

LIABILITY INSURANCE CONDITIONS OF WATER CRAFT POSSESSOR

KT.0591.10

These Liability Insurance Conditions of Water Craft Possessor (hereinafter the Conditions) are applicable to insurance contracts made in ERGO Insurance SE where the object of insurance is the insured person's civil liability in connection with causing damage to a third party upon use of a recreational craft. In matters not resolved in these Conditions the general conditions of insurance contracts, the Law of Obligations Act and other legislation are followed.

1. Policyholder and insured person

- 1.1. The policyholder may be the owner of the recreational craft or legal possessor thereof who has an insurable interest.
- 1.2. Upon performance of duties and obligations arising from the insurance contract, the legal possessors of the recreational craft specified in the insurance contract, the employees and family members of the policyholder as well as persons using the object of insurance with the consent of the owner are considered equal to the policyholder.
- 1.3. The insured person (the insured) is the legal possessor of a recreational craft.

2. Insured event

- 2.1. Insured event means causing unlawful damage to a third party by the insured person upon use of a recreational craft.
- 2.2. For the purposes of these conditions, an insured event means a situation whereby all of the following circumstances exist at the same time:
 - 2.2.1. damage or loss has been caused to a third party during the insurance period;
 - 2.2.2. damage or loss has been caused by the acts or omissions of the insured person;
 - 2.2.3. there is a causal link between the acts of the policyholder and the damage or loss;
 - 2.2.4. the policyholder is liable for causing the damage or loss.

3. Insurance period and validity of insurance contract

- 3.1. The insurance period is a period of time on the basis of which the insurance premium is calculated.
- 3.2. The insurance contract is valid during the insurance period, on the terms and conditions and in the territory set out in the insurance contract.
- 3.3. Unless another insurance territory is specified in the insurance contract, the insurance contract applies exclusively to damage caused on the Baltic Sea and within the Republic of Estonia.

4. Insurance indemnity and forms of indemnification

- 4.1. The insurance indemnity is an amount of money which is paid out for compensation of the damage and loss and/or required legal expenses.
- 4.2. The following is indemnified:
 - 4.2.1. decrease of value arising from destruction or damage of the injured party's object;
 - 4.2.2. The injured party's medical expenses, damage and loss arising from temporary and permanent incapacity for work, funeral expenses, maintenance pension etc.
- 4.3. For the purposes of these Conditions, legal expenses include the legal assistance, expert assessment and court expenses of the insured person.
- 4.4. The insurer indemnifies legal expenses if these are necessary to prove the absence of liability and/or guilt of the insured person.

- 4.5. Only legal expenses which have been coordinated with the insurer beforehand shall be indemnified.
- 4.6. The amount of the indemnity per insured event is limited to the extent of the damage and the maximum indemnity.

5. Maximum indemnity

- 5.1. The maximum indemnity is a sum specified in the insurance contract which constitutes the maximum limit of all insurance indemnities to be disbursed.
- 5.2. In addition to the maximum indemnity, the maximum indemnity per insured event can also be agreed. The maximum indemnity per insured event is the maximum insurance indemnity to be disbursed with regard to any and all claims arising from the same infringement.
- 5.3. The maximum indemnity and the maximum indemnity per insured event are specified in the insurance contract. If no maximum indemnity per insured event is specified, it is considered equal to the maximum indemnity.
- 5.4. The maximum indemnity decreases by the insurance indemnity disbursed under the same insurance contract.
- 5.5. An additional contract can be made to restore the maximum indemnity.

6. Excess and indemnification of damage and loss

- 6.1. Excess is an amount of money specified in the insurance contract which is compensated by the policyholder upon any insured event.
- 6.2. The policyholder is obliged to refund the insurance indemnity if circumstances precluding indemnification emerge after the insurer indemnifies the claim.
- 6.3. If the policyholder has come to an agreement with the claimant or indemnified the claim or a part thereof, the insurer does not consider the claim to be binding if the actual size of the claim has not been proven and/or the indemnification obligation of the insured person is disputable.

7. Policyholder's duties and obligations

- 7.1. The policyholder is obliged to:
 - 7.1.1. upon entry into the insurance contract, notify the insurer of any and all material circumstances known to the policyholder which may affect the insurer's decision to enter into the insurance contract or to do so on the agreed additional conditions;
 - 7.1.2. at the request of the insurer, submit additional information pertaining to the insured risk;
 - 7.1.3. introduce the insurance documents to all insured persons;
 - 7.1.4. take any steps to prevent the occurrence of an insured event, not increase the insured risk and not allow the persons for whom the policyholder is responsible to increase the insured risk;
 - 7.1.5. immediately notify the insurer of the emergence of multiple insurance and/or an increase of the insured risk;
 - 7.1.6. allow the representative of the insurer to evaluate the insured risk;
 - 7.1.7. within one week of the policyholder learning of the circumstance or submission of the claim, notify the insurer of submission of a claim and/or a circumstance which may result in the occurrence of an insured event;
 - 7.1.8. immediately notify the insurer of the instigation of a court or other proceeding that may result in the liability of the insurer with respect to the policyholder or of a

circumstance that may serve as the basis for the filing of a claim against the policyholder;

- 7.1.9. immediately take measures to prevent an increase in the claim;
- 7.1.10. depending on the nature of the case, immediately notify the relevant body carrying out rescue work and investigating the circumstances of the claim (lifeguards, Rescue Board, police, port authorities, Border Guard etc.).

8. Preclusions

- 8.1. The following is not indemnified under the insurance contract:
 - 8.1.1. claims arising from the use of a recreational craft outside of the insurance territory;
 - 8.1.2. claims related to pollution of the environment i.e. soil, air and water;
 - 8.1.3. claims arising from a loss event upon the occurrence of which the driver of the recreational craft (the insured) did not have a valid right to drive or the driver's right to drive was suspended;
 - 8.1.4. claims arising from possession of the property of a third party (e.g. a third party's property kept in the recreational craft);
 - 8.1.5. claims arising from causing damage and loss to the passengers and/or crew of the recreational craft;
 - 8.1.6. claims related to damage and loss caused upon towing;

- 8.1.7. claims arising from the insured person being intoxicated or under the influence of narcotic drugs or psychotropic substances at the time of occurrence of the accident or in such a state of illness or tiredness which did not allow for adequate perception of the situation or full adherence to the requirements of safe navigation. An insured event is also deemed as having occurred under the influence of alcohol, narcotic drugs or psychotropic substances if the operator of the recreational craft had consumed the aforementioned substances before proper registration of the accident in accordance with the legislation in force or if the operator of the recreational craft refuses identification of intoxication after the insured event in accordance with the legislation in force;
- 8.1.8. claims arising from causing damage and loss to water skiers, tow parachutists or another person towed by the recreational craft;
- 8.1.9. claims arising from damage and loss to persons participating in a motor boat competition or training;
- 8.1.10. claims related to additional duties and obligations assumed under a contract (contractual liability, incl. contractual penalties etc.);
- 8.1.11. claims based on loss of profit or non-proprietary claims;
- 8.1.12. claims based on lawful fines, interest, default interest and other punishments added to damage and loss which are imposed on the policyholder.