

## **GENERAL CONDITIONS OF BOAT POLICY**

(For Ships or Other Sea and Lake Vehicles)

Effective Date: August 1, 1996

### **A - Scope of Insurance**

#### **A.1. Subject of Insurance**

This insurance covers the risks that ships or other sea and lake vehicles or other insurable interests related to them may be exposed to within the period specified in the policy, depending on the conditions specified in the policy. The term "ships or other sea and lake vehicles" in this article covers cargo and passenger ships. However, if the insurer accepts, boats made of wood or concrete or a mixture of these, sailboats, pleasure boats, yachts and cutters, service engines, fishing ships and boats, tugboats, barges, pontoons, sloops and floaters, floating pools, rams and cranes, floating restaurants, sea motorcycles and such sea and lake vehicles are considered within the scope of the term "ships or other sea and lake vehicles".

#### **A.2. Class (Class) Certificate**

Unless otherwise agreed upon, the insured ship or other sea and lake vehicles must have a class certificate issued by the classification institutions (class institutions) and this certificate must remain valid during the insurance period. In order for ships and other sea and lake vehicles that do not have a class certificate issued by the classification institutions to be insured, they must be constructed in accordance with the provisions of the relevant legislation in force.

#### **A.3. Scope of Insurance Coverage**

This insurance covers the loss and damage to ships or other sea and lake vehicles or other interests related to them as a result of the occurrence of the risk, as well as liability compensation if included in the coverage, or expenses related to these. The scope and content of the loss or damage or liability compensation and expenses related to these, the risks included and excluded in the coverage, are determined by the special conditions added to this policy.

#### **A.4. Insurance Value**

Unless the parties agree on another principle, the insurance value of ships or other sea and lake vessels is the value at the time the risk begins. Unless otherwise agreed, fuel, provisions and supplies, seamen's wages, and insurance fees are not included in this value.

#### **A.5. Excess and Insufficient Insurance**

The insurance amount cannot exceed the insurance value, and if there is an excess, it is invalid. If the insurance amount is less than the insurance value, compensation is paid according to the ratio between the insurance amount and the insurance value.

#### **A.6. Beginning and End of Insurance**

Unless otherwise agreed, this insurance starts at 12:00 noon on the date specified in the policy and ends at 12:00 noon on the date specified in the policy. In both cases, the time of the location of the ship or other sea and lake vehicles is taken as basis.

## B - Damage and Compensation

### B.1. Authorities and Obligations of the Parties in Case of Realization of Risk

After the realization of the risk, the insured or the policyholder is obliged and the insurer is authorized to take all kinds of protective measures or to request, supervise or initiate or initiate such measures, provided that all rights of the parties are reserved. It cannot be claimed that the insurer has accepted the payment obligation in advance due to these actions.

The insured or the policyholder is obliged to cooperate fully with the insurer in these matters and to provide the insurer with all documents and information in its possession to assist in taking these measures.

Furthermore, the insured or the policyholder is obliged to cooperate unconditionally with the insurer to take all measures in a timely manner and to carry out the necessary procedures in order to protect the rights of recourse against responsible third parties.

If the policyholder or the insured does not fulfill the obligations listed in this article and if there is an increase in the amount of the loss as a result, this part shall be deducted from the compensation to be paid by the insurer.

### B.2. Damage Notification and Documents Regarding the Damage

The insured or the insured, if he/she is aware of the insurance, is obliged to notify the insurer as soon as he/she learns that the risk has occurred.

In order for the debt arising from the insurance contract to be due, the insured must provide a list showing the calculation of the compensation and other necessary documents. These documents are particularly as follows:

Marine report,

- Certified copies of the deck and machinery logs related to the accident,

- Seaworthiness certificate,

- Classification institution report related to the accident,

- Class certificate in force; for ships and other sea and lake vehicles without a class certificate, a document indicating that the principles specified in Article A-2 have been complied with,

- Expert and/or dispatch report,
- Minimum safety certificate in seafarer equipment,
- List of seafarers,
- Proforma invoice, receipt, etc. documents related to the damage.

### B.3. Subrogation

The insurer shall have the rights of the insured to claim compensation against third parties, limited to the amount of compensation paid. The insured agrees to state this in the dispatch or insurance compensation receipt or in a document related to it upon the request of the insurer.

## C - Miscellaneous Provisions

### C.1. Good Faith Obligation

The parties are obliged to act in good faith during and throughout the conclusion of the insurance contract. The policyholder or the insured or the persons assigned by them to make the contract are obliged to inform the insurer of all matters known to them regarding the essence of the contract before the contract is made. Failure to fulfill this obligation shall be deemed to have acted contrary to good faith. The policyholder or the insured or the persons assigned by them to make the contract are deemed to know all matters that they need to know in the ordinary course of their work. Due to their importance in terms of evaluating the risk, any issue that may affect the decision of a prudent insurer to make or not to make the contract or to determine the insurance premium or conditions shall be deemed to be an issue related to the essence of the contract and the relevant provisions of the Turkish Commercial Code shall be applied.

### C.2. Payment of Insurance Premium

If it is decided to pay the insurance premium in full or in installments, the first installment shall be paid in cash upon delivery of the policy and the remaining installments shall be paid on the dates specified in the policy.

If the policyholder has not paid the premium, the premium has been deferred or has not paid any installment whose terms are determined and specified in the policy by the end of the due date, the policyholder shall be in default.

If the policyholder does not pay the premium debt within 15 days following the default day, the insurance coverage shall be suspended for 15 days from the end of this period. If the premium is not paid by the end of this period, the insurance contract shall be terminated without any notice.

Any premium refunds related to this policy shall be made in accordance with the attached special conditions.

### C.3. Notifications and Notices

Notifications of the policyholder or the insured shall be made to the insurance company's headquarters or the agency mediating the insurance contract, via a notary public or by registered mail. Notifications of the insurance company shall be made to the addresses of the policyholder or the insured as indicated in the policy, or in the event that these addresses have changed, to the last addresses reported to the insurance company's headquarters or the agency mediating the insurance contract, in the same manner. Notifications made to the parties by letter, telegram, telex or fax delivered by hand against signature shall also be deemed registered mail.

### C.4. Confidentiality of Commercial and Professional Secrets

The insurer and those acting on behalf of the insurer shall be liable for any Losses arising from the failure to keep confidential the secrets they may learn regarding the policyholder and the insured as a result of the conclusion of this contract.

### C.5. Competent Court

In cases to be filed due to disputes arising from insurance contracts, the competent court is the court responsible for hearing commercial cases at the place where the insurance company headquarters or the agency acting as an intermediary for the insurance contract is located or at the place where the risk occurred in Turkish territorial waters.

### C.6. Statute of Limitations

All claims arising from insurance contracts are subject to the statute of limitations in two years from the date of the damage.

### C.7. Special Conditions

Special conditions may be imposed upon the agreement of the parties, provided that they do not contradict the general conditions, and these special conditions shall take precedence over the general conditions.

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