
PANTAENIUS YACHT LEGAL ASSISTANCE AND DEFENCE COVER (PYLADC)

Germany • United Kingdom • Monaco • Denmark • Austria • Spain • Sweden • USA* • Australia

PANTAENIUS UK LTD.

Registered in England and Wales
Registered No. 2461275
Authorised and regulated by the
Financial Services Authority

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This insurance will meet legal and other costs incurred by the Insured in pursuing or resisting claims, which arise out of operating the yacht named on the Certificate. Typically this would include legal fees, as well as experts', consultants' and correspondents' fees. Should the claim or defence of the Insured be unsuccessful and a court or tribunal order that the Insured must pay opponents' costs then this Legal Assistance and Defence cover would respond to meet those costs providing the Insurer has agreed that the cost and expenses should be recoverable from the Insurer. Legal Assistance and Defence cover is an additional cover to the Pantaenius Protection and Indemnity Cover and is subject to the claims procedures, limitations, definitions and exclusions of the Pantaenius Protection and Indemnity Policy and Clauses.

Who we are

Pantaenius is the agent of the Insurer. The marine liability Insurer, protecting the interests of yacht owners and operators, is the Shipowners' Mutual Protection and Indemnity Association (Luxembourg).

Policy documentation

The Insured becomes a Member of the Shipowners' Club when the Insurer agrees to insure them and will receive a Policy setting out the scope of cover and risks insured. Subsequent amendments to cover will be documented by policy endorsements.

§ I The cover

The cover and limit the Insurer provides will be set out in the Certificate of Insurance and shall apply to the following claims, disputes or proceedings:

1. Under any charter agreement or other contract, including claims and disputes concerning charter fees, liquidated damages, delay, set off, breakdown or disablement, speed, performance and description of the Insured's yacht, port safety and orders to the Insured's yacht.
2. Concerning the exercise or assertion of any rights arising under any charter agreement or other contract, including the right of withdrawal, or a right to keep property belonging to others until a debt is paid and claims arising from this action.
3. In respect of the cancellation of a charter agreement or other contract.
4. In respect of the loss of, damage to or detention of the Insured's yacht.
5. In respect of the supply of inferior, unsatisfactory or unsuitable fuel, materials or equipment, or other necessities.
6. For negligent or improper repair of or alteration to the Insured's yacht.
7. In respect of and in connection with charges, disbursements, accounts received from agents, stevedores, chandlers, brokers, customs, harbour or other authorities, or others connected with the running, management and operation of the Insured's yacht.
8. In respect of amounts due from or to Insurers and any other persons and/or companies conducting the business of marine insurance, other than amounts due to or from the Insurer.
9. In respect of salvage or towage services provided by the Insured's yacht.
10. By or against captains, crews, stowaways and other persons on or about the Insured's yacht.
11. In connection with the sale or purchase of the Insured's yacht, unless the Insurer has agreed otherwise in writing, the signing of the Memorandum of Agreement for the sale and purchase and the date the yacht was first insured with the Insurer must be the same for a claim to be considered.
12. In connection with the mortgage of the Insured's yacht.
13. In connection with the Insured's representation at official investigations, inquests, or other enquiries whatsoever in relation to the Insured's yacht.

Subject to the conditions below, the Insured will be covered in respect of the costs and expenses incurred in obtaining advice in connection with any of the claims, disputes or proceedings described above, including costs which the Insured may become liable to pay to any other party to such claims, disputes or proceedings.

§ 2 Discretionary Clause

Legal Assistance and Defence cover is a discretionary form of insurance which means that the Insurer looks at the circumstances of the dispute and has the option to decide whether or not to support the Insured, or to continue to support the Insured if the dispute has previously been accepted. The Insurer bases its decision upon a number of factors, such as the likelihood of a successful outcome, or whether it is in the interests of the Club as a whole to proceed, or whether by the Insured's actions the Insured has affected the chances of a successful outcome prior to contacting the Insurer.

Legal Assistance and Defence cover does not respond to costs and expenses covered by the Insured's hull and machinery policies or other insurances.

§ 3 Joint Insureds and Co-Insureds

This insurance may not be used to cover disputes between Joint Insureds; neither is it available for disputes between Co-insureds.

With respect to disputes between Insureds, Joint Insureds and Co-Insureds, the only circumstance in which the Insurer may approve use of the Legal Assistance and Defence cover is for the benefit of an Insured or Joint Insured in connection with their dispute with a Co-Insured. It is not possible for a Co-Insured to obtain the Insurer's support to pursue an Insured or a Joint-Insured.

§ 4 Minimum amount in dispute

Unless the Insurer (at its discretion) decides otherwise, there shall be no right of recovery under this additional cover if the principal amount involved in the claim, dispute or proceedings is less than USD 5,000 or currency equivalent.

§ 5 Hull and machinery deductible

Any right of recovery under this cover relating to § 1 No 8. above (amounts due from or to Insurers and any other persons and/or companies conducting the business of marine insurance, other than amounts due to or from the Insurer); shall be assessed on the basis that any deductible or deduction in the hull policy (or policies) shall be deemed not to exceed 25% of the yacht's insured value.

§ 6 Deductible

The Insured is responsible for one fourth (25%) of costs and expenses incurred in connection with any claim, dispute or proceedings with a minimum deductible of USD 5,000 and a maximum deductible of USD 30,000 (or their currency equivalents), unless the Certificate of Insurance states otherwise.

§ 7 Costs and set offs

In assessing the Insured's rights of recovery, the Insurer shall take into account any costs paid or set off by the other party to the claim, dispute or proceedings and the Insured's right of recovery shall be limited to the net costs payable by the Insured.

In the case of a settlement of a claim, dispute or proceedings in which the other party does not make any contribution to the Insured's costs, the Insurer shall, at its discretion, decide the sum to which the Insured's right of recovery shall be restricted.

§ 8 Definitions

When used in this policy, the following words have a special meaning assigned to them, as follows:

1. Delay means compensation payable to another party for their lost time.
2. Disbursements means payments made by an agent or others on behalf of the Insured for which the Insured receives a bill for reimbursement.
3. Liquidated damages means amounts agreed as compensation under a contract should one of the parties breach the terms of that contract.
4. Set off means an amount that has been deducted from sums due to the Insured.

§ 9 Claims

It is important that the Insured contacts the Insurer promptly, so that the Insurer can assist the Insured. The earlier the Insurer gets involved the better.