

# TERMS AND CONDITIONS OF LEGAL EXPENSES INSURANCE

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## 1. The Insured

- 1.1 When hull insurance policy (comprehensive hull insurance but not total loss insurance) has been taken out for the yacht, the legal expenses insurance shall form part of the hull insurance for the yacht.

## 2. Coverage

- 2.1 The insurance covers necessary costs to lawyer, court, expert advise and witnesses in case where Insured is a party in his capacity of owner, user or driver of the insured yacht within the navigation area agreed in the hull insurance policy in European waters, inclusive of Greenland, the Faeroe Islands, Iceland and the European Atlantic islands (the Azores, Madeira and the Canaries), except for Greek waters, see clause 3.12, and according to their nature can be heard before a civil court. The policy also covers disputes of this kind that as agreed between the parties are subject to arbitration.
- 2.2 The dispute must have occurred with or after the commencement of the hull insurance policy and occurred prior to the termination of policy and the dispute may reasonably serve as the basis for a civil action.
- 2.3 Disputes is defined as a claim that are demanded and denied in total or partly verbally or un writing. Continuing silence at a opposite party can be regarded as a dispute. A case consisting of more than one individual reasons for dispute, which can be proceeded in the same case is regarded as one dispute.
- 2.4 By evaluation of what is regarded as fair and necessary expenses are § 10-5 and part 20 in the Norwegian Administration of Justice Act (Tvisteloven), code of conduct for proper ethics for lawyers and the guidance on fees from the Norwegian Association of Lawyers (Advokatforeningens salærveiledning) normative.
- 2.5 When settlement has been reached by negotiation between the parties so the demand of the insured in major is accepted, or after the insured by settlement by court has been awarded costs, the insured shall obtain accept from the company (prior to final settlement is agreed) if it shall be agreed in the settlement that each party shall pay own costs. Without such accept from the company such awarded costs in the judgment or the settlement will be deducted in the compensation.
- 2.6 The amount of compensation is maximum NOK 120.000 pr. dispute including possible appeal.
- 2.7 The deductible is 20% of the costs, mini-mum NOK 4.000.

## 3. Exclusions

- 3.1 Disputes in connection with or arising from the self-employment of the insured, whether principal occupation or sideline.
- 3.2 Disputes in connection with or arising of legal separation, divorce, parental custody, access rights, paternity, inheritance, demand on annulment, maintenance obligations, division, dissolution of the economic community established by cohabitants, dissolution of cohabitants and disputes that can be settled by probate court.
- 3.3 Disputes regarding bill of exchange, collection proceedings where the demand is undisputed, debt restructuring, and proceedings regarding bankruptcy or insolvency proceedings in which the insured is debtor.
- 3.4 Criminal cases, private actions for libel and demand of compensation in such cases when the insured is suspected, accused, charged or sued.
- 3.5 Disputes regarding compensation due to § 3-3, 3-5 and 3-6 in Act on Compensation (skadeserstatningsloven)
- 3.6 Disputes regarding decisions of public authorities. However costs occurred by litigation are covered when the possibilities of administrative complains are fully utilized. In connection of a litigation are all costs occurred during the administrative com-plains excluded.
- 3.7 Disputes which solely are settled by the execution authorities (namsmyndighetene) according to § 2-1 in the Act of Execution (tvangsfuldbyrdsloven).
- 3.8 Disputes regarding layers fee or expences to expert advises.
- 3.9 Costs which the insured is orderd by court to pay to the opposite party

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- 3.10 Disputes between joint owners of the boat
- 3.11 Disputes which can be dealt by a complaints board which is established in co-operation between consumers' advisory counsel and trade association.
- 3.12 Disputes, irrespective of nature, if they are to be settled pursuant to Greek law or before the Greek courts.
- 3.13 Disputes where the value of the disputed is less than 50 % of the public pensions basic amount (folketrygdens grundbeløp)
4. Choice of attorney-at-law
- 4.1 Coverage is conditional on the Insured consulting and seeking legal assistance from an attorney-at-law to conduct the case and that the attorney has accepted to deal with the case on behalf of the insured. The insured chooses his/her own counsel from among the members of the Norwegian Bar and Law Society ( Advokatforeningen)
- 4.2 When the insurer has granted access to legal expenses cover, the attorney shall refrain from claiming payment of legal fees etc. from the Insured.
- This however shall not apply to:
- a) deductible and any amount other than the insurance cover or
  - b) expenses agreed with the Insured before or no later than concurrent with the decision to pay for the expense, when such expense falls outside the scope of the insurance cover.
- 4.3 If attorney refuses to consent to the above, coverage cannot be granted.
- 4.4 Attorney has direct recourse against the Insurer for the insurance benefit and is not entitled to enter into any agreement with the Insured on his legal fees with binding effect on the Insurer.
- 4.5 If the dispute shall be settled by court or outside Norway or is subject to arbitration outside Norway the insured chooses his attorney in agreement with the insurer.
5. Notice to the Insurer
- 5.1 Notice to the Insurer shall be made without delay.
- 5.2 Notice shall include as far as practicable:
- a) name of the opposite party,
  - b) the claim and the opposite party's claim, if any,
  - c) particulars of the claim with submissions of the allegations on which the claim is based. Moreover, the Insurer may require legal justification for the claim if deemed necessary in the interest of the case,
  - d) details of any litigation steps, planned or exceptionally commenced, with regard to costs of an expensive nature,
  - e) counsel's statement that referral will only be directed to the Insurer with regard to legal fees etc. (see clause 4.2).
- 5.3 During the hearing of the case, attorney shall keep the Insurer informed of all litigation steps of major cost significance.

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## 6. General Provisions

- 6.1 If the cost occurred in connection with a dispute regarding a legal liability against the insured is covered by a Third Party Liability Insurance, these costs are not covered by the Legal Expenses Insurance in the extent it is defined by the provisions of the TPL insurance.
- 6.2 Further is referred to the legislation at this subject
- 6.3 If you do not agree in the decision of the insurer in a claim, and where your claim does not succeed, you can contact the Insurance Complaints Board, Finansklage-nemda, PB 53 Skøyen, 0212 Oslo, tlf. 23 13 19 60

This is a translation of the Norwegian version of Terms and Conditions of Legal Expenses Insurance, Betingelser for retshjelpsforsikring. In the event of any discrepancy between the this and the Norwegian version the Norwegian version shall apply.