

PANTAENIUS LUXURY YACHT NEWS

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No 2



TIME IS MONEY

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MERRYMAID

Life is full of extraordinary stories and there is no better example of this than the story of the sailing yacht "Merrymaid".

CREW MEDICAL INSURANCE

Medical insurance for paid crew members cannot be overlooked when insuring a superyacht.

WAIVERS OF SUBROGATION

Shipyards often do not want to take the responsibility for the yacht whilst it is based in the yard ...

PANTAENIUS ON SITE

FESTIVAL INT. DE LA PLAISANCE – CANNES

September 8th – 13th 2010
www.salonnautiquecannes.com

SOUTHAMPTON BOAT SHOW

September 10th – 19th 2010
www.southamptonboatshow.com

GRAND PAVOIS DE LA ROCHELLE

September 15th – 20th 2010
www.grand-pavois.com

EXCLUSIVE YACHTING – ATHENS

September 16th – 21st 2010

MONACO YACHT SHOW

September 22nd – 25th 2010
www.monacoyachtshow.com

FORT LAUDERDALE INT. BOAT SHOW

October 28th – November 1st 2010
www.showmanagement.com

METS & SUPERYACHT PAVILION AMSTERDAM

November 16th – 18th 2010
www.superyacht pavilion.metstrade.com

49TH ANTIGUA CHARTER YACHT SHOW 2010

December 6th – 11th 2010
www.antigua-charter-yacht-meeting.com

LONDON BOAT SHOW

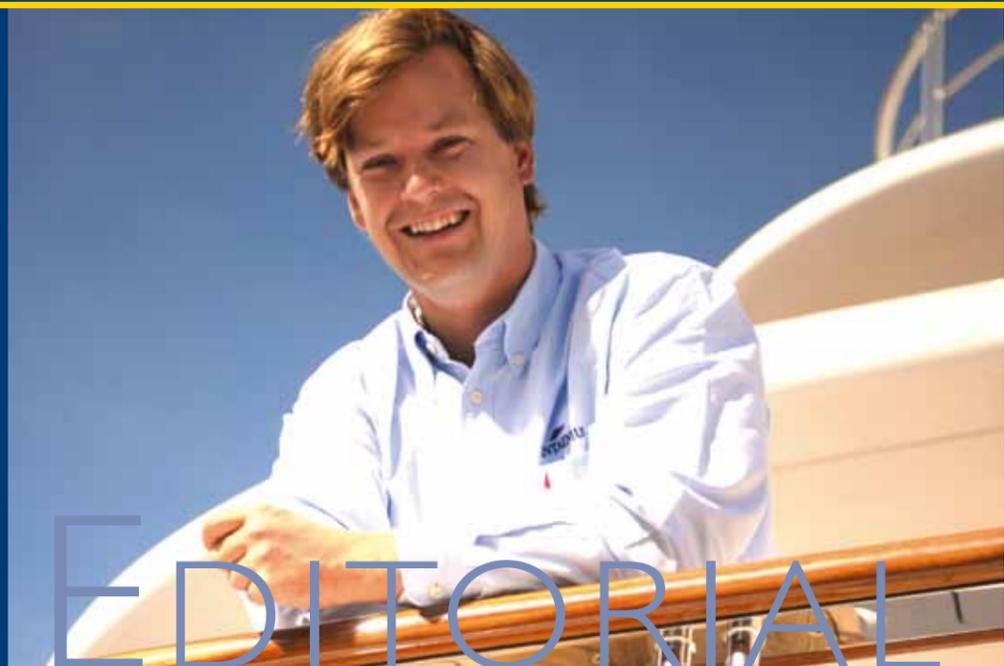
January 7th – 16th 2011
www.londonboatshow.com

BOOT DÜSSELDORF

January 22th – 30th 2011
www.boot.de

THE SUPERYACHT CUP – ANTIGUA

January 26th – 29th 2011
www.thesuperyachtcup.com



DEAR SUPERYACHT OWNER

With this year's season now in full swing, and one yachting event following hot on the heels of the next, it is time to look at what this truly entails. At PANTAENIUS we proudly support and actively participate in many of these events, because we see it as our mission to be close to our clients. With the superyacht regattas becoming more popular than ever and continuing to attract owners and industries alike, it seems that these "pleasure racing events" are becoming a new form of boat show in their own right. It shows what these yachts are actually built for, demonstrating a new form of sailing that is tailor-made for royalty, giving a truly majestic new dimension, the likes of which have not been seen since the J Class giants of the early 20th century. This sense of age-old majesty is now enhanced by new ultra-light materials and technologies. However, all this fun and quantum leaps in design have their limits. If something goes wrong on one of these new superyachts it very quickly becomes an equally big problem! It is now more important than ever to check and prepare your yacht 100% before cruising or racing. This, of course, also applies to motor yachts as well, which can be equally fragile in their setup and maintenance.

Along with all the high-tech gear, comes the high cost of replacement and repair, which naturally also has an impact on the insurance of a vessel. An example of how careful a yacht owner or captain has to be, is when calculating the number of guests and/or extra crew they can take aboard. The devil is in the detail. Most flag states restrict the number of guests to 12. As you can imagine, this limit is easily exceeded and a captain should always apply for an exception to this rule from the flag state, not only for guests, but for the crew as well. If this issue is not addressed their cover is at risk of being cancelled. This is especially true for cases where the guests actively take part as 'crew' themselves. In this instance they will need to be included in the vessel's P&I insurance. At Pantaenius we realised this risk and have taken care that it is automatically included so that our clients are properly protected. But this is not the industry standard and thus should be checked very carefully in order to fully enjoy the season with all its diversity. Hope to see you around. Martin Baum

THE EXTENT AND PROBLEMS REPRESENTED BY WAIVERS OF SUBROGATION

Requesting a Waiver of Subrogation/Recourse is a way in which the shipyard can transfer its liability for damage to the vessel. In other words, the shipyard does not take any responsibility for the yacht whilst it is based in the yard (except in the case of gross negligence and/or a wilful act performed by the shipyard). Often the shipyard's insurance is not capable of dealing with the high value of some of the super-yachts available on today's market and therefore, the shipyard protects itself by requesting a waiver of subrogation from the owner's yacht insurance. This means that the client's insurance company will not be able to hold the shipyard responsible for any losses incurred whilst the vessel is in their care and, as such, cannot demand payment from the yard for that loss. At Pantaenius Yacht Insurance this kind of endorsement is calculated on a case-by-case basis and is dependent on the length of stay, scope of refit work, professionalism of the shipyard and the extent of the waiver of subrogation itself. The



financial costs can vary from no premium being charged to 0.1% of the sum insured. Unfortunately for the yacht owner these are usually hidden costs that arise after the refit deal has been signed. Owners are therefore strongly advised to confirm

Check your insurance clauses to avoid hidden costs

costs with the shipyard and their yacht insurance provider before committing to a refit and it is imperative that they discuss the refit plan before signing a waiver of subrogation, if not they could find that their insurance cover may be void.

PANTAENIUS – INSURANCE SPECIALIST FOR SUPERYACHTS

Pantaenius has provided yacht insurance worldwide for almost 40 years. This family-run company now employs 200 people around the globe. Special priority is given to the development of sophisticated risk management solutions for superyachts. Pantaenius insures yachts of all sizes with tailored conditions. The impressive portfolio includes yachts with an individual value of up to 100 million Euros with almost 65,000 yacht owners insured worldwide. Pantaenius offers the highest financial security and has a unique in-house claims management

team who are able to react quickly to any claim situation. An international team of in-house experts exclusively look after the clients' interests in 9 different languages. Pantaenius is able to offer Hull and Machinery insurance, Third Party Liability, War cover, Loss of Charter insurance, Protection & Indemnity, full Crew Insurance, cover for fine arts, jet skis and other water sports equipment, even cover for submarines, helicopters and planes. **New: Free Claims App for iPhone, offers extensive help. www.pantaenius.com**





“TIME IS MONEY”

There's a lot of truth in this well-known saying by Benjamin Franklin and it was never more apparent than in a recent Pantaenius insurance case, in which literally every minute counted.

As the 40 metre long motor yacht “Pari” lay at anchor at Cap Ferrat on the French Côte d’Azur last summer, everything seemed perfect. Yet an emerging storm rapidly swept this idyllic setting away. A sunny evening soon turned into a nightmare, with force seven to eight winds and two and a half metre high waves driving the ship towards the lee shore in the early hours of the morning. Despite severe weather predictions the day before, the vessel had been anchored a mere 50 metres from the rocky coast. “The yacht was quite poorly positioned and was only secured with a single anchor. It was only a question of time before the ship tore loose and drifted out to sea”, explained Holger Flindt, head of the Pantaenius claims department.

The four members of the crew on board the vessel only realised the danger they were in moments

before disaster struck. The yacht was smashed into the cliffs and left defenceless against the brute force of the breakers. Although the captain could still start the engines after the incident, the propeller and steering gear were badly damaged by the grounding, leaving the vessel exposed to the mercy of the ocean. Thanks to a rescue operation, the crew and the guests on board were able to reach safety without serious injury. However, salvaging the yacht and securing the scene of the accident proved a much more difficult task. “When the owner informed us that same morning, we immediately sent one of our employees from the Pantaenius office in Monaco to the scene of

A SUNNY EVENING SOON TURNED INTO NIGHTMARE

the accident, who was to take the salvage work in hand”, explained Flindt. To make matters worse, there were several thousand litres of diesel on board and the hull displayed signs of severe damage along its entire length, heightening an already dramatic situation. The coastguard was already at the scene by the time the claims team arrived, but no attempts at towing or containing the oil pollution had been made. This left the Pantaenius claims experts to organise the clean up operation. The first thing they had to organise was a truck with oil barriers on board, that could be used to contain the oil before it caused widespread damage.

“As there are scarcely any oil barriers on the Côte

In order to avoid oil pollution Pantaenius transported oil barriers all the way from Germany to the Cote d’Azur

d’Azur for use at sea, we had to immediately get the appropriate material underway from Germany, given the acute danger of pollution”. As time was of the essence, the truck set out from Lübeck the very same day en route to Cap Ferrat, arriving the next day in order that the barriers could be deployed in the nick of time. Whilst this was going on, Pantaenius simultaneously managed to organise the emptying of the diesel tanks by a local salvage firm, which was to take several days. Due to the prompt action of everyone involved, even worse pollution was avoided. Having dealt with the immediate danger of pollution, salvaging the vessel was tackled next. The situation of the vessel meant that the salvage operation would involve extensive efforts. The use of salvage bags with the goal of floating the “Pari” was one option. Another was a 250



Salvage costs must not be underestimated

ton floating crane on stand-by in La Spezia, to be deployed if the initial attempt at salvage was compromised. Pantaenius took the extra precaution of sourcing a further crane with a larger lifting capacity of 3000 tons from Gibraltar, in case the capacity of the first crane did not suffice. Fortunately, the use of the salvage bags, which were obtained from Germany, had the desired success. The yacht was safely floated away from the rocks and was towed to Villefranche-sur-Mer and docked there.

The measures taken to secure the crew and guests on board, the deployment of oil containment barriers and the successful salvage of the yacht incurred total costs of over €700,000. The damage to the yacht incurred separate costs. This type of operation can involve significant costs, resulting in several million Euros. In this

case the yacht did not require the large crane in Gibraltar, which would have cost €100,000 a day and taken a total of twelve days to travel to and from the site. “It could have been significantly worse. The authorities have no tolerance when it comes to pollution of the coast and coastal waters. The elimination of such damages can soon run up hundreds of thousands of Euros”, remarked Flindt. “And the salvage as well was comparatively inexpensive.”

The extent of the damage and the difficulty of the salvage site along with the considerable potential for pollution in this situation were offset by the rapid and, above all, expert intervention of Pantaenius. The team prevented environmental pollution, saved a ship, and also saved a large sum of money in a very short space of time. How does it go again? Time is money.



*Merrymaid sailed for more than two years and did thousands of sea miles
www.merrymaid.sy*

THE WONDERFUL WORLD OF THE "MERRYMAID"

Life is full of extraordinary stories and there is no better example of this than the story of the sailing yacht "Merrymaid". She has been on a truly remarkable voyage since her launch in 1904 and there is no end in sight.

When the gaff cutter "Merrymaid" was built at the quintessentially English boatyard Camper & Nicholson more than a century ago, it immediately impressed the sailing milieu with its combination of speed and comfort. As a top racing yacht she participated in numerous regattas, where she joined the likes of other legendary ships such as the schooner yacht "Meteor" of Kaiser Wilhelm II, and won the prestigious King's Cup in the presence of King Edward VII in the very year it was built. However, the days of glory for this elegant racing yacht would not last forever. In 1945, after changing hands several times down the years, she fell into neglect, ending up on a mud bank in the Blackwater River in the English county of Essex. Its fate, like that of so many other legendary sailing yachts, seemed sealed. Although later owners prevented its total ruin, genuine salvation first came with the new millennium. In 2005, the "Merrymaid" was brought to Southampton Yacht Service for extensive refitting and restored from top to bottom in just over three years. The goal was to prepare it for a most unusual voyage.

Along the way she would visit some of the most astonishing and remote parts of the globe. This would clearly be no easy undertaking, with the wooden yacht travelling from socialist Cuba, around Cape Horn, through the glaciated landscape of Patagonia, all the way to the Galapagos Islands and the lonely archipelagos of the South Sea. And then finally on to exotic Papua-New Guinea and finishing in Singapore. This voyage would raise many questions! Was this an uncertain gamble or the fulfilment of a dream adventure, allowing freedom and a chance to view unspoiled nature at its best? Björn Burkert, Key Account Manager Luxury Yachts at Pantaenius, assures us that this classic vessel is more than capable of such a feat. "Unusual and remarkable, but surely not incalculable and rash... It is already impressive to see how



www.merrymaid.sy

professionally and methodically this project has been organised, from the concept to the restoration, all the way through to the preparation and implementation." Pantaenius has been assisting the voyage of the "Merrymaid" for more than two years and thousands of sea miles as their insurance partner – and it should be mentioned, without any damage claims to date. The yacht is in the hands of a highly-qualified crew, which prepares each leg of the journey in meticulous detail so as not to run any unforeseen risks. "The story of the 'Merrymaid' is simply magnificent and we at Pantaenius wish the ship and its crew the continuation of a carefree, yet exciting time." Accompany the "Merrymaid" on its voyage and find out more about its tumultuous story at www.merrymaid.sy



*Merrymaid's crew on the rocks
www.merrymaid.sy*

PANTAENIUS CREW MEDICAL INSURANCE — WE CAN MEET YOUR NEEDS

As we are all aware, medical insurance for paid crew members cannot be overlooked when insuring your superyacht. However, at Pantaenius we recognise the need for managing the yacht's finances and that often alternative levels of cover, with differing premiums, are required for the captain and crew. Therefore, following invaluable feedback from our customers, management companies, captains and crew, we are pleased to advise that we are now offering two levels of medical insurance cover with our Crew Medical Insurance partner, Allianz Worldwide Care. By developing a second tier of cover, we are able to guarantee another quality insurance product whilst ensuring that the same level of excellent service is maintained. The Premier Plan is suitable for your permanent crew, with an extensive table of benefits and a maximum sum insured of €2,250,000. Chronic conditions and oncology are covered and, subject to pre-authorisation, a

full refund is offered for all in-patient, daycare and out-patient treatment. The new Basic Plan is a limited version of the Premier Plan with a lower sum insured. However it still provides up to €750,000 per crew member per year, and offers full refund for hospitalisation, hi-tech diagnostics and specialist fees following completion of the treatment guarantee. Both plans provide cover for the captain and crew of all nationalities! This includes whilst in employment and when working on or off duty. We are able to offer two worldwide cruising area options; worldwide excluding USA and the other including the USA. Additionally, along with our Crew Accident insurance, both the Premier and Basic Crew Medical Plans meet the requirements of the Medical Care section in the ILO's Maritime Labour Convention 2006, including the provision of cover for Medical Evacuation and Repatriation of Mortal Remains.

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