

RECREATIONAL CRAFT POSSESSOR'S LIABILITY INSURANCE



TERMS AND CONDITIONS No. EE41

APPROVED

By „BTA Insurance Company“ SE

Board Decision No. LV1_0002/02-03-03-2015-63 of 20.04.2015

BTA and Policyholders enter into recreational craft possessor's liability insurance contract in accordance with the "BTA Insurance Company" SE (hereinafter BTA) General Insurance Terms and Conditions valid at the moment of conclusion of the insurance contract and these Terms and Conditions.

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1. TERMS USED

Coverage territory of the insurance contract	Territory of the Republic of Estonia, inland waters of the Republic of Estonia and the Baltic sea.
Recreational craft	A vessel for recreation, entertainment and sports, 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, water motorcycle)
Insured person	Owner or authorised user of the recreational craft indicated in the insurance contract, i.e. person to whom the recreational craft is conveyed with the owner's consent, in the event of leasing, also a person to whom the recreational craft is conveyed with the lessee's consent
Vessel	Engineering technical device that structurally is designed for use on water
Water traffic accident	Water traffic accident in a result of which a vessel has been damaged or lost, an individual has died or she or he has been caused physical injury, losses have been caused to Third person or environment

2. INSURANCE OBJECT

Insurance object	2.1. Insurance object is civil liability of the Insured person for losses caused to a Third person in a water traffic accident.
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3. INSURANCE COVERAGE

Basic insurance coverage	3.1. By concluding the insurance contract Insured person's civil liability for the losses in connection with death or bodily injury caused to a Third party or loss of or damage to a Third party's property is covered.
Optional insurance coverage	3.2. The defined below risks shall be covered only after special agreement and stipulation in the insurance contract:
Environmental pollution	3.2.1. damage caused to the environment as a result of sudden pollution caused by fuel or other technical liquids leakage from the Recreational craft;
Participation in competitions	3.2.2. loss of or damage caused to a Third party property or death or injury caused to a Third party while participating in a competition, sailing recreational craft regattas, training sailing, test drives or other voyages related to sport;

Training rides	3.2.3. loss of or damage caused to Third party property or death or injury caused to Third party using the Recreational craft for the training of recreational craft drivers for non-commercial purposes;
Operational vehicle	3.2.4. loss of or damage caused to a Third party property or death or injury caused to a Third party when using the Recreational craft for operational response activities;
Reimbursable expenses	3.3. Pursuant to the terms and conditions of the concluded insurance contract BTA will pay out the insurance indemnity and compensate the following expenses proved by documents: 3.3.1. direct losses in connection with death or bodily injury caused to a Third party; 3.3.2. direct losses in connection with loss of or damage to Third Party's property; 3.3.3. reasonable salvage expenses, related to urgent measures to prevent or reduce the damages, even in the cases if these measures have not been successful; 3.3.4. litigation expenses in relation to consideration and adjustment of the claim submitted by a Third party against the Insured person, agreed upon with BTA.
Optional reimbursable expenses	3.4. Only after special agreement and stipulation in the insurance contract BTA shall pay out the insurance indemnity for the following reasonable and duly documented expenses:
Expenses for wreck removal	3.4.1. expenses for the removal of the Recreational craft wreck, which occurred while fulfilling the effective regulatory enactments or regulations of government institutions, provided that accident which led to the wreckage was admitted by BTA as an insured event; For the purpose of these Terms and Conditions the wreck is considered as the Recreational craft which as a result of water traffic accident has fully or partially sunk or has perished, running aground, or has been abandoned, as well as any part of such vessel, including any item, which was or is on such vessel;
Loss amount calculation expenses	3.4.2. expenses for loss amount calculation. For the purpose of these Terms and Conditions expenses for loss amount calculation are considered as expertise expenses proved by documents for damage and loss amount calculation, agreed upon with BTA.
Effective period of the insurance coverage	3.5. Insurance coverage according to the insurance contract is in effect during the insurance period specified in the insurance contract.
Insurance coverage territory	3.6. Insurance coverage ensured by the insurance contract is in effect in the insurance contract coverage territory specified in the insurance contract by the Recreational craft participating in the water traffic, unless specified otherwise in these Terms and Conditions or the insurance contract.
Use of the insurance object	3.7. The insurance coverage ensured by the insurance contract is in effect provided that the Recreational craft is not used for participation in competitions, training, operational activities, except for events when it is included in the additional insurance coverage and specified in the insurance contract.

4. EXCEPTIONS

Crew members Standard and additional equipment Third party property on the Recreational craft Commercial activity (business)	4.1. BTA does not recognize as an insured event and shall not indemnify for: 4.1.1. any loss related to the Recreational craft crew members; 4.1.2. any loss or damage related to standard and additional equipment installed on the Recreational craft; 4.1.3. any loss or damage related to a Third party property aboard of the Recreational craft at the time of a water traffic accident; 4.1.4. any damage to the insurance object or its loss when the insurance object is used for commercial activity (business) carried, for instance, yet not limited to, carriage of passengers or cargo for remuneration, performance of special work upon the request of third parties, lease, training, transfer of the Recreational craft to a bare boat charterer for actual use for a certain period;
Geographical limits	4.1.5. any loss or damage caused by a water traffic accident which occurred when the Recreational craft was outside the effective insurance coverage territory;

Towage	4.1.6. any loss or damage that occurred while towing of any other vessel that was attached with a tow rope or any other fastening, excluding cases when the reason for towage is an accident which occurred to the other vessel;
Towed additional equipment	4.1.7. any loss or damage to any type of water skis, wakeboard, inflatable equipment or another additional equipment which is towed and attached with a cable, rope or another fastening to the Recreational craft; 4.1.8. loss or damage that is caused due to the occurrence of one of the risks referred to in Articles 3.2.1 to 3.2.5 of these Terms and Conditions, except cases when a respective risk is insured in accordance with the insurance contract.
Driving licence	4.2. BTA shall not grant an insurance indemnity on the following occasions: 4.2.1. upon the occurrence of a water traffic accident, a recreational craft is driven by a person who does not have a licence to drive a vessel of a respective category or the prohibition to drive the recreational craft is applied to this person;
Non-compliance with regulatory enactments	4.2.2. upon the occurrence of a water traffic accident the driver of the Recreational craft failed to fulfil the rules of the effective regulatory enactments regarding vessel navigation;
Leaving the accident site	4.2.3. upon the occurrence of a water traffic accident the driver of the recreational craft leaves the site of the water traffic accident by violating the procedure prescribed by the effective regulatory enactments;
Failure to comply with instructions and regulations	4.2.4. the Insured fails to fulfil all the requirements of the insurance object manufacturer or supplier or the requirements of the effective regulatory enactments regarding operation, parking, storage, testing, examination, technical examination, technical maintenance or repairs of the insurance object and such failure to fulfil the instructions or requirements causes or furthers the occurrence of losses or the increase in the amount of losses.
Profit and non-patrimonial damage	4.2.5 Profits not gained due to property damage and non-patrimonial damage are not subject to compensation.

5. LIMIT OF LIABILITY

Total limit of liability	5.1. Total limit of liability is a maximum amount of insurance indemnity for the whole period of insurance which is agreed between the Policyholder and BTA and specified in the insurance contract. All liability limits and sub-limits specified in given insurance contract and the Terms and Conditions form the total limit of liability of the insurance contract.
Limit of liability for insurance coverage type	5.2. The Policyholder and BTA shall agree and specify in the insurance contract limits of liability for:
Limit of liability for one person claim	5.2.1. each type of insurance (health injury, damage to the property and other) for one insured event; 5.2.2. claims for one person.
Limit of liability for basic insurance coverage	5.3. The reimbursable limits of liability for cases referred to in Articles 3.3.1 to 3.3.2 of these Terms and Conditions shall be agreed between the Policyholder and BTA and stipulated in the insurance contract.
Limit of liability for salvage expenses	5.4. Limit of liability for salvage expenses (paragraph 3.3.3. of these Terms and Conditions) is stated 25% (twenty five per cent) of total limit of liability specified in insurance contract, but not more than 10 000 EUR (ten thousand euros) for one insured event.
Limit of liability for optional insurance coverage	5.6. The reimbursable limits of liability for cases referred to in Articles 3.2.1 to 3.2.5 of these Terms and Conditions shall be agreed between the Policyholder and BTA and stipulated in the insurance contract, except for limit of liability for environmental pollution (paragraph 3.2.1. of these Terms and Conditions) which shall be 50% (fifty per cent) of total limit of liability specified in the insurance contract, but no more than 20 000 EUR (twenty thousand euros) for one insured event.
Limit of liability for additional expenses	5.7. The reimbursable limits of liability for additional expenses referred to in Article 3.4 of these Terms and Conditions shall be agreed between the Policyholder and BTA and stipulated in the insurance contract, except for limit of liability for expenses of the removal of the Recreational craft wreck (paragraph 3.4.1. of these

Terms and Conditions) which shall be 25% (twenty five per cent) of total limit of liability specified in the insurance contract, but no more than 10 000 EUR (ten thousand euros) for one insured event.

Limit of liability change and sub-limits

5.8. On agreement between the Policyholder and BTA and clear stipulation in the insurance contract limits of liability specified in Articles 5.3. to 5.7. of these Terms and Conditions may be changed and multiple sub-limits may be set.

6. OBLIGATIONS UPON THE OCCURRENCE OF A POTENTIAL INSURED EVENT

Precondition for receiving the insurance indemnity

6.1. In addition to the requirements of the section „Obligations of the Policyholder and the Insured“ of the General Insurance Terms and Conditions, upon the occurrence of a water traffic accident the obligations of the Policyholder and the Insured person, the fulfilment of which is a precondition for receiving the insurance indemnity, are as follows:

Compliance with BTA interests

6.1.1. not to take any measures that could incur loss or damage to BTA interests, not to undertake any liabilities, not to accept any proposals, except the organisation of the rescue work, loss minimisation and prevention of further losses;

Notification to relevant authorities

6.1.2. to immediately, as soon as it becomes possible, notify an incident to relevant authorities upon the occurrence of a water traffic accident;

Documents to be submitted upon the occurrence of a water traffic accident

6.1.3. in addition to a certain Insurance Claim-notification of losses form, to submit to BTA the following, but not only, documents:

- a) copy of the Recreational craft registration certificate;
- b) copy of the Recreational craft driver's licence;
- c) Police or other relevant authority incident report on a water traffic accident;
- d) written explanation regarding the water traffic accident;

Documents to be submitted in respect of Third party

6.1.4. in addition to a certain Insurance Claim - notification of losses form, to submit to BTA all documents in respect of the reimbursement to a Third party which are received from a Third party, as well as documents, if present, which prove the right of a Third party for reimbursement, including but not limited to the following documents:

- a) suits, subpoenas and invitations to participate in court hearings, correspondence with a Third party in respect of his or hers suit.
- b) a Third party property inspection reports, emergency cards, acts of examination issued by competent institutions, confirming the fact on the basis of which the claim is raised as well as the amount of the claim;
- c) act of forensic medical expert examination or medical centre examination regarding the character and severity of an injury caused to a Third party or cause of death of a Third party, as well as possibility of a Third party being under influence of alcoholic, narcotic, psychotropic or other intoxicating substances;
- d) extract from the hospitalized patient's medical card;
- e) documents confirming Third person's interests to receive insurance indemnity;
- f) documents confirming the amount of loss caused;
- g) report on occurrence of a potential insurance case issued by a competent legal authority;
- h) other documents, which confirm the water traffic accident and amount of loss incurred.

7. INSURANCE INDEMNITY

Insurance indemnity amount

7.1. BTA pays insurance indemnity in such amount, which corresponds to the actual amount of losses caused a Third person in monetary expression, including litigation expenses and salvage expenses, without exceeding the liability limits stated in the insurance contract and deducting the own risk stated in the policy.

7.2. BTA pays insurance indemnity according to valid litigation in following cases: loss or damage of Third Party property, death or bodily injury of Third Party, suffered Third Persons medical treatment, suffered Third Persons permanent disablement, Third Persons temporary disablement, funeral expenses. Profits not gained due to property damage and non-patrimonial damage are not subject to compensation.

Legal expenses	7.3. Costs for legal assistance and legal expenses are subject to compensation to the insured person only if the insured person has agreed in advance on the costs for legal assistance, judicial proceedings, expert assessment etc. with BTA in a format which can be reproduced in writing. The expenses which are subject to compensation are, above all, those expenses which are necessary for contestation of damage claims filed against the insured person. Costs for legal assistance and legal costs are not subject to compensation if BTA does not have performance obligation arising from the insurance contract.
Indemnification of additional expenses	7.4. BTA indemnifies litigation expenses, salvage expenses, expenses of the removal of the wreck and loss amount calculation expenses to: 7.4.1. a person who provided services that resulted in above mentioned expenses; 7.4.2. the Policyholder if, upon written consent of BTA, the Policyholder paid for the above mentioned expenses from his own funds.
Insurance indemnity for one person	7.5. If in the insurance contract there is fixed limit of liability for a claim of one person, then the amount of insurance indemnity for losses occurring to one person shall in no circumstances exceed the limit of liability for a claim of one person. 7.6. All insurance indemnities connected with the insurance contract shall be paid by BTA in the sequence of their submission.
Transfer of obligations	7.7. From the moment when BTA has fully performed his duties undertaken according to the insurance contract all burden of complains brought by Third persons for losses caused to them as a result of Insured person's activity/inactivity is transferred to the Insured person.

8. OTHER TERMS AND CONDITIONS

BTA General Insurance Terms and Conditions	8.1. The General Insurance Terms and Conditions are published at the BTA website: http://www.bta-kindlustus.ee/tingimused/ .
Applicable regulatory enactments	8.2. All issues not covered in these Terms and Conditions shall be settled in accordance with the General Insurance Terms and Conditions and the effective regulatory enactments of the Republic of Estonia. 8.3. These Terms and Conditions are applied to the insurance contracts signed as of 24 April 2015, unless parties agree otherwise in the insurance contract.