow, up to the limits stated in the policy schedule **and always in excess of the cover and quantitative limits of "Section A: Required Liability Insurance"**.

Scope of the coverage

Up to the limit agreed in the policy schedule, under this section the insurer will indemnify:

- a. **Property damage** and consequential losses involuntarily caused to third parties by the insured vessel while it is being sailed or is moored, anchored or being kept on land.
- b. **Personal injuries** and consequential losses involuntarily caused to third parties by the insured vessel, including those caused to passengers and/or to persons being towed free of charge in or by the vessel, as well as those caused by any water skiers the vessel may be towing free of charge, and those caused when it is being kept on land. **The total amount to be indemnified per victim jointly under Sections A and B is set at euros 120,202.42**, unless otherwise agreed in the policy schedule.
- c. The defence of the insured.
 - In any legal proceedings undertaken involving Liability, irrespective of the jurisdiction under which such Liability is based, arising from a claim covered under the policy, the insurer will undertake, at its own expense, the legal defence of the claim and will appoint the lawyers and solicitors who will defend and represent the insured in all proceedings involving civil liability covered under this policy.
 - The insured will be obliged to co-operate in the defence and undertakes to provide such powers of attorney and make such personal appearances as may be required.
 - Irrespective of the verdict or result of a Court hearing, the insurer reserves the right to accept same or lodge an appeal against same as the Law may allow.
 - Should the insurer decide that an appeal is not worth pursuing, the insured will be informed accordingly and will be free to appeal at his or her own expense. If such appeal is successful, **the insurer will be obliged to reimburse the fees of the lawyers and solicitors incurred by the insured.**
 - Should any conflict of interest arise between the insured and the insurer because the latter has to defend interests contrary to the defence of the insured in the claim, the insured will be informed accordingly, without prejudice to those actions that, due to their urgent nature, are necessary for the insured's defence. In these circumstances, the insured will have the option of leaving control of his or her defence in the hands of the insurer or entrusting it to another person. If the latter option is chosen, the insurer will be liable for the costs of such control, up to the limit agreed in the policy.
- d. Constitution of such court or bail bonds as may be required of the insured to guarantee the possible award.

The judicial expenses will be paid in the same proportion as exists between the indemnity to be paid by the insurer, pursuant to the terms of the policy, and the total amount at which the legal liability of the insured is set in the claim. This limitation will apply even when several different proceedings are undertaken, derived from a single claim.

Temporal scope

This insurance contract coverage liability for injury or damage derived from an event occurring for the first time after the inception date of the policy, the claim in respect of which is demonstrably notified to the insurer during the period of insurance or within a maximum period of 12 months following expiry of the insurance contract.

The date of the claim will be deemed to be the time when:

- Administrative or legal proceedings are instigated or a formal written claim for compensation is presented against the insured, as allegedly liable for damages, or against the insurer.
- An insured becomes aware, for the first time, of any type of circumstance or information according to which one may reasonably expect that a claim will be presented against him or against another insured or against the insurer.

THE FOLLOWING IS NOT COVERED:

1. It is expressly agreed that the cover provided by this Insurance excludes the consequences of claims originating from the following causes:
 - a. Damage caused to the policyholder or to the individual or corporate owner of the vessel identified in the policy or to the insured or the person using same.
 - b. Material damage caused to said vessel.
 - c. Damage caused to the goods that, for any reason (ownership, deposit, use, handling, transport or other), are in the custody of the insured or the insured's dependents or persons on board the vessel.
 - d. Industrial accidents sustained by personnel in the insured's service.
 - e. Death or injury suffered by the captain or pilot of the vessel.
 - f. Death or injury suffered by passengers who pay to be taken on board for a cruise or journey or by those who are paid to perform the maintenance and upkeep of the insured vessel.
 - g. Damage caused while the vessel is being towed or transported on land, whether on board a vehicle or otherwise.
 - h. The payment of fines and sanctions, as well as the consequences of non-payment thereof.
 - i. Those persons who, having voluntarily occupied an uninsured vessel, or an insured vessel that has been robbed or stolen, suffer physical injuries or property damage as a result of the navigation of said vessel are excluded from the cover provided by this insurance, when the insurer can prove that such persons were aware of said circumstances.
 - j. Those persons who, having voluntarily occupied a vessel, suffer physical injuries or property damage as a result of said vessel being sailed and captained or piloted by a person who does not hold the necessary qualifications are excluded from the cover provided by this insurance, when the insurer can prove that such persons were aware of said circumstances.
 - k. Participation in regattas, unless otherwise agreed, trials, speed trials or water-skiing races, or training for any such activity, including bets and challenges.
1. Liability of the Water Skier, unless expressly included in the policy schedule.
2. In case of indemnity for personal injury, the insurance expressly excludes claims in respect of which it can be proven that the injury was due to fault or negligence on the part of the Injured Party.
3. The cover provided by this insurance expressly excludes property damage as a result of:

- a. Fault or negligence of the Injured Party.
- b. When the damage is due exclusively to the fact that the person responsible for it was under the influence of alcohol, drugs, toxins, narcotics or psychotropic substances.
- c. Events occurring when the policyholder, insured, Captain, Pilot or person in charge of the vessel has breached the legal regulations in respect of requirements and the number of people that may be transported or the weight or size of the load and the breach is the determining factor of the claim.
- d. Events occurring when the vessel is being piloted or captained by a person without express or tacit authorisation or who does not hold the necessary sailing licence or who breaches legal technical requirements in connection with the safety conditions of the vessel, when these circumstances are determining factors in the claim.

C. DAMAGE TO THE VESSEL

This Section of the insurance covers the damage that the vessel itself and/or other insured components may sustain, subject to the maximum liability of the insurer in the event of a claim covered by the policy, which is the sum insured listed in the policy schedule, or the Real Value immediately prior to the occurrence of the claim if such amount is less than the sum insured, as a direct consequence of:

C.1. Total loss

Total loss or abandonment of the vessel following a nautical accident, understood to mean the complete disappearance or permanent destruction of the craft caused by shipwreck, sinking, stranding, running aground, collision with another vessel or with objects or installations, be they overhead, fixed or floating, fire, explosion, the impact of waves or the impact of waves under storm conditions and other nautical accidents called “risks” or “perils” of the sea.

In those cases where there may exist a right to abandonment, the insurer reserves the right to choose, within a period of 30 days as of receiving notice of the abandonment, between acceptance thereof and settlement of the claim for total loss without transfer of the property.

C.2. Constructive total loss

Constructive total loss, understood to mean the damage sustained to the vessel as a result of the occurrence of any of the events described in section C.1. above, when the cost of repairing the damage is more than 75% of the real value of the vessel immediately prior to the occurrence of the claim.

In this case, the insurer reserves the right to compensate the insured as if it were a total loss, deducting the residual value of the damaged vessel from the corresponding settlement.

C.3. Salvage expenses

Salvage expenses reasonably incurred by the insured to fulfil his or her obligation to safeguard the vessel against its destruction and/or disappearance and to minimise the cost and consequences of the claim.

For the purpose of the above, salvage expenses shall be understood to mean the reasonable cost of the operations to tow the damaged vessel.

C.4. Removal of remains

Removal of the remains of the insured vessel, only and exclusively when such removal is required by the Marine Authorities and provided it is due to an insured claim, up to a maximum limit of **10% of the sum insured on the hull and motors.**

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

The insurer will indemnify, up to the limits established in the policy schedule, the total loss of the entire vessel and/or its auxiliary craft, as well as the damage sustained in the event of theft or attempted theft. However, **this shall only and exclusively be true when the vessel is located in a duly locked yard or garage that has sufficient surveillance and security measures or when, if it is in the water, it is berthed or moored at a pier with similar measures.**

C.6. Partial damage (particular average)

This policy covers the property damage that the insured vessel and/or other components may sustain, with the limit of indemnity being the sum insured listed in the policy schedule, in the following cases:

1. While the insured vessel is navigating, at anchor or moored, the insurance covers the damage it may sustain as a result of:
 - a. Sinking, shipwreck, stranding (this will not include that occurring as a result of normal tides), running aground, touching bottom, fire, collision with other vessels, crash or collision or contact with solid objects and installations, be they overhead, fixed or floating, and other nautical accidents classified as “risks” or “perils” of the sea.
 - b. Impact of waves and impact of waves under storm conditions.
 - c. Damage to the motor as a result of the accidental entry of solid objects or foreign bodies through the cooling circuits or pipes, **but only and exclusively when the entrances to the circuits and pipes are equipped with protective mechanisms and are in a proper state of use and operation.**
 - d. Lightning.
 - e. Vandalism or acts of malice, other than theft, caused by third parties, **provided the vessel is kept in a suitable location, moorage, anchorage or storage place, equipped with the necessary surveillance and security measures**, including when the vessel is being moved on land and/or during stops made at places equipped for parking.
 - f. Damage during hoisting operations and operations to lift the vessel from or lower it into the water, **provided the operation is carried out at an appropriate location and using the appropriate means or tools in light of the type and nature of the vessel, and that it is carried out for the purpose of performing maintenance, repair or upkeep work or to move or transport the vessel to a new moorage or anchorage or for its storage on land.**

2. While the insured vessel is on land, in a locked storage area or garage and/or laid-up for the winter, provided the premises are equipped with sufficient and appropriate security measures for the type and nature of the insured vessel, the insurance covers the damage it may sustain as a result of:

- Fire and/or explosion.
- Crash, collision or contact with other objects while in the on-land storage place. **Water damage, irrespective of the cause, is not covered.**
- Slipping or overturning while immobilised on land.

3. While the insured vessel is in transit or being moved on land, **the insurance covers the damage it may sustain as a result of an accident involving the vehicle that is carrying or towing the craft, provided that the form of transport being used is the ideal and normal one for the type and nature of the vessel and that said vehicle is authorised to carry out this type of operation.**

The insurance covers the damage the vessel may sustain during the loading and unloading of the trailer, provided that the means used are the suitable ones for such operations.

4. The insurance covers the property damage the insured vessel and/or other components may sustain, up to the indemnity limit, which is the sum insured listed in the policy schedule, in the following cases:

- Theft or attempted theft of the insured vessel, as well as the components and accessories permanently attached to same, occurring with the use of violence, force and/or the threat of violence against the life or physical integrity of the persons who are in charge of the vessel.
- Theft of outboard motors, provided they are fitted with anti-theft devices in addition to their normal means of attachment to the vessel.
- Theft of auxiliary equipment and personal effects declared in the policy, provided it is carried out through the use of violence or force against the cabin or locked compartments of the vessel where such property is normally stored.

Excesses

1. No excess whatsoever will be applied in respect of total loss or constructive total loss of the vessel or liability claims.
2. In respect of partial damage to the hull and/or motors and/or equipment and/or accessories, each and every claim will be subject to the excess stated in the policy schedule.
3. When the claim involves elements or interests included under personal effects and/or the trailer, towing vehicle or cradle, the applicable excess will be **20% of the amount of the claim, subject to a deductible minimum of euros 150.**
4. If the claim is the result of the accidental entry of solid objects or foreign bodies into the motor through the cooling circuits, the applicable excess **will be 25% more than the amount stated in the policy schedule, subject to a deductible minimum of euros 150.**
5. If no excess is stated in the policy schedule, Point 2 under this heading will be considered deleted, and the excess as described in Points 3 and 4 will apply in each and every claim.

THE FOLLOWING IS NOT COVERED:

- a. Wear and tear or progressive deterioration as a result of use or functioning, inherent defect, erosion, corrosion, oxidation, pitting, rust, scaling, osmosis and parasites of any kind whatsoever, as well as the effects of simple scratches, abrasions or scrapes.
- b. Fire or explosion when the vessel is not equipped with the regulation fire prevention and extinction systems when navigating or at anchor.
- c. Detachment or fall of motors and the consequences thereof, except when due to sinking, shipwreck, collision, stranding or running aground.
- d. Damage caused to sails, tarpaulins or covers through the action of wind or bad weather (rain, hail and similar).
- e. Internal malfunction, whether mechanical or electrical, damage to motors or machinery or batteries, as well as their connections, unless such damage is a direct consequence of a previous accident covered by the policy.
- f. Loss or damage sustained to the motors caused directly or indirectly by the blocking and/or ingestion of any foreign substance (this being understood to mean liquid and semi-liquid materials, such as oil, fuel, petroleum and petroleum derivatives, including tar) through the water cooling systems of the motors or of any device used on board the vessel that obtains water from an external source.
- g. Loss or damage sustained to the ensured vessel as a consequence of a lack of maintenance or upkeep.
- h. Loss of use and/or any other form of consequential loss and/or damage.
- i. Staining, damp, discoloration, breakage, larceny, mislaying or disappearance affecting equipment and accessories and/or personal effects and/or similar property that does not occur as a direct consequence of a risk covered under this policy.
- j. Damage or robbery occurring when the vessel is unattended or left without due supervision, whether when beached or offshore, or when it is not equipped with the necessary security measures during periods of immobility, inactivity, laying-up or wintering, as well as during stops at parking lots or garages and/or similar facilities in the course of land transit.
- k. Any type of personal effect, accessory, motor, sail, auxiliary launch, etc., that is not described in the policy schedule and/or the policy's special conditions.
- l. Money in coin or banknotes, travellers' cheques, credit cards, debit and similar cards (bank, telephone and similar), mobile telephones, laptop computers, video game consoles, documents with or without monetary value, jewellery and watches of any kind and furs.
- m. Fault or negligence on the part of the captain and/or insured and/or beneficiary and/or the person responsible for the vessel while it is being navigated or transported.
- n. Larceny from the vehicle of any of its components or accessories.

D. CLAIMS FOR DAMAGES

D.1. Scope of coverage

- 1.1. Claims, including legal ones, for damages caused by a third party to the insured vessel or to one of its passengers, covering all those expenses that must be incurred in order to see the claim through and limiting the entirety of such expenses to the amount established in these general conditions.
- 1.2. Advance payment of those indemnities that, after out-of-court proceedings have been undertaken by Liberty Seguros, the insurers of such third parties as may be liable for the accidents or events formally accept, up to the limit established in these conditions.

D.2. Clarifications

- 2.1. Out-of-court claims will be handled by the insurer and by the Professionals it may appoint.
- 2.2. Should it be necessary to go to Court, the insured may appoint, after informing the insurer accordingly in writing and receiving the express acceptance thereof, those professionals s/he sees fit to handle the claim.

In this case, the insured will be obliged to provide powers of attorney to the appointed professionals and to make all necessary appointments.

If it is deemed necessary to contract additional professionals, such as physicians or adjustors, in order for them to issue reports in support of the claim, the insured will ask the insurer to appoint same.

- 2.3. **The insurer may challenge the insured's choice of professionals, stating its reasons and on the grounds of objective complaints.**
- 2.4. If the insurer considers a claim that has been presented to be unfounded, the insured, by mutual agreement with the appointed professionals, may pursue the claim by whatever means s/he considers appropriate, and the liability of the insurer will end at such time. **Should the claim succeed, the insurer will reimburse the expenses incurred for the proceedings, up to the limit of the sum insured.**
- 2.5. As soon as the insurer receives an offer for payment of the settlement from the party liable for the damages or from the insurers thereof, should it not consider it possible to increase the amount, it will inform the insured accordingly and by demonstrable means as soon as possible.
- 2.6. If the offer is not accepted by the insured, s/he may, by mutual agreement with the appointed professionals, pursue the claim by whatever means s/he considers appropriate, and the liability of the insurer will end at such time. **Should the claim succeed, the insurer will reimburse the expenses incurred for the proceedings, up to the limit of the sum insured.**

D.3. Sums insured

- 3.1. The maximum amount of indemnity to be paid for the cover provided in this section is **2,500 euros**.
- 3.2. 100% of the advance payment of the indemnity per loss and/or event is set at **15,000 euros**.

D.4. Professional fees

The fees of the Lawyers and Solicitors directly appointed by the insured and assumed by the insurer will be at most the amounts established as the minimum fees by the respective Professional Bar Associations.

D.5. Exclusions

5.1. All the insurance does not cover listed in “Article 3 The insurance does not cover” of these general conditions will fully apply.

5.2. Claims for amounts of less than 150 euros.

E. PERSONAL ACCIDENTS SUFFERED BY PASSENGERS OF THE VESSEL AND/OR WATER SKIERS AND/OR THE CAPTAIN

1. Up to the limits stated in the policy schedule, the insurer will provide indemnity in respect of accidents suffered by any person on board the insured vessel or who is boarding and/or disembarking from same.
2. Cover under this Section is limited exclusively to the number of persons as declared in the policy schedule, which in no circumstances may exceed the maximum number authorised for the insured vessel.
3. If, at the time of an accident, the number of passengers being transported were to exceed the legally authorised maximum, the indemnity corresponding to each passenger will be reduced in the proportion existing between the authorised maximum and the number of people on board.
4. If expressly agreed and stated as included in the policy schedule, the person or persons being towed by the insured vessel for the purposes of water skiing will be considered as passenger(s).
5. Scope of cover:

A. Death following an accident

Should an accident covered under the policy and occurring during the period of insurance directly cause the death of the insured, **within the period of one year following the date of said accident**, the insurer will pay the sum agreed for the risk of death in the policy schedule to the beneficiary named in the policy.

If no beneficiary has been named, the beneficiaries will be, in the mutually exclusive order of preference listed below:

1. The spouse of the victim, who is neither divorced nor separated therefrom.
2. The children in equal portions.
3. The parents of the insured in equal proportions.
4. His or her legal heirs.

If, prior to the death of the insured, the insurer had paid an indemnity for permanent disability as a result of the same accident, this amount will be deducted from the indemnity for which it is liable under this cover for death following an accident.

B. Permanent disability following an accident

For the purposes of this contract, permanent disability is understood to mean the loss, injury, reduction or loss of use of an organ or limb as a consequence of an accident covered under this Insurance.

Total permanent disability is that which fully incapacitates the insured for all jobs and careers. **total permanent disability** will be considered to exist when the insured, as a consequence of an accident covered under the policy, suffers residual injuries that, pursuant to the scale provided herein, are subject to indemnities of 100% of the sum insured for the cover of permanent disability following an accident. **Partial permanent disability** will be considered to exist when this percentage is not reached.

In case of total or partial permanent disability of the insured as a direct consequence of an accident covered by the policy, **declared within a maximum period of 1 year following the date of the accident, which must occur during the period of insurance, the insurer will pay the indemnity corresponding to the degree of disability in accordance with the percentages given in the policy's scale, as applied to the sums insured on permanent disability following an accident agreed in the policy schedule.**

The classification and degree of disability shall, at all times, be established in accordance with the scale below and irrespective of the insured's profession or of any medical resolution or decision concerning the individual handed down by a Labour or Criminal Court.

Scale for assessing the degree of permanent disability:

| Permanent injuries | % |
|---|------|
| Head | |
| Incurable mental derangement preventing all work | 100% |
| Injuries leaving the victim in a persistent vegetative state or completely brain dead | 100% |
| Post-concussive or subjective head injury syndrome | 15% |
| Loss of capacity for spoken communication | 30% |
| Post-traumatic epilepsy requiring ongoing treatment | 20% |
| Total post-traumatic amnesia | 40% |
| Face | |
| Loss of upper jawbone | 40% |
| Surgical removal 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% |
| Total 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 the 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% |
| Vulval injuries leading to severe dysfunction | 35% |
| Loss of the uterus | 30% |
| Loss of one ovary | 15% |
| Loss of both ovaries | 30% |
| Cervical spine | |
| Total loss of flexion/extension, rotation and bending movements | 25% |
| Lumbar spine | |
| 30% loss of flexion/extension, rotation and upper bending movements | 25% |
| 30% loss of flexion/extension, rotation and lower bending movements | 15% |
| Traumatic injury caused to a vertebra or intervertebral disc | 5% |
| Upper limbs | |
| Total loss of the use of or amputation of: | |
| Both arms or both hands | 100% |
| One hand or one arm and one foot or one leg | 100% |
| One arm | 75% |

| | |
|---|------|
| One hand at the wrist | 60% |
| One thumb | 22% |
| One index finger | 15% |
| Any other finger | 10% |
| Total loss of movement in: | |
| One shoulder | 25% |
| One elbow | 20% |
| One wrist | 15% |
| Lower limbs | |
| Total loss of the use of or amputation of: | |
| Both legs or feet | 100% |
| One foot or one leg and one hand or one arm | 100% |
| One leg above the knee | 75% |
| One leg below the knee | 60% |
| One foot | 50% |
| One big toe | 10% |
| Any other toe | 5% |
| Total loss of movement in: | |
| One hip | 30% |
| One knee | 25% |
| One ankle | 20% |
| Shortening of a limb: | |
| Less than 3 cm. | 10% |
| More than 3 cm. | 15% |
| Unhealed fracture | 20% |
| Central or nervous system | |
| Paraplegia, tetraplegia or total hemiplegia | 100% |

For those injuries not specified above, the degree of disability will be determined by analogy with the stated percentages.

Total and permanent loss of the use of a limb is equivalent to the total loss of same.

When the physical loss or loss of use is partial, the percentage will be determined in proportion to the total loss of the affected organ or limb.

The sum of several partial losses, affecting a single limb or organ, may not exceed the indemnity percentage established for the total loss of same.

The degree of disability, when a single accident causes multiple injuries to the insured, will be calculated as the sum of the percentages corresponding to each

injury, and, under no circumstances may the indemnity exceed 100% of the sum insured on permanent disability following an accident.

If a limb affected by an accident, before the accident occurred, suffered from any form of physical or functional impairment, the degree of disability will be determined by the difference between the pre-existing condition and the condition produced by the accident.

If, after the insurer has indemnified the insured for partial permanent disability, total permanent disability is declared as a result of the same accident, the insurer will pay the difference between the indemnified amount and the sum insured for this cover.

C. Medical-pharmaceutical care

Up to the limits stated in the policy schedule, the insurer will expressly meet the cost of all medical-pharmaceutical Care expenses required by the passengers of the insured vessel during a period of twelve months following the date of the accident, provided such expenses are a consequence of an accident covered by the policy and the care is provided by physicians approved by the insurer. This cover includes the cost of hospitalisation, if the nature of the injuries so requires.

E. Burial expenses

Up to the limits stated in the policy schedule, in the event of the death of a person or persons as a result of an accident covered under this policy, the insurer will meet the expenses reasonably incurred for the cremation or burial thereof, as the case may be.

THE FOLLOWING IS NOT COVERED:

- a. In case of death, persons under the age of 14 at the date of the accident.
- b. Accidents suffered by persons over the age of 70 at the date of the accident.
- c. The cost of searching for and locating bodies or limbs.
- d. Accidents suffered when the person is under the influence of alcohol, drugs, narcotics or hallucinogens.
- e. Reckless actions, active participation in fights, whether or not in legitimate self-defence, duels and dares.
- f. Heart attacks, hernias and illnesses and diseases of any kind, as well as intoxication, congestion, sunstroke and/or other effects of the temperature or atmospheric pressure.
- g. Accidents that only produce psychological effects and those occurring while engaged in scuba diving or underwater fishing or while diving into the water.
- h. Fainting, syncopes, apoplectic or epileptic fits, as well as bodily injuries that may result from same or from any other similar condition.
- i. Suicide or attempted suicide, deliberate self-injury, accidents deliberately caused by the successors of the injured person and/or accidents deliberately caused by the policyholder and/or insured or the beneficiaries.
- j. Fault or negligence of the captain and/or insured and/or beneficiary and/or the person responsible for the vessel while it is being navigated or transported.

3

GENERAL EXCLUSIONS

The following the insurance does not cover will apply to all Sections of the policy:

- a. Claims occurring when the insured vessel is being used to perform or carry out commercial or profit-making activities, or any other activity other than recreational navigation, even if the vessel has been hired out to a third party, with or without the crew, if this fact has not been expressly reported to and demonstrably accepted by the insurer.
- b. The consequences of the embargo, confiscation or sale of the vessel, as well as the cost of the bond that may be required to secure the lifting of the embargo on it.
- c. Participation of the vessel in regattas or sporting competitions and/or training for same, even in those cases where it is acting as a support, aid or control for same, unless otherwise agreed.
- d. Material damage, disbursements or costs originating from the towing of other vessels, unless as a direct result of the nautical obligation to assist persons in distress, or from an excessive load or number of persons on board.
- e. Claims and the consequences of claims occurring when the policyholder and/or the insured or any person controlling the vessel has not fulfilled the legal requirements regulating the qualifications needed to navigate the type of vessel.
- f. Loss or damage caused by civil war, invasion, revolution, rebellion, insurrection or civil conflict resulting from same, capture, seizure, plunder, arrest, hijacking, preventive embargo, restriction or detention or the consequences of same or any attempt at same, as well as the consequences of hostilities or warlike operations, whether or not war has been declared, and also loss or damage caused by strikers, locked-out workers, labour disputes, uprisings or civil commotion, terrorism and sabotage.
- g. Claims occurring outside the navigational area specified in the policy schedule or due to breach of current legal maritime regulations or failure to fulfil instructions issued by the relevant authorities.
- h. Loss or damage the vessel may suffer as a result of drifting due to having been moored, anchored or secured without due precautions, means or assistance at an open or insufficiently protected beach or shore.
- i. Loss, damage, liability or expenses, directly or indirectly caused by or originating from, or related to:
 1. Ionising radiation emanating from or radioactive contamination proceeding from nuclear fuel or any nuclear waste or the combustion of nuclear fuel.
 2. The radioactive, toxic, explosive or other dangerous properties of any nuclear reactor or installation or nuclear complex or any nuclear component of same.
 3. Any weapon of war that uses atomic or nuclear fission and/or fusion or any other radioactive force or material.
- j. Claims directly or indirectly derived from the legislation governing industrial accidents or employer liability, from common law or from any other legislation concerning accidents or illness affecting employees or any other persons in the service of the policyholder and/or insured under any form of agreement whatsoever.

- k. All coverages provided in both these general conditions and the attached policy schedule and/or special conditions are subject to maintenance of a valid Certificate of Navigability, as well as passage of the regular and technical inspections to which the insured vessel is legally subject, pursuant to the terms of Royal Decree 1434/1999, of 10th September. Where this is not the case, the cover will not be effective and, therefore, no claim will be accepted in respect of it.

4 MARITIME RESCUE SERVICE

Definitions

For the purposes of this insurance contract, the following definitions will apply:

■ **Policyholder/insured:** The individual or corporate body in whose name the policy is issued, resident in Spain and/or whose vessel is normally moored in Spain, named in the policy schedule and who subscribes this contract in his or her own name with the insurer, as the owner of the recreational sailboat or motorboat.

In addition, the following persons will be considered as insureds:

- a. For the purposes of the coverages affecting the passengers of the vessel:

Each of the individuals on board the insured vessel in the course of a nautical journey, **provided the number of persons does not exceed the figure shown in the relevant Sailing Permit or the Technical Characteristics Certificate.**

- b. Coverage in respect of medical emergencies affecting persons who are not passengers on the vessel is restricted exclusively to: the titleholder, his or her spouse, and the ascendants and descendants in the first degree of blood relationship who live with the policyholder/insured.

■ **Vessel:** The water craft comprising a hull or hulls, driven by sail or motor, equipped with all of the safety fixtures and equipment required by law for its class, used solely for private recreational purposes, not rented or chartered to others.

■ **Risks and nautical accidents or perils of the sea:** Fire or explosions, stranding, running aground, storms, collisions with other vessels or with fixed or floating objects, shipwreck and other accidents intrinsic to being at sea.

For the purposes of this insurance, accidents affecting the towing vehicle and/or trailer carrying the vessel (when it is being transported by land to its homeport) will also be considered as accidents.

4.1. Object and definition of the insurance

Under this Maritime Rescue Services Insurance for private pleasure craft, the insurer will provide, subject to the terms and conditions of this policy and to the the insurance does not cover mentioned herein, the services described below in order to help resolve unanticipated or difficult situations that may arise in the course of nautical journeys or excursions using the pleasure craft, including on lakes, in rivers and in navigable canals, so that the journey or excursion may continue.

4.2. Insured's interest

Placement at the disposal of the policyholder and the insured of a national and international organisation providing Maritime Rescue Services to pleasure craft and emergency medical services during journeys, in condition to provide the services included under the insurance in the shortest time possible and with the highest quality.

4.3. Territorial scope

1. In respect of the Vessel and the persons on board

The insurance under this section will be operative in the following geographical area of navigation: Up to the distance from the coastline authorised in the certificate held by the person captaining the vessel, subject to the distance from the coast for which the vessel itself is also authorised according to its class, up to the limits defined by the International Maritime Organisation (IMO) as Areas of Responsibility for Marine Search and Rescue (SAR) corresponding to Spain, Portugal, France (Mediterranean coastline only), Monaco, Italy and Greece.

The network of navigable canals, rivers and lakes in any of the countries mentioned above will also be considered as included in the geographical area of navigation.

The cover described under Points 7, 8 and 9 below will only be operative in Spain.

2. In respect of the Towing Vehicle and the Trailer itself (in the case of the vessel being transported by road)

The territorial scope in respect of the cover on the towing vehicle and the trailer carrying the vessel will be any public roadway in the aforementioned countries.

3. In respect of emergency medical care

The emergency medical care cover will be operative in the countries stated in point 4.3.1 above, only for the titleholder, his or her spouse, and the ascendants and descendants in the first degree of blood relationship who live with the policyholder/insured.

4.4. Risks covered

Under this contract, the insurer will cover the risks listed below, pursuant to the terms of the policy schedule.

IN RESPECT OF THE VESSEL AND THE PERSONS ON BOARD

1. Towing of the insured vessel or mechanical or technical assistance required in the course of a journey or excursion (nautical day)

- a. If the insured vessel suffers a breakdown or nautical accident in the course of an excursion preventing it from reaching a port, the insurer, on being advised of the situation by telephone or radio, will meet the costs of towing the vessel to the nearest port.

If, with the insurer's agreement, the towing is effected by a ship or vessel with the right to charge a remuneration, the insurer will meet such cost, **up to a limit to be determined as the lesser of the following: 25% of the real value of the insured vessel immediately prior to the occurrence of the breakdown or accident or 6,010.12 euros.**

In the event of towing taking place before the insurer is advised of the situation, due to force majeure or material impossibility, duly proven, effected by a vessel with the right to charge a remuneration, the insurer will meet such cost, up to the amount the insurer considers equitable and, otherwise, in the amount that the relevant administrative or judicial authority may determine, **always subject to the maximum amount as described in the preceding paragraph.**

Should the recovery of the expenditures mentioned in this section be possible, the insured will provide the insurer with such documents as may be required to this end.

- b. Notwithstanding the above, and if possible beforehand, the insurer will arrange for emergency repairs to be carried out at the location where the vessel may be in order to avoid the need to tow it to the nearest port.

The insurer will meet the cost of the journey of the repair launch, as well as the cost of the labour required for the repair work, but it will not be liable for the cost of the materials and spare parts used.

This cover is operative from the time the vessel enters free waters at the mouth of the port of departure or is more than half a nautical mile away from the shore or coastline.

2. Hotel expenses

When the immobilisation of the vessel as a result of a breakdown or accident lasts less than four days, the insurer will meet the cost of hotel accommodation for the affected insureds. The cover provided under this section is limited to a maximum of three nights and subject to a limit of 60.10 euros per person per day and an overall limit per claim under this heading of 721.21 euros for the entire party.

This cover will not be operative when the port to which the vessel has been towed following the breakdown or accident is less than 100 kilometres from the homeport of the said vessel or from the address or residence of the policyholder or the insureds.

3. Travelling expenses for the insured to pick up the vessel

If the breakdown or accident of the insured vessel required it to be towed to a port other than its homeport, once it has been repaired, the insurer will pay for the travel expenses of the insured/owner or qualified person appointed by the insured to recover the vessel.

For this purpose, the insurer will provide a one-way first-class train ticket or an economy-class airline ticket from the insured's/owner's address or from the vessel's homeport to the port where the repair was effected.

4. Sending of a Pilot or Captain

If, as a result of the death, injury or sudden illness of the owner or the person captaining the insured vessel, said fact prevents the rest of the insureds from continuing their journey or returning home- provided none of them is capable and legally qualified to captain the vessel- the insurer will send a duly qualified person to pilot the vessel to the homeport or port of destination, depending on whether more than half the planned distance has been covered or not.

In these circumstances, the insurer will only be liable for the expense of the person sent, and it will not be liable for any other expenses, **whether related to the insured persons on board or to the vessel itself.**

5. Location and consignment of spare parts

If, following a breakdown or accident, spare parts are required for the vessel's repair and said spare parts are not available in the place where the breakdown has occurred, the insurer will take all possible steps to find such parts and have them sent to the place of repair.

The insurer will only be liable for the cost of sending such parts, and the insured will be obliged to reimburse the insurer the cost of the parts received once s/he has returned home.

6. Transport or repatriation of the persons on board the vessel following a breakdown or accident

If, as a result of a breakdown or accident, the vessel must be immobilised for a period of more than eight days, the insurer will meet the cost of transporting or repatriating the insured persons on board said vessel to their address in Spain or to their destination if, at the time of the breakdown or accident, more than half the planned distance had been covered and the insureds were to choose this option.

7. Guarding of the vessel

If, as a result of theft or breakdown covered by the policy, the vessel becomes easily accessible from the outside and thus makes it necessary for the insured to contract guard services, the insured will meet the cost of such services up to a **maximum period of 48 hours and subject to a limit of 90.15 euros.**

In such case, the insured must furnish proof to the insurer that s/he has reported the circumstances to the relevant authorities.

8. Reimbursement of locksmith's charges in the event of loss of keys

In such a case, the insurer will meet the cost of a locksmith or other professional to solve the problem, **up to a limit of 90.15 euros.**

9. Placement of the insured in contact with repairmen, installers and other professionals even though no claim covered by the policy has occurred

The insurer undertakes to provide the insured with the details (name, telephone number and address) of the professional tradesmen nearest to the insured's location specialised in the following services (which must be requested between **9:00 am and 6:00 pm on business days**):

- Plumbers
- Locksmiths
- Electricians
- Aerial installers
- Watchmen
- Nurses
- TV/VCR repairmen
- Varnishers
- Upholsterers
- Glaziers
- Sanders/scrapers
- Carpenters
- TV/VCR hire shops
- Electrical appliance repairmen
- Messengers and painters

In this case, **the costs of contracting the professional tradesperson (including both labour and materials), transport and all other expenses will be payable by the insured,** and the insurer's undertaking is limited solely to helping in the search for the details of the professional required.

The insured must first advise the insurer of his or her interest in contracting any of the aforementioned services.

4.5. Medical care

1. Long-distance medical advice

In the event of sudden illness or injury affecting any insured person, the insurer will arrange for long-distance medical advice to be provided, so that, in conjunction with the doctor attending the patient, a decision may be taken as to the best treatment to be followed and the best method of transporting the injured or ill person, where necessary.

2. Transport or emergency medical repatriation of injured or ill persons

In the event of any of the insured persons suffering a sudden illness or injury **during a journey or excursion whilst on board the vessel or on a strip of coastal land within 5 kilometres** of the coastline, the insurer will meet the cost of transporting or repatriating the patient to the most suitable medical centre or to his or her home, using the most suitable means of transport (road ambulance, helicopter ambulance, scheduled airline with special equipment, etc.), pursuant to the criteria of the insurer's medical personnel.

If, in the first case described above, the patient must subsequently be transported to another hospital or to his or her home, the insurer will also meet the cost of such transport.

3. Medical, surgical, pharmaceutical and hospitalisation expenses outside Spain

If, as a result of a sudden illness or accident occurring during the period of insurance, the insured requires medical or surgical care or medicines or to be admitted to a hospital, the insurer will meet the cost of:

- a. Urgent transport to the medical centre.
- b. Medical and surgical fees.
- c. Hospitalisation.
- d. Medicines prescribed by the doctors treating the insured.

The cover provided under this Section is applicable only to events occurring outside Spain and subject to a limit of 3,005.06 euros. Likewise, the event must occur while the insured is on board the vessel or on a strip of coastal land within 5 kilometres of the coast.

4.6. Services in respect of persons

1. Transport or repatriation of a deceased and transport of insured companions

In the event of the death of an insured person during a nautical excursion, the insurer will meet the cost of the necessary bureaucratic procedures and will likewise organise and pay the costs incurred in transporting or repatriating the mortal remains from the place where the death occurred to the place of burial in Spain.

Likewise, the insurer will meet the cost of the transportation of the other insured persons who were accompanying the deceased at the time of death to their homes if such persons are unable to return home by the initially planned means.

2. Transport/repatriation of companions

When one or more of the insured persons has been repatriated or transported due to an illness or injury as described in the preceding section and said circumstance prevents the rest of the accompanying beneficiaries from returning home by the initially planned means, the insurer will meet the cost of transporting said persons to their homes or to the place where the transported/repatriated insured(s) has/have been hospitalised.

3. Transport of the titleholder to his or her home in the event of the hospitalisation and/or death of a family member

In the event of the death or serious illness, meaning a condition that could be fatal, of the spouse, ascendants or descendants in the first degree of blood relations or brother or sister of the insured or the insured's spouse occurring in Spain, the insurer will arrange for and meet the cost of the transport of said person to the place of burial or the hospital in question or to his or her regular home address, when said person cannot return by the initially planned means.

4. Transmission of urgent messages

The insurer will meet the cost of transmitting urgent messages on the instructions of the insured in relation to the circumstances covered under this policy or for any other reason where there exists a significant, reasonable and demonstrable need for same.

4.7. Coverage in respect of the towing vehicle and the trailer itself (in the case of road transport of the vessel)

1. Emergency onsite repairs

If the vehicle towing the trailer on which the vessel is being carried cannot begin or continue the journey to the vessel's homeport due to a breakdown or accident, the insurer, where possible, will arrange for emergency repairs to be effected at the location where the vehicle is stopped, **to last a maximum time of 30 minutes**, in order to avoid the need to have the vehicle towed to a repair shop.

Identical coverage to that described above will apply to the trailer itself in case of breakdown.

The insurer will not be liable for the cost of any spare parts used and will only meet the cost of the repairperson's travel and the labour required to make the repair.

2. Towing of the towing vehicle and the trailer carrying the vessel

If the vehicle towing the trailer carrying the vessel or the trailer itself cannot be repaired at the location where the breakdown or accident occurred, the insurer will transport it by tow truck to the nearest repair shop.

The insurer will meet the entire cost of such towing in Spain and up to a maximum of 120,20 euros if incurred elsewhere.

3. Transport of the trailer carrying the vessel to the homeport

If, in the course of road transport or its journey, the vehicle towing the trailer carrying the vessel suffers a breakdown or accident that requires a repair time- according to the manufacturer's official scale- of more than **8 hours** or should it need to be immobilised

for more than **three days**, the insurer will meet the cost of transporting the trailer carrying the vessel to the vessel's homeport.

4.8. Complimentary conditions to the Maritime Rescue Services coverage

1. The general conditions of the policy will be applicable to this Section of the insurance to the extent that they do not contradict the terms of this rider.

In all events, the insurer will not be liable for delays or failure to fulfil obligations due to force majeure.

2. **It is prerequisite to the insurer's liability that any insured contingency be immediately reported to the insurer and that the latter has agreed. Reimbursement of expenses incurred will be subject to provision of the relevant proof (bills, receipts or similar) and to the agreed limits, and the insurer reserves the right to request the return of any unused travel tickets from the insured.**

IMPORTANT NOTE

Use of the services in the event of a claim covered by the policy does not relieve the insured of the obligation to give formal written notification of claim, within the time periods established in the general conditions of the Craft policy.

3. The insurer will be subrogated in all the rights and actions that the insured person may hold against any third party responsible for a claim, up to the limit of the amount paid by the insurer in respect of the claim in question.

4. The Maritime Rescue Service for vessels is provided by the organisation Universal Asistencia de Seguros y Reaseguros, S.A. Unipersonal, whose function is to provide the services described.

To this end, the telephone numbers to call in order to make best use of the services will be provided.

4.9. Specific exclusions not cover applicable to the travel assistance coverage

A. THE FOLLOWING RISKS, WITH GENERAL EFFECT, ARE EXCLUDED FROM THE COVER PROVIDED:

1. The coverages and services that have not been requested from the insurer and have not been provided with or by means of its approval, except in cases of force majeure or proven material impossibility.
2. Claims caused through fraud or notoriously dangerous or foolhardy actions on the part of the policyholder, his or her successors or the insureds on board the vessel, or the persons responsible for the vessel or its navigation and control.
3. Accidents or breakdowns affecting the vessel as a result of taking part in sporting competitions or regattas, whether of an official or private nature, as well as in training for such events, trials and wagers.

Nor does this Section cover accidents or breakdowns occurring as a result of the vessel being used for water skiing or paragliding.

4. Costs or remuneration in connection with actions such as first-aid, salvage operations and extractions from the vessel with the exception of the cost of subsequently towing the vessel to its homeport.
5. Events caused by natural phenomena such as earthquakes, seaquakes, tidal waves, floods, cyclonic storms, the impact of astral bodies and those which may be classified as catastrophic or calamitous.
6. Claims occurring in the case of war, political or social demonstrations or disturbances, popular uprising, terrorism, sabotage, strikes, mutiny, restrictions on the free movement of persons or craft, or any case of force majeure, unless the insured can prove that the claim had no connection with such events. The insurance also excludes claims related to quarantine and other sanitary or disinfecting measures.
7. Violent acts or actions of the Armed Forces or Civil Security Forces or Bodies in peacetime.
8. Claims caused by nuclear radiation, other ionising radiation, or other explosive, dangerous or contaminating substances.
9. Claims occurring when the person in charge of the vessel does not hold the necessary sailing permit as required by the relevant authorities.
10. Claims occurring when the accident or breakdown is attributable to the person in charge of the vessel being under the influence of alcohol, drugs, toxins, narcotics and/or psychotropic substances.
11. Claims occurring when the vessel has been rented to a third party, with or without the crew.
12. Claims occurring outside the geographical area of navigation as stipulated in these Specific general conditions.
13. Claims occurring when the vessel is being used for contraband, drug smuggling or any other form of prohibited or clandestine commercial activity.

B. IN RESPECT OF THE COVERAGES INVOLVING THE INSURED VESSEL AND THE PERSONS ON BOARD:

1. Motor- and/or sail-driven vessels that were first registered more than 30 years ago, in the event of a breakdown.
2. Motor-driven vessels of the “off shore” type.
3. With regard to the cover described under point 4.5.2, “Hotel accommodation”, this cover will not be provided when the port to which the vessel affected by the breakdown or accident must be towed is less than 100 kilometres away from said vessel’s homeport or from the address or residence of the policyholder or insureds.

C. IN RESPECT OF COVERAGES INVOLVING MEDICAL CARE:

1. Any type of medical and/or pharmaceutical expense amounting to less than 30.05 euros.
2. Illnesses, injuries, disabilities or chronic conditions existing prior to the commencement of the excursion or journey, as well as any complications or relapses thereof.

3. Injuries occurring in the course of performing professional manual labour.
4. Death through suicide or illnesses or injuries caused by attempted suicide or deliberately self-inflicted by the insured.
5. Treatment of illnesses or pathological conditions caused by the voluntary consumption of drugs, toxins or narcotics or through the use of medicines without a prescription.
6. Expenses related to eyeglasses, contact lenses, crutches and, in general, any form of prosthesis.
7. Pregnancy and childbirth, with the exception of unforeseen complications within the first six months.
8. Any form of mental illness.

D. IN RESPECT OF THE INSURANCE OF PERSONS:

Burial and funeral expenses in the case of transport or repatriation of deceased.

E. IN RESPECT OF THE COVER ON THE VEHICLE TOWING THE TRAILER CARRYING THE VESSEL:

1. The insurance excludes any towing vehicle that does not belong to the policyholder/owner of the vessel.
2. The insurance excludes any vehicle first registered more than 10 years ago in the event of breakdown, unless it has passed the relevant compulsory technical inspections.

5 COMMON STIPULATIONS

1. Equipment and maintenance of the vessel

For the insurance to be operative, it is essential that the insured vessel meet all of the legal requirements imposed by the National Marine Authority or other relevant bodies before embarking on any cruise or nautical daytrip and that the vessel be adequately maintained to ensure safety throughout the journey.

2. Area of navigation

This insurance is limited to inland waterways and territorial waters apt for navigation and to transit by land in Spain and any country of the European Union and, outside these, solely and exclusively up to a distance of 200 miles from the Spanish and Portuguese coastlines, including journeys between the Iberian Peninsula and the Canary Islands, except for those points of this section affected by the provisions of “Section E: Maritime Rescue Services” and “Article 26. extraordinary Risks” (applicable only to insurance against personal accidents) in terms of navigation and/or the scope of cover.

In all cases, the area of navigation of the insured vessel is limited to the area authorised by the applicable Regulations and/or relevant Authorities for vessels of its class.

3. Limitation of utilisation and use of the vessel

The insured vessel will be utilised and used solely and exclusively for recreational and/or sporting navigation and, thus, is included on List 7, pursuant to the terms of Royal Decree 1027/1989, of 28th July (Official State Bulletin No. 194), unless otherwise agreed.

It will be prerequisite that the insured vessel not be used as a permanent home or hired out or chartered, subject to loss of the rights granted under this policy, unless otherwise agreed.

At no time will this insurance apply to third parties and/or institutions, unrelated to the insured who may be caring for or guarding the vessel insured under this contract.

6

INDEX LINKING

1. Automatic increases through index linking will only be applied to the sums insured and the net premium corresponding to the cover provided in Section C of this policy, which will be modified upon each renewal in accordance with the variation in the general Consumer Price Index as published by the Spanish National Institute of Statistics.

Either party may decide that said automatic increase will not be effected by so informing the other party in writing at least two months before the yearly renewal date.

2. The new sums insured and annual net premium will be established at each renewal by multiplying the values stated in the policy by the result of dividing the Renewal Index by the Base Index.

The following definitions will apply:

- **Base index:** The latest figure published by the Spanish National Statistics Institute as the general Index of Consumer Prices on the date of issue of the policy, which figure must appear in the same.
 - **Renewal index:** The figure appearing on each premium receipt, being the last published by said body as at the policy's annual renewal date.
3. **Average rule:** The calculation of the value of the insured interest at the time of the claim will be effected pursuant to the terms of Law 50/1980, on Insurance Contracts, and therefore, where applicable, the average rule will be applied, unless otherwise agreed in the policy schedule.

BASIC OF THE CONTRACT

7

STATEMENTS CONCERNING THE RISK

- The Insurance Application and questionnaire completed by the policyholder, as well as the insurer's proposal form, where applicable, together with this policy, comprise an indivisible contract and the basis of this insurance, which will only cover, up to the agreed limits, the risks specified herein.
- If the content of the policy differs from that of the insurance application or the agreed clauses, the policyholder may notify the insurer of the discrepancy within one month of receiving this policy so that the error may be remedied. If no such notification is made within this period, the terms of the policy will apply.
- The insurance contract and any modifications to it must be formally expressed in writing.

8

INFORMATION GIVEN ON CONTRACTING THE INSURANCE, NON-DISCLOSURE AND MISREPRESENTATION

- This policy has been contracted on the basis of the statements made by the policyholder on the insurance application and questionnaire submitted to the insurer, and the latter has accepted the risk, assumed the obligations hereunder and set the premium according to those terms.
- In the event of non-disclosure or misrepresentation on the part of the policyholder, the insurer may avoid the policy by notifying the policyholder or the insured within a period of one month from learning of such non-disclosure or misrepresentation. As soon as this notification is given, the insurer will be entitled to retain all premium paid for the current period, except in case of serious fault or fraud on the part of the insurer.
- If a claim occurs before the insurer notifies the avoidance of the policy as referred to in the preceding paragraph, the indemnity will be reduced in the same proportion that exists between the premium agreed in the policy and that which would be payable in accordance with the true nature of the risk. If the non-disclosure or misrepresentation was the result of fraudulence or serious fault on the part of the policyholder, the insurer will be relieved of any obligation to pay the claim.

9

INFORMATION AND ACCESS

- The policyholder or the insured are obliged to inform the insurer in advance of the existence of any other policies they have taken out 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 undertakes to allow the people assigned by the insurer for this purpose to enter said insured risk and to provide them with any data, information and documents they might request.

10 DETERIORATION OF THE RISK

The policyholder or the insured must, while the contract is in force, notify the insurer as soon as possible of any circumstances that may worsen the risk and whose characteristics, had they been known to the insurer at the time the Insurance was contracted, would have given rise to non-acceptance of the risk or to the establishment of less favourable conditions.

11 INSURER'S OPTIONS IN THE EVENT OF DETERIORATION OF THE RISK

- In case of notification of deterioration of the risk while the policy is in force, the insurer may propose a modification of the conditions of the contract within a period of two months of being advised of the worsening of the risk. In this case, the policyholder will have fifteen days, upon receiving the proposed modification, in which to accept or reject it.
- If the policyholder rejects the proposed changes or does not reply, the insurer may, after this period, cancel the contract, after notifying the policyholder accordingly, allowing him a further period of fifteen days to reply, after which, and within the next eight days, it will notify the policyholder of the policy's definitive cancellation.
- The insurer will also have the option of cancelling the policy by notifying the insured in writing within one month of learning of the deterioration of the risk.

12 CONSEQUENCES OF NOT NOTIFYING DETERIORATION OF THE RISK

- Should a claim occur without prior notification of the deterioration of the risk, the insurer will be free of any liability if the policyholder or the insured has acted in bad faith. Otherwise, the liability of the insurer will be reduced proportionately according to the difference between the agreed premium and that which would have applied had the true nature of the risk been known.
- Should the contract be cancelled as a result of a deterioration of the risk while the policy is in force requiring an increased premium, the insurer will be entitled to retain the premium paid for the whole period of insurance if the worsening of the risk is attributable to the insured. If the worsening occurs through circumstances beyond the insured's control, the insured will be entitled to a proportionate return of premium for the unexpired period of risk.

13 IMPROVEMENT OF THE RISK

- The policyholder or insured may, during the period of insurance, inform the insurer of any circumstances reducing the risk the nature of which, had it been known to the insurer at inception, would have made the terms of the contract more favourable to the policyholder.

- In such circumstances, at the end of the period covered by the paid premium, the insurer must reduce the amount of the premium to be paid in future by the appropriate proportion. If this is not done, the policyholder will be entitled to cancel the policy and receive a proportionate return of premium on the difference between the premium paid and that which would have been payable, calculated from the date of notification of the insurer of the improvement.

14 CHANGE OF OWNERSHIP

- In the event of the insured property being transferred to another person, the person acquiring the interest will take over the previous owner's rights and obligations under the policy.
- The insured is obliged to inform the person acquiring the property, in writing, of the existence of the policy on the interest being acquired. Once transfer of ownership has been verified, the insured must also inform the insurer or its representatives in writing within fifteen days of the transfer.
- The new owner and the previous owner, or, in case of death of the latter, his or her heirs, will be jointly responsible for the payment of any outstanding premiums at the time of transfer.
- The insurer may cancel the contract within fifteen days of receiving notification of the verified change of ownership. After exercising this right and notifying the new owner in writing, the insurer will be obliged to return the proportional part of premium paid for the unexpired period of risk resulting from said cancellation.
- The new owner of the insured property may also cancel the policy by notifying the insurer in writing within fifteen days of learning of its existence. In this case, the insurer will be entitled to retain the premium corresponding to the period ending on the effective date of cancellation of the contract.
- These same conditions will apply in case of death, suspension of payments, provisional insolvency, bankruptcy or definitive insolvency of the policyholder or insured.

15 ISSUE AND INCEPTION OF THE CONTRACT

- The insurance contract is formed at the time of agreement between the parties, as evidenced by the subscription thereby of the policy or provisional cover note. The cover contracted and its modifications or endorsements will only commence when all premiums have been paid, unless otherwise agreed in the policy schedule.
- In the event of delay in fulfilling either of these requirements, the obligations of the insurer will begin at midnight on the day that both requirements are met.

16 ISSUE AND INCEPTION OF THE CONTRACT

- The coverages provided under the policy come into force at the time and date stated in the policy schedule.
- Upon expiry of the period stated in the policy schedule, the policy will be understood to be renewed for a period of one year and likewise for successive years.

The amount of the applicable fees and/or premiums will be revised each year by the insurer on a general basis, based the principles of equity and sufficiency established in the Insurance Contract Law. The criteria for calculating the new premium will be based on technical studies, which will be performed based on the costs of the following factors:

- a. Indemnities for bodily injuries.
- b. Medical care.
- c. Repairs to the vessel, including transportation thereof, spares, paint and labour.
- d. Claim frequency.
- e. Handling of claims.
- f. Objective changes in the risk occurring over the course of the preceding year.

The policyholder expressly accepts that renewal of the insurance contract will be effected in the conditions established by the insurer as described in the preceding paragraph.

- Either party may decide that the contract will not be renewed by giving notice in writing to the other party at least two months before the end of the current period of insurance. Tacit renewal will not apply to insurance policies contracted for periods of less than one year.
- The insurance contract will be void, except in those cases provided for in the Insurance Contract Law, if, at the time of its conclusion, the risk does not exist or the claim has occurred (Article 4 of the Law) or if the interest of the insured does not exist (Article 25 of the Law), and it will not be operative when, due to bad faith on the part of the insured, the sum insured is substantially greater than the value of the insured interest (Article 31 and paragraph 4, Article 32, of the Law).
- Should the interest or risk disappear while the contract is in force, the insurer will be entitled to retain the portion of premium corresponding to the unexpired period of insurance.

17 PREMIUM PAYMENT

1. Time of payment

The policyholder is obliged to pay the first or single premium at the time the policy is issued. Successive premiums will be due on the corresponding renewal dates.

If the policy is not to come into force immediately at the time of issue, the policyholder may delay payment of the premium until the cover is to incept.

2. Place of payment

Unless a special provision is made in the policy schedule concerning the place of payment of the premium, it is understood that the premium payment will be made at the policyholder's address.

3. Consequences of non-payment of the premium

If, through the fault of the policyholder, the first premium is not paid, or the single premium is not paid at the renewal date, the insurer will be entitled to cancel the contract or to demand payment of the outstanding premium through legal proceedings based on the policy. At all times, unless otherwise agreed in the policy schedule, if the premium has not been paid before a claim occurs, the insurer will not be liable.

In the case of non-payment of any successive premium, the cover provided by the insurer will be suspended one month after the renewal date. If the insurer does not demand payment within six months of the renewal date, the contract will be considered cancelled.

In any event, when the cover is suspended, the insurer may only demand payment of the premium for the current period.

If the contract has not been terminated or cancelled pursuant to the preceding paragraphs, cover under the policy will come back into force at midnight on the day the policyholder pays the relevant premium.

18 CLAIMS

1. Obligations in the event of a claim

The policyholder, insured or beneficiary, as may be the case, as soon as a claim occurs, will be obliged to:

- Notify the insurer of the occurrence of the claim and its consequences within a maximum period of seven days upon learning of it, unless a longer period is agreed in the policy. In the case of breach of this obligation, the insurer may seek from the insured any damages caused due to the failure to notify the claim.
- Present an official report of the loss to the relevant authorities, giving notice of the claim, the circumstances, the way in which it occurred and the possible consequences and/or repercussions of same, providing the insurer with an authenticated copy of the report made.
- Safeguard at all times the insurer's rights of subrogation against liable third parties.
- Use all means available to lessen the consequences of a claim. Breach of this duty will entitle the insurer to reduce its indemnity in the appropriate proportion, taking into account the extent of the damage derived from the loss and the degree of fault attributable to the insured. If this breach is committed with the clear intention of harming or deceiving the insurer, the insurer will be released of all liability for the claim.

The expenses incurred in complying with the preceding obligation will be reimbursed by the insurer, even when they do not have effective or positive results, provided they are not unfounded or disproportionate to the salvaged property.

The measures taken, both by the insured and the insurer, in order to salvage, protect, lessen the damage to or recover the insured property will not be considered as waiver or acceptance of abandonment, nor will they prejudice the rights of either party.

2. Appraisal of losses

The appraisal of a loss will be effected according to the following norms:

- In the event of total loss or constructive total loss, indemnity will be calculated on the basis of the real value of the insured interest immediately prior to the occurrence of the claim.
- Constructive total loss. When the estimated cost of repairs and related expenses exceeds 75% of the real value of the vessel, the insured may choose between having the repairs carried out, subject to application of the average rule if the sum insured were less than the new replacement value of the vessel, and receiving the relevant indemnity, based on the real value of the insured interest immediately prior to the occurrence of the claim. In either case, after deduction of the value of the remains, the indemnity payable by the insurer may never exceed the sum insured.
- Under no circumstances may salvage charges and/or the cost of removing the remains plus the amount of indemnity exceed the sum insured at the time of the claim.
- Partial damage. Indemnity in respect of partial loss or damage will be based on the cost of repairs or replacement as new. If the sum insured is less than the new replacement value of the insured interest in the market at the time of the occurrence of the claim, the insured will be considered as his or her own insurer for the difference between these values, and the indemnity will be reduced proportionally and subject to any excess that may apply.
- Claims affecting interests insured under the heading of personal effects will always be indemnified on the basis of their real value.
- Items with an individual worth of more than 300,51euros will not be indemnified unless they are specified in the policy schedule.
- Repairs. The insured will be obliged to ensure that all the repair work and replacements needed to repair the damage are effected without delay. If, for any reason, except in the case of force majeure, the repairs are not carried out within a period of three months from the date of the occurrence of the claim, the insurer will only be liable for indemnifying the cost of repairs and/or replacements effected immediately after the claim.

Under no circumstances will the insurer be liable for damage that is not repaired if subsequent total loss occurs (whether or not the loss is covered by this insurance) during the period of insurance of this policy.

- In the event of partial loss affecting:
 - Masts and spars.
 - Sails and protective sheaths.
 - Rigging.
 - Gear and tackle in general.
 - Outboard motors.

The appraisal of the claim will be based on the real value thereof, after application of the appropriate depreciation for age and use, which will be, at least, 1/3 of the amount of the claim, plus the general excess established in the policy schedule for those items more than two years old.

3. Claims precessing and settlement

1. Own damage

The insurer will appoint, as soon as possible, the most suitable appraiser at the site of the claim in order to verify the causes and circumstances of the claim, check the declarations contained in the policy and evaluate the damage caused to the insured property.

2. Public liability

- In the case of claims included under this cover, neither the policyholder nor the insured, nor any other person acting on their behalf, may negotiate a settlement or accept or reject a claim without the prior express authorisation of the insurer.
- In the case of events covered by the policy, the insurer will undertake the control and supervision of all aspects of the claim, acting in the name of the policyholder or the person responsible for the events and dealing with the injured third parties or the successors thereof, indemnifying them where appropriate. If an out-of-court settlement cannot be reached, the insurer, acting through its Lawyers and Solicitors, will pursue the defence of the policyholder or the person responsible for the damage, in respect of civil actions, and, for this purpose, the defendant will be obliged to provide the insurer with such powers of attorney as may be required.
- In the event of an award being made against the insured, the insurer will decide whether or not to appeal to the relevant Higher Court. This notwithstanding, if the insurer decides that the appeal is not worth pursuing, the insured or interested party will be informed accordingly and will be free to present an appeal at his or her own expense. The insurer will be obliged to meet all expenses incurred by the insured in presenting the appeal if the outcome is favourable, up to the amount of the saving achieved.
- The insurer will also be liable for the constitution of such bail bonds or guarantees as may be required of the policyholder or insured by the Courts in civil liability proceedings.
- Should a bail bond or guarantee be required jointly to cover civil and criminal liability, the insurer will constitute, to cover the former, a bond for half of the total amount in question.

3. Personal accidents.

- In cases of death: If an accident causes the death of any insured person, the insurer will pay the sum insured to the deceased's legal heirs.
- In cases of disability: Determination of the degree of disability caused by an accident will be effected after presentation of the corresponding medical certificate. The insurer will notify the insured in writing of the amount of indemnity due, according to the degree of disability shown in the medical certificate and the scales established in the policy.

If the insured does not accept the indemnity proposed by the insurer in respect of the degree of disability, the parties will submit the case to and be bound by the decision of independent medical experts, pursuant to Article 38 of the Insurance Contract Law.

4. Concurrent insurance

- When two or more policies contracted with different insurers cover the same interest at the same time against the same risk, the Insurance policyholder or the insured must, unless otherwise agreed, provide each insurer with the details of the other policies. After the occurrence of a claim, the policyholder or the insured must notify each insurer, providing it with the details of the other insurers.
- The insurers will contribute to payment of the indemnity and expenses in proportion to their sums insured, and, under no circumstances, may the indemnity exceed the real cost of the damage sustained. Within this limit, the insured will be entitled to claim the indemnity due from each insurer, according to the respective contracts.
- If, through intent to deceive, the existence of other insurance policies is not disclosed and over-insurance exists, the insurers will not be obliged to pay the indemnity.

5. Claims – Payment of indemnities

1. As a general rule, the insurer must settle claims on completion of the investigations and appraisal work required to establish the existence of the claim and, where applicable, the extent of the damage caused.

In all events, the insurer will be obliged, within forty days of receipt of the notification of claim, to pay the minimum amount for which the insurer may be liable, according to the circumstances known to it.

2. If the decision of the appraisers is contested, the insurer will be obliged to pay the minimum amount as described in the preceding paragraph.
3. When the nature of the insurance so allows and the insured agrees, the insurer may substitute payment of a monetary indemnity with the repair or replacement of the damaged property.
4. If, within three months of the occurrence of the claim, the insurer has not indemnified the cost of repair or replacement of the insured property without good cause or for a reason imputable to the insurer, the indemnity will become subject to an annual interest rate of 20%.
5. If, after the occurrence of a claim, recovery or reimbursement of the loss is obtained from any source whatsoever, the insured must notify the insurer accordingly, and the insurer may deduct the amount of such recovery or reimbursement from the indemnity.
6. In the case of civil liability claims, the insurer, within the limits and terms of the policy, will pay the agreed indemnity within a maximum period of five days from the date on which the amount due is determined by a definitive verdict of a court of law or as a result of the insurer admitting liability.
7. In the event of an accident causing the death of a passenger, the insurer will have the right to retain that part of the sum insured that, in accordance with the circumstances known to the insurer, could be payable to the tax authorities in respect of payment of death duties, which it will pay once proof of payment of these duties is supplied.

19 SUBROGATION

- Once indemnity has been paid and without the need for any further formal transfer, cession, title or mandate, the insurer automatically takes over the rights, recourses and actions that, as a result of the claim, the insured may exercise against the persons who caused or are responsible for said claim or against other insurers, where applicable, up to the amount of the settlement.
- The insurer may not exercise subrogation rights in detriment to the insured.
- The insured will be liable for any prejudice caused to the insurer in the exercise of its subrogation rights due to acts or omissions of the insured.

20 RECOURSE

- The insurer may claim from the insured reimbursement of any Indemnity it may be obliged to pay to an injured party or successor thereof who exercises the right of direct action against the insurer when the damage caused to the third party is the result of wilful misconduct on the part of the insured.
- The insurer will also be entitled to seek damages for such prejudices as may have been caused to the insurer by the insured and/or the policyholder in the circumstances and situations described herein and to require reimbursement of the amounts the insurer may have been obliged to pay to injured third parties in respect of claims not covered by the Insurance.

21 EXTINCTION AND ANNULMENT OF THE CONTRACT

- Should, during the period of insurance, the insured interest or the insured risk disappear, this insurance contract will be automatically voided and the insurer will be entitled to retain premium for the period of unexpired risk.
- The insurance contract will be void if, at the time of inception, the risk does not exist or the claim has already occurred.

22 LIMITATION

The rights to take legal actions derived from this insurance contract will become time-barred after two years in the case of property damage and five years in the case of insurance on human life.

23 ARBITRATION

If the two parties do not agree on any issue, they may submit the case to arbitration in accordance with current legislation.

24 NOTICES AND JURISDICTION

- All notices addressed to the insurer by the policyholder, the insured or the beneficiary shall be made at the registered offices of the insurer as stated in the policy; however, if they are made to an agent of the insurer, they shall have the same effect as if they had been made directly to the insurer.
- All notices from the insurer to the policyholder, insured and/or beneficiary shall be made at their place of residence, as stated in the policy, unless they have notified the insurer of a change of address.
- All notices made by an insurance broker to the insurer on behalf of the policyholder shall have the same effect as if they had been made by the policyholder him/herself, except where otherwise indicated. This notwithstanding, at all times, the policyholder's express approval shall be required to enter into a new contract or modify or terminate the insurance contract currently in force.
- This contract shall be governed by Spanish law, and the competent judge to hear claims arising from it shall be the judge with jurisdiction over the place of residence of the insured, to which end the insured will designate an address in Spain, if his/her regular address is abroad.

25 INDEMNITY CLAUSE

COVERED BY THE INSURANCE COMPENSATION CONSORTIUM FOR LOSSES DERIVED FROM EXTRAORDINARY EVENTS.

PERSONAL INJURY CLAUSE

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

The indemnity derived from losses resulting from extraordinary events that occur in Spain and that affect the risks located therein, and also those that occur abroad when the insured has his main residence in Spain, shall be paid by the "Insurance Compensation Consorcio" when the policyholder has paid the corresponding surcharges in favour

thereof and when any of the following occurs:

- a. When the extraordinary risk covered by the “Insurance Compensation Consorcio” is not covered by the policy contracted with the Insurance Company.
- b. When, even though it is covered by said insurance policy, the duties of the Insurance Company cannot be fulfilled because it has been declared bankrupt or because it is subject to a compulsory winding-up process taken over by or undertaken by the “Insurance Compensation Consorcio”.

The “Insurance Compensation Consorcio” shall comply with the provisions set forth in said Legal Statute, in Law 50/1980 of 8 October on Insurance Contracts, in the Regulations on extraordinary risk insurance approved by Royal Decree

300/2004 of 20 February and in all complementary provisions.

1. Covered extraordinary events

- a. The following natural phenomena: earthquakes and tsunamis, extraordinary floods (including storm-generated ocean waves), volcanic eruptions, atypical hurricanes (including winds with gusts exceeding 135 km/h and tornadoes) and falling meteorites.
- b. Those caused violently as a result of terrorism, rebellion, sedition, mutiny and popular uprising.
- c. Events or actions of Armed Forces or of Security Forces and Bodies in times of peace.

2. Excluded risks

- a. Those that do not give rise to indemnity according to the Insurance Contracts Law.
- b. Those caused to persons insured by an insurance contract other than those in which a surcharge in favour of the “Insurance Compensation Consorcio” is mandatory.
- c. Those caused by armed conflicts, even though they may not have been preceded by an official declaration of war.
- d. Those derived from nuclear energy, without prejudice to the provisions in Law 25/1964 of 29 April, on nuclear energy.
- e. Those caused by natural phenomena other than those indicated in Article 1 of the Regulations on extraordinary risk insurance, and in particular those caused by the elevation of the water table level, movement of slopes, sliding or settling of land, falling rocks and similar phenomena, unless they were manifestly caused by the action of rain water that, if applicable, would have caused extraordinary flooding in the zone and they occurred simultaneously with said flooding.
- f. Those caused by tumultuous actions occurring during the course of meetings and demonstrations carried out in accordance with the provisions in Organic Law 9/1983 of 15 July, which regulates the right to hold meetings, as well as during the course of legal strikes, unless said actions could be qualified as extraordinary events in accordance with Article 1 of the Regulations on extraordinary risk insurance.
- g. Those caused by the bad faith of the insured.
- h. Those corresponding to losses occurring before payment of the first premium

or when, in accordance with the provisions in the Insurance Contracts Law, the coverage of the “Insurance Compensation Consorcio” may be suspended or the insurance may have expired due to the failure to pay premiums.

- i. Losses that, due to their magnitude and seriousness, are qualified by the National Government as a “national catastrophe or disaster”.

3. Extension of coverage

The coverage of extraordinary risks shall extend to the same persons and sums insured that have been established in the policy for the purposes of ordinary risks.

In life insurance policies that generate a mathematical provision, in accordance with the provisions in the contract and pursuant to the regulatory legislation on private insurance, the “Consorcio” coverage shall refer to the capital at risk for each insured party, meaning the difference between the sum insured and the mathematical provision that, in accordance with said legislation, the Insurance Company issuing it, should have constituted. The amount corresponding to said mathematical provision shall be satisfied by said Insurance Company.

PROCEDURE FOR ACTIONS IN THE EVENT OF A LOSS TO BE INDEMNIFIED BY THE “INSURANCE COMPENSATION CONSORCIO”

In the event of a loss, the insured, the policyholder, the beneficiary or their respective legal representatives, either directly or through the Insurance Company or through the insurance intermediary, shall, within a period of seven days after becoming known, report the occurrence of the loss to the regional office of the corresponding “Consorcio”, depending on the location where the loss occurred. Notification shall be made using the form established for this purpose, which is available at the “Consorcio” web page www.conorseguros.es or at the “Consorcio” office or the offices of the Insurance Company, and all required documentation according to the nature of the injuries shall be attached.

To clarify any doubt that could arise about the procedure to follow, the “Insurance Compensation Consorcio” provides the following telephone number for the insured party: **902 222 665**.

LIBERTY



Liberty
Seguros

libertyseguros.es