



# RECREATIONAL CRAFT INSURANCE

Terms and Conditions No. 06.VL1  
Effective as of 19.04.2022.

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AAS BTA Baltic Insurance Company Estonian branch and the policyholder shall enter into a recreational craft insurance contract in accordance with these terms and conditions.

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## 1. DEFINITIONS OF TERMS, USED IN THESE TERMS AND CONDITIONS

**Actual value** – the price of the insurance object on the local market immediately before the insured event, taking into account its age and physical wear and tear.

**Additional equipment** – any device, system, and/or accessory installed on a recreational craft which was not installed by the manufacturer (e.g. audio and video equipment, auxiliary communication system, auxiliary lighting). The insured additional equipment shall be indicated separately in the insurance contract.

**Amateur level competition** – competitions, Recreational Craft sailing regattas, training sailing, test drives or other sport-related voyages, in which the participant and the Recreational Craft do not require certification, permits or licensing.

**Authorised User of the Recreational Craft** – the owner or a person to whom the Recreational Craft is conveyed with the owner's consent; in the case of leasing, also the person to whom the Recreational Craft is conveyed with the lessee's consent.

**Beneficiary** – a person designated by the insurance contract who is entitled to receive, in the event of an insured event, an insurance benefit or an agreed sum of money or other BTA obligation specified in the insurance contract.

**Consumer** – a natural person who takes out an insurance contract for a purpose which is not connected to his or her business or professional activity.

**Deductible** – the part of the loss or damage provided for in the insurance contract that is not covered by BTA under the insurance contract agreed on upon conclusion of the insurance contract. Deductibles can be defined as a fixed amount or a percentage of the damage. If an insured event involves the materialisation of several selected risks with different deductibles, a single, highest deductible applies.

**Destruction** – a condition of a recreational craft in which the cost of repairing the damage to the craft as a result of an insured event exceeds 70% of its actual value.

**Insurance Application** – a document or information submitted by the policyholder to BTA concerning the facts and circumstances relating to a recreational craft which are necessary for the assessment of the insurance risk.

**Insurance Contract** – an agreement between BTA and the policyholder that defines the rights and obligations of the parties.

**Insurance indemnity** – a monetary or non-monetary compensation payable in the event of the realisation of a risk agreed by the insurance contract, to compensate for the loss or damage suffered.

**Insurance object** – an object in respect of which the risk is insured. For the purposes of these terms and conditions, a recreational craft.

**Insurance Period** – the period of time during which the cover is valid.

**Insurance Policy (hereinafter the policy)** – a document in a format which can be reproduced in writing, issued by BTA to the policyholder, certifying the conclusion of an insurance contract.

**Insurance Premium** – a fee agreed on by the insurance contract, which the policyholder pays for the insurance cover.

**Insurance territory** – the territory specified in the insurance contract where the insurance cover applies.

**Insured Event** – an unexpected and unforeseeable event agreed by the insurance contract, the occurrence of which requires BTA to fulfil its obligation under the insurance contract.

**Insured person** – a person identified by name in the insurance contract or an unspecified third party in relation to whom the insurance risk is insured.

**Insured Risk** – an event specified in the insurance contract against which the insurance is taken out.

**Insurer** – the Estonian branch of AAS 'BTA Baltic Insurance Company' (hereinafter referred to as BTA). BTA is a foreign insurer and is involved in insurance activities in Estonia through the branch of AAS BTA Baltic Insurance Company in Republic of Estonia.

**Policyholder** – person concluding an Insurance Contract for the benefit of oneself or another person;

**Recreational Craft** – an engineering device for Recreation, entertainment and Amateur level competitions, designed for use on water, the length of which is up to 24 metres (such as, but not limited to, motorboat, launch, sailing yacht, motor yacht, sail catamaran, rowing boat, etc.).

**Standard equipment** – the equipment fitted and installed by the manufacturer of the recreational craft, as well as the mandatory equipment required by the legislation in force (e.g. life-saving equipment, fire-fighting equipment, communication equipment), if on board the recreational craft.

**Sum Insured** – the maximum amount of BTA's liabilities under a single insurance contract, expressed in monetary value or otherwise defined and specified in the insurance contract. The amount of insurance will not be reduced by the amount of the benefit paid out.

### 3. INSURANCE OBJECT

- 3.1. The insurance object is the recreational craft specified in the insurance contract and duly registered in the relevant register. The recreational craft is insured in the configuration indicated in the insurance contract.
- 3.2. Any additional equipment on board the recreational craft is only insured if this is expressly provided for in the insurance contract.
- 3.3. Any standard equipment and/or additional equipment upgraded and/or additionally installed on board the recreational craft during the period of insurance shall be insured only if they are covered by a supplementary contract or an addendum to the contract.
- 3.4. A lifeboat/life raft of the recreational craft is considered insured only if all the following conditions are met:
  - 3.4.1. this is explicitly agreed in the insurance contract;
  - 3.4.2. the lifeboat or raft bears the identification mark of the recreational craft (e.g. name or registration number) in legible characters; and
  - 3.4.3. the lifeboat/raft is moored to or on board the recreational craft or in an enclosed parking or storage area with the recreational craft.

### 4. INSURANCE PROTECTION

- 4.1. A recreational craft can only be insured against the following main risks agreed in the insurance contract and set out in the policy
  - 4.1.1. **Water traffic accident risk** – a water traffic collision with another moving or stationary object (including another craft or port facility), running aground on a reef or scouring the bottom of a body of water; including capsizing or sinking of a recreational craft at sea which results in damage to or destruction of the craft;
  - 4.1.2. **Fire risk** – the effects of a fire, smoke, soot, or extinguishing operations on a recreational craft, which may result in damage or destruction of the craft;
  - 4.1.3. **Explosion risk** – sudden occurrence of a force resulting from an expansion of gases or vapour which may damage or destroy the recreational craft. An explosion of a container (e.g. boiler, pipe) is considered to have occurred if the walls of the container are damaged to an extent that causes a sudden convergence of the internal pressure and the external pressure;
  - 4.1.4. **Natural disasters risk** – a direct effect on a recreational craft of a storm\*, water, flood, thunderstorm, hail, earthquake, or volcanic eruption, as well as the falling of various objects onto the recreational craft due to a natural hazard, which may damage or destroy the craft;
    - \***Storm** – for the purposes of these terms and conditions, winds of at least 7 knots per second (on the Beaufort scale) or at least 17 m/s (seventeen metres per second) which have caused visible mechanical damage to the recreational craft;
    - In the case of the risk of an upwind or berth risk where the wind speed at the location of the recreational craft cannot be determined, the storm is deemed to have occurred if the buildings or objects adjacent to the location of the recreational craft have been damaged by the wind;
  - 4.1.5. **Jettison risk** – damage to or destruction of the recreational craft as a result of objects being thrown overboard in the case of a risk of an insured event;
  - 4.1.6. **Shaft breakage risk** – the risk of the propeller shaft of the recreational craft breaking, resulting in damage to or destruction of the recreational craft (including damage to or destruction of the engine propeller shaft crown, propeller blade). In the event realisation of the risk of the shaft breaking, damage to the recreational craft engine and its parts, electronic equipment, and battery and its parts



will not be indemnified;

- 4.1.7. Slipway risk** – the act of lifting a recreational craft out of the water in order to place it on a slipway, or of launching it from a slipway, which results in damage to or destruction of the craft;
- 4.1.8. Berth risk** – the risk of the recreational craft colliding with a quay or pontoon (including due to the realisation of a natural disasters risk), resulting in damage or loss of the recreational craft;
- 4.1.9. Theft risk** – theft or attempted theft of the recreational craft, part of the recreational craft, or any standard or insured accessories;
- 4.1.10. Robbery risk** – theft of the recreational craft, part of the recreational craft, or any standard or insured accessories, or attempted robbery by violence or threat of violence;
- 4.1.11. Third party unlawful activity risk** – intentional malicious act by a third party which results in damage to or destruction of the recreational craft or part of the craft.

The following persons are not considered third parties: the policyholder, the insured person, the beneficiary, an authorised user of the recreational craft, including the charterer and the sub-charterer, and the employees or authorised representatives of any of the above and the ascendants and descendants of any of the above.

- 4.2.** The additional risks listed below can only be insured if the recreational craft is at least insured for the risks of collision, fire and natural disasters:

- 4.2.1. Transportation risk** – damage or destruction of the recreational craft:

- 4.2.1.1.** as a result of a traffic accident, i.e. a collision with another vehicle, barrier, pedestrian, animal or other object on the road or in any other place intended for the use of motor vehicles, as well as the overturning, falling (from a bridge, etc.), sinking or falling through ice of a motor vehicle in motion, or the occurrence of any main risk in the course of transporting the recreational craft on a special trailer for the transporting of a watercraft attached to a vehicle;

- 4.2.1.2.** during the process of being lifted out of the water to be placed on or lowered from a trailer specially designed for the transport of watercraft;

- 4.2.2. High-speed risk** – the risk of sailing with the recreational craft at a maximum speed of more than 31,484 km/h (17 knots) allowed by the manufacturer, as a result of which the recreational craft will be damaged or destroyed if a main risk insured materialises;

- 4.2.3. Competition risk** – damage to or destruction of the recreational craft in the event of the occurrence of a main risk insured when the craft is participating in an amateur-level competition;

- 4.2.4. Training rides risk** – the risk of damage to or destruction of the recreational craft in the event of the occurrence of a main risk insured when the craft is used for the training of recreational craft navigators;

- 4.2.5. Lease risk** – damage to or destruction of the recreational craft in the event of the occurrence of a main risk insured when the craft is made available to a third party for a fee (lease);

- 4.2.6. Equipment towing risk** – damage to or destruction of the recreational craft as a result of a collision with any type of water skis, water boards, inflatable equipment or other equipment intended for use in the water towed attached to the recreational craft by means of a rope, cable or other means of attachment;

- 4.2.7. Piracy and armed robbery at sea** – damage, destruction or loss of a recreational craft as a result of piracy or armed robbery at sea. For the purposes of these terms and conditions, piracy and armed robbery at sea is any unlawful act of violence or detention directed at:

- 4.2.7.1.** a recreational craft or persons or property on board of a recreational craft on the high seas;

- 4.2.7.2.** a recreational craft or persons or property outside the jurisdiction of any country;

- 4.2.8. Rapid Response Vehicle risk** – the risk of damage to, destruction or loss of the recreational craft in the event of the occurrence of a main risk insured when the craft is used for operational activities under the Rescue Act;

- 4.2.9. Commercial activity (business) risk** – damage to, destruction or loss of the recreational craft in the event of the occurrence of a main risk insured when the craft is used for commercial activities to earn income in its own name (for example, among other things, transporting passengers or goods for

a fee, providing services to a third party, conducting training voyages, or chartering out a vessel for a fixed period without the crew (chartering)).

For the purposes of this clause, the activities described in clauses 3.2.1 to 3.2.6 of these terms and conditions shall not be considered commercial activities.

For purposes of these Terms and Conditions, an entrepreneur shall be considered the Insured or the Policyholder who is a natural person (individual entrepreneur) or a commercial company (partnership and commercial company) registered with the commercial register.

- 4.3. The insurance cover is valid for the insurance period indicated in the insurance contract.
- 4.4. Additional risks are insured if the corresponding additional risks are selected and set out in the insurance contract.
- 4.5. If the insurance territory indicated in the insurance contract is:
  - 4.5.1. **Estonia**, the insurance cover is only valid on the territory of the Republic of Estonia, on inland waterways and territorial sea. Inland waterways are the waterways (rivers, canals, etc.) and water bodies (lakes, ponds, and reservoirs) which extend to the land border of the Republic of Estonia;
  - 4.5.2. the **Baltic States**, the insurance cover is valid on the territory of Latvia, Lithuania and Estonia, on inland waterways and territorial seas;
  - 4.5.3. **European countries**, the insurance cover applies to the inland waters and territorial seas of European countries, i.e. on the territories of Latvia, Lithuania, Estonia, Austria, Andorra, the United Kingdom (Great Britain), Belgium, Bulgaria, the Czech Republic, Denmark, France, Greece, Croatia, Ireland, Iceland, Italy, Cyprus, Liechtenstein, Luxembourg, Malta, Monaco, Norway, the Netherlands, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Finland, Spain, Switzerland, Hungary, Germany, the Vatican, and Sweden;
  - 4.5.4. **particular countries or territories**, the insurance cover will apply to the countries and territories indicated in the insurance contract.

## 5. EXCEPTIONS

- 5.1. The following cases of loss or damage shall not be deemed insured event and are not compensable for:
  - 5.1.1. in the case of the water traffic accident risk, the driver of the recreational craft or, in the case of the transportation risk, the driver of the motor vehicle transporting the recreational craft was in breach of the requirements laid down in the applicable legislation;
  - 5.1.2. the recreational craft is in unlawful possession, unless the insured event is classified as theft or robbery and the corresponding risk is insured;
  - 5.1.3. the owner has lost possession of the recreational craft due to fraud or deception;
  - 5.1.4. the water traffic accident risk occurred in a location where navigation of recreational crafts is prohibited or which is not suitable for the recreational craft (e.g. frozen waters, marshy areas, etc.);
  - 5.1.5. the policyholder, the insured person or the authorised user of the recreational craft failed to comply with the requirements and/or instructions of the manufacturer or supplier of the recreational craft or with the requirements of the legislation concerning the operation, parking, storage, testing, inspection, technical inspection, maintenance or repair of the recreational craft, and such failure to comply with the instructions or requirements caused or contributed to the occurrence of the loss or damage or increased the loss or damage after the incident;
  - 5.1.6. the loss or damage is connected to the washing, maintenance or repair of the recreational craft or its standard or ancillary equipment, or the consequences thereof;
  - 5.1.7. the damage was caused to the cast-off sail or the sail cover of the recreational craft and the rigging or the mast were not damaged, except for any damage caused by the water traffic accident risk, fire or explosion;
  - 5.1.8. damage to the sail, mast or rigging of a recreational craft, other than any damage resulting from the water traffic accident risk, fire or explosion;
  - 5.1.9. damage to the engine of the recreational craft and/or part thereof, the electronic equipment or battery and/or parts thereof as a result of the realisation of the natural disasters risk. BTA will, however, compensate for damage caused to the propeller shaft crown and/or propeller blades or the sinking of a recreational craft as a result of the realisation of the natural disasters risk;

- 5.1.10.** the damage was caused by an engine attached to the recreational craft falling into the water or overboard, unless it was caused by the realisation of the natural disasters risk;
- 5.1.11.** the damage was caused by the effect of water, except in the case of the realisation of the water traffic accident risk or natural disasters. For the purposes of these terms and conditions, the effect of water is the ingress of water into the electrical or mechanical parts or equipment (engine, gearbox, etc.) of the recreational craft which caused damage to the electrical or mechanical parts or equipment of the craft;
- 5.1.12.** damage to the engine, transmission or other equipment of the recreational craft due to internal electrical or mechanical damage or equipment malfunctions;
- 5.1.13.** theft of the recreational craft by using the original ignition keys or original anti-theft equipment controls;
- 5.1.14.** an authorised user of the recreational craft has failed to return the recreational craft to the owner or the lawful keeper;
- 5.1.15.** the outboard engine is stolen from the recreational craft when the craft is not in use, unless the craft is stationary:
- 5.1.15.1.** in a marina or yacht club;
  - 5.1.15.2.** in a physically or technically secure area at all times;
  - 5.1.15.3.** in a locked room;
- 5.1.16.** the recreational craft has been left unattended as a result of theft or other unlawful activity by a third party.
- A small craft is not considered to have been left unattended if:
- 5.1.16.1.** the recreational craft is locked,
  - 5.1.16.2.** all its windows, hatches and escape hatches are closed,
  - 5.1.16.3.** all anti-theft devices installed on the recreational craft are activated,
  - 5.1.16.4.** the keys and documents of the recreational craft are not left in an easily accessible place or are not entrusted to persons whose actions or inactions give rise to the third party unlawful activity risk,
  - 5.1.16.5.** the recreational craft is moored to a marina berth, yacht club berth or pontoon, or
  - 5.1.16.6.** the recreational craft is anchored in a recreational craft anchorage; or
  - 5.1.16.7.** in a locked room or an area that is physically or electronically secured at all times;
- 5.1.17.** the recreational craft had not been properly stored and therefore suffered damage as a result of freezing of the ground, movement of ice or changes in the water level;
- 5.1.18.** the recreational craft was not registered in the relevant national register or assigned a registration number;
- 5.1.19.** at the time of the insured event, the recreational craft was outside the insurance territory specified in the insurance contract, unless it was there as a result of an insured event;
- 5.1.20.** the damage to or destruction of the recreational craft was caused by improper design, manufacture, construction, fitting-out, maintenance, repair or installation of the recreational craft;
- 5.1.21.** the damage is the result of a long-lasting or progressive process (e.g. corrosion, abrasion, oxidation, limescale, mould formation, the effects of humidity and temperature, changes in the (structural) finish of the material);
- 5.1.22.** the requirements of the classification society of the recreational craft have been breached or recommendations have not been followed;
- 5.1.23.** the recreational craft has been operated without a valid certificate issued by the classification society or without a seaworthiness certificate (if such a requirement is provided for in the applicable legislation);
- 5.1.24.** damage to any recreational craft equipment which was carried on board the recreational craft (e.g. water skis, water boards);
- 5.1.25.** the damage was caused by a boating or traffic accident where the driver of the recreational craft or the driver of the vehicle carrying it or the instructor of the course was under the influence of alcohol, drugs or other psychotropic substances, and the relevant parameters exceeded the limits laid down

by law in the country where the accident occurred;

- 5.1.26.** the driver of the recreational craft or the driver of the vehicle transporting the recreational craft, or a person learning to drive, driving at the time of the accident, or taking part in a driving lesson was consuming alcoholic beverages, narcotic or other psychotropic substances after the occurrence of the boating or road traffic accident before measurement of their blood alcohol level or testing for narcotic or other psychotropic substances or the completion of similar investigative operations in accordance with the legislation in force;
- 5.1.27.** the driver of the recreational craft or the driver of the vehicle transporting the craft, or a person participating in a driving lesson in such a vehicle who was driving the vehicle at the time of the accident evaded testing for alcohol, narcotic or other psychotropic substances in their blood;
- 5.1.28.** the damage was caused by animals, insects or birds;
- 5.1.29.** the damage was caused by the use of the recreational craft in a manner which does not comply with the technical requirements or is unsuitable;
- 5.1.30.** the recreational craft was placed on the slipway for storage and left unsecured;
- 5.1.31.** in the event of a fire or explosion risk, the recreational craft did not have the prescribed and operational fire-fighting equipment;
- 5.1.32.** the driver of the vehicle transporting the recreational craft failed to take all measures possible during transportation of the craft to maintain the recreational craft in the pre-transport condition, including leaving the recreational craft unsecured on the means of transport, leaving the vehicle unattended, parking the vehicle in an unattended parking place or in a place not fenced or guarded around the clock, or leaving the vehicle unlocked or without operational or activated anti-theft devices;
- 5.1.33.** the recreational craft is used for rescue operations, but the requirements laid down in the applicable legislation or in the instructions for use are not respected;
- 5.1.34.** the damage was caused by improper use of the recreational craft under conditions that do not correspond to the technical specifications of the craft or the manufacturer's requirements (e.g. overloading);
- 5.1.35.** the damage was caused by a claim for ransom, piracy or armed robbery at sea;
- 5.1.36.** the loss or damage was caused in connection with a declared state of emergency or state of calamity or any measures taken to remedy such situations;
- 5.1.37.** the damage was caused by an epidemic or pandemic.

## **6. INSURANCE INDEMNITY**

- 6.1.** In the event of an insured event, BTA will compensate for direct material damage to a reasonable and justified extent, less the deductible specified in the insurance contract:
  - 6.1.1.** in the event of an insured event, the cost of repairing the recreational craft to the condition it was in immediately before the insured event;
  - 6.1.2.** the amount of compensation is calculated on the basis of the estimated volume and cost of the necessary repair work within six months of the insured event;
  - 6.1.3.** when calculating the amount of the indemnity, any costs for overtime, night work, working on public holidays, expedited delivery of materials, and the like are not taken into account, unless the parties to the insurance contract have expressly agreed otherwise;
- 6.2.** In addition to the insurance indemnity calculated based on clause 5.1, BTA shall reimburse the reasonable salvage costs incurred in order to minimise any additional damage to the recreational craft after the insured event. BTA will reimburse such costs even if the measures taken did not provide the expected result. The maximum compensation for salvage costs per insured event amounts to 10% of the actual value of the recreational craft.
- 6.3.** In addition to the insurance indemnity calculated based on clause 5.1, BTA will reimburse the direct costs of the examination of the bottom of the recreational craft after a possible grounding, provided that the examination is carried out for this reason. BTA will reimburse such costs even if no damage to the bottom of the recreational craft is found. The maximum total amount of the insurance benefits payable for surveys of the bottom of the recreational craft in a single period of insurance amounts to EUR 2,500.00.

## **7. CONCLUSION OF INSURANCE CONTRACT BY MEANS OF DISTANCE COMMUNICATION**

- 7.1.** The insurance contract may also be concluded by electronic means where the contract is concluded in a distribution or service system used for the conclusion of such contracts and BTA and the policyholder are not present at the same time and place for the conclusion of the contract and the expressions of intent of the parties to conclude the contract, including the declaration of intent of the consumer to assume the contractual obligations, are communicated exclusively by electronic means.

In the event of concluding the contract by electronic means, BTA will provide to the consumer before the conclusion of the contract in a clear and comprehensible way any information which is publicly available on the website of BTA: [www.bta.ee](http://www.bta.ee). The terms and conditions of the contract concluded by electronic means describe, among other things, the details of BTA, the main characteristics of the object of the contract, the price of the contract, the withdrawal options, including the application form to be submitted in case of withdrawal, etc.

## **8. OTHER PROVISIONS**

- 8.1.** The policyholder and the insured person are not entitled to transfer their rights under the insurance contract, including any existing or potential claims, to third parties.