



▶ **YACHT LIABILITY INSURANCE**
POLICY 2025



YACHTOWNERS
LIABILITY INSURANCE FROM SHIPOWNERS

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Who we are

We are Yachtowners, a dedicated team within The Shipowners' Mutual Protection and Indemnity Association (Luxembourg), a marine liability insurer, protecting the interests of *yacht* owners and operators on a mutual basis. We operate as a non-profit making Club.

Your policy documentation

When We insure You, You become a Member of the Shipowners' Club and You will receive a Certificate of Insurance setting out the scope of cover and risks insured.

The protection we provide

You can expect Us to respond to all marine liability *claims* made against You, other than those We list under 'What is not covered (exclusions)' and those *claims* which are unrelated to owning and operating the *Yacht* We insure for You. Within Your policy limits, the reasonable costs of investigating and defending *claims* are paid, too.

Your insurance extends to cover guests whom You allow to use Your *Yacht* by informal, non-commercial agreement provided that Your professional captain remains on board and in command.

We cover Your liabilities whilst Your *Yacht* is chartered out on a *fully crewed basis*, including *claims* made against You due to the activities of Charterers or their guests. Cover can be extended to Your charterers and charterers' guests too, as detailed under the 'Crew, guests and others' section of the policy.

For any *claim* to be payable it must arise from an *incident* which occurs during the period of insurance stated on Your Certificate of Insurance. You must also comply with the General Conditions.

Your cover

We insure liability *claims* made against You as the owner or operator of the *Yacht* named on Your Certificate of Insurance. The liabilities insured include:

Collision and property of others

Claims arising from collision with other vessels, whether or not contact occurs, or for loss of or damage to piers, wharves, jetties, pontoons or any property belonging to others.

Claims from other parties for personal injury or death which arise out of a collision.

For damage to property belonging wholly or in part to You, You shall have the same rights of recovery and We shall have the same rights as if such property belonged wholly to different owners, but only to the extent that such loss or damage and any *claims* arising therefrom are not recoverable under any other insurances upon the said property.

Contractual liabilities and indemnities

We cover contractual liabilities and indemnities for illness, personal injury, death or property damage when these relate to Your *Yacht* and concern its operation and management. This includes indemnities given to *Yacht* clubs, marinas, port or harbour authorities, boatyards and suppliers of goods and services to Your *Yacht*.

We will also agree to waive Our rights of subrogation, if this is required by the contract.

We also approve the use of all MYBA Charter Agreements, provided they have not been amended to increase Your exposure to liabilities

or expenses.

This section insures liability which arises solely under contract and the limit of cover is US\$ 5,000,000 any one *incident*. If We have agreed to a higher limit, this will be shown in Your Certificate of Insurance.

This section does not include cover for contractual liabilities or indemnities which may appear in *crew* contracts.

Communicable disease on board your yacht

Additional expenses incurred by You as a direct result of an outbreak of Communicable disease on board Your *Yacht*, including quarantine and disinfection expenses, and the net loss to You (over and above Your expenses absent the outbreak) in respect of fuel, insurance, wages, stores, provisions and port charges.

Crew, guests and others

Claims from Your *crew*, guests or others to pay damages or compensation for personal injury, illness and death. Related medical costs and other expenses are covered, too. We also cover *claims* made against Your *crew* as a result of carrying out their professional duties.

Death and/or disability payments You provide under individually negotiated and agreed Seafarers' Employment Agreements (SEAs) or *crew* contracts so long as contractually agreed payments are reasonable and appropriate for the duties and position held by the *crew* when viewed against the prevailing compensation regime.

When Your *Yacht* is chartered out on a *fully crewed basis* and You notify Us that You would like Us to do so, We will extend cover to treat Your charterers and their guests as Joint Members and shall respond to liability *claims* made against them as a result of an *incident* occurring during their use of Your *Yacht*. You may notify Us if You wish to treat them as Joint Members before or after a *claim* occurs. This extension protects charterers or their guests against those *claims* which, had they been made against You, would have been *claims* falling within the scope of this insurance. Under no circumstances will We be liable for a larger sum than We would have been obliged to pay on Your behalf.

Diversion costs

The *extra costs and expenses* of fuel, insurance, wages, stores, provisions, and port charges incurred in diverting and awaiting *crew* replacement whilst Your *Yacht* brings sick or injured *crew* or others ashore for urgent medical treatment, or to arrange the repatriation of dead bodies from Your *Yacht*.

Fines

Fines imposed on You or any *crew* that You are obliged to reimburse for accidental escape or discharge of oil or other substances from Your *Yacht*, breach by You of any immigration law or regulation, and other *Fine* where You satisfy the Board of the Shipowners' Club that You took such steps as appear to the Board reasonable to avoid the event giving rise to such *Fine* and which the Board in its discretion decides that You should recover.

Inquiries and criminal proceedings

If the Managers agree in writing, or the Board of the Shipowners' Club in its discretion decides in Your favour, then You may recover the reasonable costs and expenses of protecting Your interests at formal inquiries into a *casualty* and the reasonable costs of defending criminal proceedings brought against Your captain, *crew* and agents, if You have

a responsibility for them.

Mitigation costs

When an event or matter arises which will or is likely to lead to a *claim* under this policy, *You* are required to take reasonable steps to mitigate the loss and minimise the amount which would be paid as a *claim*

under this insurance. *We* will reimburse the reasonable costs and expenses *You* incur for this purpose.

Personal effects

Claims for loss of or damage to *personal effects*. The maximum amount payable for *Your crew's personal effects* will be limited to US\$ 10,000 per person, per *claim*.

Piracy

You remain covered for any of the *claims* listed here under 'Your cover' which arise following acts of piracy against *Your Yacht*. Please note *Our* exclusion in respect of kidnap and ransom demands contained in 'What is not covered (exclusions)' – exclusion 12 below.

Pollution and environmental liabilities

Pollution from *Your Yacht*, including the cost of clean up and reasonable measures taken to prevent an imminent risk of *pollution*. For damage or contamination to property belonging wholly or in part to *You*, *You* shall have the same rights of recovery and *We* shall have the same rights as if such property belonged to wholly different owners.

Damage to coral reefs and other sensitive marine environments providing these occur as a result of an identifiable event.

Racing cover

We cover sailing *Yachts* participating in casual racing events or those organised by *Yacht* clubs, sailing associations or racing events governed by an internationally recognised sailing federation. *We* do not cover *claims* arising directly or indirectly from *Your Yacht* taking part in any other forms of racing unless *We* have agreed otherwise in writing.

SCOPIC

We also provide cover for *Your SCOPIC* liabilities when salvors choose to use *SCOPIC* with the Lloyd's Open Form (LOF).

Special Cover

We may agree to provide cover against special or additional risks. The terms of any special cover will be as agreed by *Us* in writing.

Stowaways refugees and life salvage

Costs and expenses arising from stowaways, refugees and the saving of life at sea.

Submarines, mini subs, remotely operated vehicles (ROVs)

Provided *We* have agreed in advance in writing, then *We* cover marine liability *claims* arising out of *Your* submarines, mini subs and remotely operated vehicles (ROVs) when the submarine, mini-sub or ROV is under the control of *You* or *Your crew*. Any loss of or damage to a submarine, mini-sub or ROV itself (or any part of it or any equipment on it), is excluded. Any costs of raising, removing, marking or lighting the wreck are excluded unless caused by a fortuitous *incident* caused by collision, stranding, explosion, fire or similar cause.

The limit of cover under this section is US\$ 5,000,000 any one *incident* and the *deductible* is US\$ 20,000 any one *incident*.

Tenders, Toys and watersports

Claims arising from the use of *Tenders, Toys* and/or watersports equipment are covered, providing these arise from activities connected with *Your Yacht*.

Uninsured or underinsured vessels

If an *uninsured* or *underinsured third party* vessel is responsible for *You*, *Your crew* or *Your* guests or others sustaining personal injury, illness, or death whilst on board *Your Yacht* *We* agree to meet in the first instance any medical, funeral or other expenses which are not recoverable as a result of the third party vessel being uninsured or underinsured. This includes unidentified third party vessels the identity of which, despite

reasonable efforts, cannot be established.

The limit of cover under this section is US\$ 5,000,000 per *incident*.

War risks

We pay *War risks* P&I *claims*.

The limit of *Your* cover under this *War risks* section is US\$ 500,000,000 each *Yacht*, any one *incident*.

If *You* have no other *War risks* insurance policy in place, *Your deductible* for *War risks* P&I *claims* under this section is the *deductible* shown on *Your* Certificate of Insurance.

If *You* have purchased a *War risks* P&I policy from another insurer, *Your deductible* shall be the amount *You* can recover under *Your War risks* P&I policy with that other insurer.

Wreck removal

Wreck removal, marking or lighting costs which are compulsory by law, following the loss of *Your Yacht*, including *claims* for the *extra cost* and *expenses* of removing property which is or was carried on board. *We* also cover voluntary *Yacht* wreck removal from somewhere *You* own or lease when no wreck removal order has been given.

The residual value of any property recovered shall be deducted or offset against *Your claim*.

What is not covered (exclusions)

We do not pay *claims* for or arising from the following. These exclusions override anything to the contrary provided in *Your* insurance cover.

1. **Bare-boat chartering.** *Claims* arising from *bare-boat chartering* *Your Yacht* are excluded, but if *We* pay *certificated claims* arising from *bare-boat chartering*, *You* will reimburse *Us* in full for such claims.
2. **Commercial diving** or diving bells.
3. **Communicable disease on board your yacht.** Any and all liabilities, costs and expenses related to a *Communicable disease* outbreak not on board *Your Yacht* except where cover is otherwise specifically set out above under any written section of 'Your Cover', or unless it is agreed by *Us* in writing.

In the event that the World Health Organization ('WHO') has determined an outbreak of a *Communicable disease* to be a Public Health Emergency of International Concern (a 'Declared *Communicable disease*'), *You* are not insured for any loss, damage, liability, cost or expense directly arising from any transmission or alleged transmission of the Declared *Communicable disease*.

1. This exclusion will not apply to any liability where the liability directly arises from an identified instance of a transmission of a Declared *Communicable disease* and where *You* prove that identified instance of a transmission took place before the date of determination by the WHO of the Declared *Communicable disease*.
2. However even if the requirements of paragraph 1 are met, no coverage will be provided for any:

A. liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Declared *Communicable disease* whether the measures are preventative or remedial;

B. liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, **delay** or any indirect financial loss, howsoever described, as a result of the Declared *Communicable disease*;

C. loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Declared *Communicable disease*.

3. This exclusion shall not extend *Your* cover to any liability which

would not have been covered under this policy had this exclusion not been included.

Cover in any event is excluded for *claims* in excess of US\$ 10 million arising from any one incident.

All other terms, conditions and limitations of the insurance remain the same.

4. **Contractual liabilities** and indemnities other than those recoverable under the 'Contractual liabilities and indemnities' and 'Crew, Guests and Others' sections of *Your* Policy.
5. **Crew claim exclusions.** *We* do not pay *crew* annuities. If injured parties are entitled to receive compensation for personal injury or sickness benefits under a mandatory insurance scheme, *We* are not obliged to pay such *claims*. This exclusion applies even if *You* or the injured parties have failed to take the steps necessary to receive such entitlements. Except in so far as covered under 'Crew, guests and others', above, *We* do not pay *claims* for or arising out of disputes with *crew* over contractual liabilities or obligations. *We* do not pay *Employment practices liability claims*.
6. **Cyber risks.** There is no right of recovery from *Us* for *claims* arising in respect of loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus, computer process or any other electronic system.

This exclusion shall not operate to exclude losses otherwise recoverable, arising under: 'What is not covered', 29.3 of *Your* policy, or, *Your* Bio-Chemical Extension Clause.
7. **Deductibles, excesses, franchises or other amount(s)** which *You* are required to bear under other policies.
8. **Delay** Costs and expenses which arise because *Your Yacht* has been delayed, other than amounts recoverable under the diversion costs section of *Your* policy.
9. **Disputes** over contractual liabilities or obligations; or disputes or proceedings over obstruction or interference with *Your Yacht's* operations.
10. **Disputes between named parties** *We* do not support Members or Joint Members in dispute with each other, or *Co-Assureds* in dispute with Members or Joint Members under the same policy.
11. **Environmental damage** arising from *Your* continuing use of or presence at a coral reef or other sensitive marine environment.
12. **Fines and penalties** except those covered under 'Fines' as above.
13. **Illegal payments of any kind** such as extortion, blackmail or bribery or any associated costs or expenses.
14. **Kidnap and ransom** demands or payments.
15. **Motor vehicles.** *Claims* arising from the use of mechanically powered vehicles whilst ashore, which would be recoverable under a fully comprehensive motor vehicle policy.
16. **Nuclear risks** or *claims* arising from radioactivity
17. **Other insurances.** If *You* are insured under an insurance policy from which a *claim* can be recovered for any of the sections of cover detailed above, this policy will not pay such *claims*, regardless of whether the other policy includes a provision similar to this. Examples of other insurance *claims* *We* would not pay include but are not limited to those which fall under policies for Aviation risks, Builders risks, General Liabilities, Hull and Machinery, Motor Vehicles, Property Risks, Public or Products liability, Professional Indemnity and/or *War risks*. *We* do not cover liabilities for hull and machinery risks for which *You* would have insurance cover under a separate policy or policies, were *You* to be *fully insured* for such risks.
18. **Own property.** Loss of or damage to owned or leased property of *yours* including *Your Yacht, Tenders* and *Toys*. This exclusion also applies to such loss of or damage when caused by the actions of *Your* charterer and/or guests.
19. **Personal effects** of *crew*, guests or others which are cash, precious metals or stones or other objects of a rare or precious nature.
20. **Punitive damages** or exemplary damages however described, imposed by a court in the U.S.
21. **Salvage services** to *Your Yacht* or demands for general average payments and any related disputes other than amounts recoverable under the '*SCOPIC*' section of *Your* policy.
22. **Sanctions.** *We* do not pay *claims* which would expose the Shipowners' Club or its Managers to the risk of violating, or to being or becoming subject any sanction, prohibition adverse action in any form whatsoever by any State, international or supranational organisation or competent authority, nor do *We* provide cover to or for the benefit of, or pay *claims* to or for the benefit of, any person or entity *designated* nor in relation to any vessel *designated* by any State, international or supranational organisation or competent authority. Furthermore, *We* are not liable to pay any *claim* to *You*, in full or in part, if *We* are unable to make a recovery from *Our* reinsurers in respect of that *claim*, due to sanction restrictions placed on one or all of *Our* reinsurers.
23. **Special Cover** if *We* agree to provide special cover in writing then *You* are not entitled to recover any *claim* from *Us* for any part of *Your* liability that is not recovered by *Us* from *Our* Reinsurers.
24. **Surveys & Management audits.** Subject always to the Insurance Act 2015, unless the Board of the Shipowners' Club in its discretion otherwise decides, *We* do not pay *claims* arising after *You* have failed to comply with any of *Your* obligations under general condition 'Surveys & Management Audits'. In no case do *We* pay *claims* which arise out of defects identified during a survey and/or management audit.
25. **Time bar.** *We* do not pay a *claim* if *You* have not told *Us* of any event or matter which could give rise to that *claim* within one year of *Your* first knowing about it (or in view when *You* should have known of it); or if *You* do not submit to *Us* for reimbursement a *claim* within a year of having yourself settled it. *We* do not in any event pay a *claim* if *You* have not told *Us* in writing of that *claim*, within three years of the event or matter that gave rise to it.
26. **Towing.** *Claims* arising as a result of towing other vessels unless it is *Your* own *tender* or a vessel in distress and *You* are providing emergency assistance.
27. **Underwater vehicles.** No *claim* will be covered arising directly or indirectly from the use of a submarine, mini-sub or ROV unless such vehicle is at all times operated and maintained in accordance with the manufacturer's safety guidelines and any requirements of *Your Yacht's* flag State or Classification Society. There is no cover for *claims* arising when a guest, Charterer or a Charterer's guest is operating the submarine, mini-sub or ROV without the supervision of *You* or *Your crew* or without having been trained in accordance with the manufacturer's safety guidelines.
28. **Unlawful, unsafe, imprudent, or unduly hazardous activities** Including carrying contraband, blockade running, illegal fishing, or being employed in an unlawful or prohibited activity or trade, infringement of any law, rule or regulation, or permitting any activity on board or in connection with *Your Yacht* which is unsafe, imprudent or unduly hazardous
29. **War risks**

There is no cover under the *War risks* section of *Your* cover for liabilities or *claims* for or arising directly or indirectly from any of the following:

 - 29.1 any chemical, biological, bio-chemical or electromagnetic weapon; or
 - 29.2 the use or operation, as a means of inflicting harm, of any

computer virus

29.3 Exclusion 29.2 shall not operate to exclude losses (which would otherwise be covered under the terms of this policy) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile; or

29.4 the outbreak of war (whether declared or not) between any of the following countries: the United Kingdom, the United States of America, France, the Russian Federation, the People's Republic of China; or

29.5 *incidents* caused by, or contributing to, or arising out of, any event, accident or occurrence within specific ports, places, zones or areas, as *We* have notified to *You* either at the commencement of, or during the period of, *Your* policy. *We* may change, vary, extend, add to or otherwise alter these specified

ports, places, zones and areas upon twenty four hours notice given by *Us* to *You*; or

29.6 requisition for title or use.

30. **Wilful misconduct**, being an intentional act or deliberate omission done by *You* with knowledge that it will probably result in loss, or done with a reckless disregard for the probable consequences.

31. **Wrecks** caused by dereliction or neglect.

General conditions

Assignment and subrogation

You cannot assign *Your* policy to any other person other than with *Our* prior written approval.

If *We* make a payment to *You* or any Joint Member or Co-Assured under this policy, or under any Security *We* have given, and *You*, the Joint Member and Co-Assured have any rights to *claim* against a third party that are connected to the payment *We* make, then *We* will be subrogated to all of those rights to the extent of *Our* payment, including any interest and costs. *You* and the Joint Member and Co-Assured agree to take any steps that *We* reasonably require to this end.

Claims

If a *claim* is made against *You*, *You* must follow the *claims* handling procedure set out at the end of this document. If *You* fail to do so *Your* ability to *claim* may be affected.

Classification, certifying authority and flag State

Your Yacht must comply with all statutory requirements of its flag State and SOLAS, as applicable, and maintain and comply with all requirements of the classification society or certifying authority that it had at the time *We* agreed to insure it. Even where there is no statutory requirement to do so, *You* must ensure that a master in command of *Your Yacht* holds a navigational qualification that is suitable for a *Yacht* of that size, the operations to be undertaken, and issued by an authority which is recognised by the *Yacht's* flag State. Subject to the provisions of the Insurance Act 2015, *We* will not pay any *claims* arising during such time as *You* have failed to comply with this general condition, even if *Your* failure to comply has not increased the risk of any loss.

Cooperation with authorities in relation to sanction and financial crime

Where *We* are compelled at law to do so and/or that failure to assist would likely result in being so compelled, *We* may provide such cooperation and information as *We* see fit to any inquiry, investigation or proceeding conducted by a competent authority, regulator, or government in relation to: the activities of any person, including *You*, in so far as such activities relate to a breach (either known or reasonably suspected) of any laws relating to sanctions, financial crime, terrorist financing, money laundering, bribery, corruption or tax evasion, or in relation to the regulation and enforcement of such laws.

Complaints

We take all complaints seriously. If *You* are dissatisfied with *Our* handling of *Your claim* or any other aspect of *Your* insurance or the service *We* provide, please contact *Us*. *Our* complaints handling policy is detailed on *Our* website at: www.shipownersclub.com/contact-us/complaints/

Deductibles

Your entitlement to make a *claim* is subject to the *deductible* that appears on *Your* Certificate of Insurance. If a single *incident* gives rise to a number of *claims* with different *deductibles* then the total of all *claims* will be subject to the highest *deductible* that applies to any one of the *claims*.

Discretionary claims

The Board of the Shipowners' Club has discretion to pay a *claim* in whole or in part for any liabilities or expenses which are not covered under this policy or any contract that *We* have with *You*, so long as they are related to owning and operating *Your Yacht*.

Dispute resolution

If any dispute arises out of or in connection with *Your* Policy or any contract with *Us*, then such dispute will in the first instance be referred to the Board of the Shipowners' Club for adjudication. If the Board of the Shipowners' Club decides to waive its right to adjudicate, or if it finds against *You*, then the dispute may be referred to arbitration in London, one arbitrator to be appointed by *Us*, one by *You*, and a third to be appointed by the arbitrators. The reference to arbitration and the arbitration proceedings themselves will be subject to the provisions of the Arbitration Act 1996 and any statutory modification or re-enactment of the Act.

Fair presentation/Duty to provide information

If *You* are not a *consumer*, *You* have a duty to make a fair presentation of the risk, by disclosing all material matters which *You* know or ought to know or, failing that, by giving *Us* sufficient information to put as a prudent insurer, on notice that *We* need to make further enquiries in order to reveal material circumstances. If *You* fail to do so *Your* ability to recover from *Us* may be prejudiced. If *You* are a *consumer*, when *You* provide information in connection with *Your* proposed insurance or a proposed change to *Your* insurance, *You* must take reasonable care not to make any misrepresentation. Any misrepresentation that *You* make deliberately, recklessly, or carelessly could adversely affect *Your* cover and *claims*.

Governing law

You and *We* agree that *Your* policy and *Your* Certificate of Insurance are governed by and will be construed in accordance with English law. In particular, they are subject to and incorporates the provisions of the Marine Insurance Act 1906 and the Insurance Act 2015 and all amendments thereto except to the extent that such Act or modification may have been excluded by this policy or any contract of insurance between *Us* and any insured party. It is not intended that rights should be acquired by any third party by reason of the Contracts (Rights of Third Parties) Act 1999 or any similar legislation in any jurisdiction.

Joint Members and Co-Assureds

If *We* issue a Certificate of Insurance in the name of more than one person or company, those additional parties will be known as Joint Members. Joint Members are bound by all the terms and conditions of *Your* policy and Certificate of Insurance and each of them are individually responsible for paying all premium and any other sums due to *Us* under *Your* policy and are bound by all of the terms and conditions of *Your* policy and *Your* Certificate of Insurance. If *We* make payment to, or on behalf of, any Joint Members for any amount due under *Your* policy, *We* will make no further payment to any person, including *You*, in relation to the amount that was due.

If *We* issue a Certificate of Insurance naming a Co-Assured then *We* agree to extend cover to that named Co-Assured, but only if: the named Co-Assured is held responsible for a *claim* which is properly *Your* responsibility and for which *You* would have been able to recover from *Us*

under this policy, had that *claim* been made and enforced against *You*. If *You* have a contract with a named Co-Assured, *Your* responsibility means *Your* responsibility as agreed in that contract.

If *We* make a payment to, or on behalf of, a named Co-Assured for a *claim* then, in relation to that *claim*, *We* will not make payment to any other person, including *You*, and *We* agree to waive *Our* rights of subrogation, if any, against the named Co-Assured.

If there is a failure by any Joint Member to comply with the 'Fair presentation/ Duty to provide information' section of *Your* policy or if the conduct of any Joint Member or Co-Assured would entitle *Us* to decline a *claim*, then *We* will treat such failure and/or conduct as extending to all Insureds.

If more than one person is named on the Certificate of Insurance *We* will treat an act, omission, statement or a *claim* by any one of those persons as an act, omission, statement or *claim* by all of them.

We direct all correspondence to *You* and *You* receive it on behalf of all insureds.

Lay-up

If *Your Yacht* has been laid-up for six months or more outside its usual seasonal trading pattern, *You* must give *Us* notice that the *Yacht* will be reactivated no less than seven days before the *Yacht* leaves its place of lay-up. When *We* receive notice from *You* *We* may appoint a surveyor, at *Your* cost, to inspect the *Yacht* on *Our* behalf prior to it resuming operations and *You* must provide *Your* full cooperation to this end. *You* must comply with any recommendations that *We* make following such an inspection. *We* do not pay any *claims* arising after *You* have failed to comply with any requirement of this general condition, until *You* have complied with all requirements of it, subject always to the provisions of the Insurance Act 2015. In no case do *We* pay *claims* which arise out of defects identified during such an inspection.

We do not return premium for periods of lay-up notified in arrears.

Premium

Your insurance premium will be fixed annually and no further premium will be payable, unless *You* ask *Us* to extend *Your* insurance cover or the material facts upon which *We* base the cover change. *You* must pay *Your* premium in such instalments and on such dates as *We* have specified. Premium is not considered paid until received by *Us*.

Reinsurance

We have the right to agree contracts of reinsurance relating to *Your* insured *Yacht(s)* with insurers of *Our* choice on terms as agreed between *Us* and those other insurers.

Security

Where *We* consider it appropriate and necessary *We* may provide letters of undertaking, bonds or bank guarantees on *Your* behalf, as security for covered *claims*, providing *You* have paid *Your* premium and any *claims deductible* which is due to *Us*.

Severability clause

In the event that a court or tribunal finds any part of this policy to be unenforceable, invalid or to be in conflict with any mandatorily applicable statute or law, or public policy, such part shall be severed and such a finding shall not affect the enforceability, validity or legality of the remainder of the policy, which shall remain in full force and effect.

Shared ownership

If the master or any *crew* is also the owner or part-owner of an insured *Yacht*, the liability shall, in relation to *claims* arising from the act or omissions of such person in his capacity as Master or *crew*, be assessed as if such Master or *crew* was not the owner or part-owner.

Surveys & Management audits

We may at any time appoint a surveyor, at *Our* cost, to inspect *Your Yacht*. *We* may also wish to perform a management audit of *Your* shore side operation. *You* must provide full cooperation as may be required for such inspection or audit, and comply with all recommendations as the Managers may make as a result of it.

Surveys & Management audits: Follow-ups

We may arrange a follow up survey, at *Your* cost, to check that *You* have complied with all recommendations identified in an inspection or audit.

Termination and cancellation

Termination by notice

Either *We* or *You* may terminate this policy by notice at noon GMT on the renewal date of any year by giving not less than 30 days written notice.

We may terminate the entirety of cover under *Your* policy by notice for each and every *Yacht* insured, in the following circumstances:

- should any of *Your* insured *Yacht(s)* be used, in *Our* opinion, for a prohibited or unlawful activity or trade; or
- should any of *Your* insured *Yacht(s)* or their activities, in *Our* opinion, expose the Shipowners' Club or its Managers to *sanctions risks*; or
- upon 30 days written notice given by *Us* to *You*; or

We may terminate cover for *War risks* by notice for each and every *Yacht* insured upon written notice by *Us* to *You* to discontinue *War risks* cover, with cancellation becoming effective on no less than the expiry of 7 days from midnight on the day on which *We* issue notice of cancellation.

The effect of *Your* policy being terminated by notice also extends to Joint Members and Co-Assureds. Subject to the 'Automatic termination' and 'Cancellation' provisions of this policy, the effect of *Your* policy terminating by notice is that *You* will remain liable for premium under *Your* policy and for any other sums due to *Us* except that *You* will be entitled to a daily pro rata return of premium for sums paid, if any, from the date of termination until the expiration of *Your* policy. Likewise, subject to the Exclusion 22 'Sanctions' *We* pay *claims* for events that arose prior to the date of termination but *We* will not pay *claims* arising from events after the date of termination.

Automatic termination

Your policy for any of *Your Yacht(s)* will automatically terminate for that *Yacht* upon the date shown on *Your* Certificate of Insurance or upon the happening of any of the following: the sale or transfer of *Your Yacht*; a change of beneficial owner(s); the mortgage of *Your Yacht*; *You* transferring or parting or being deprived of the entire control or possession of *Your Yacht* without *Our* consent; *Your Yacht* becoming an actual or constructive total loss; *Your Yacht* no longer being classed with the Classification Society or certifying authority that it was at the time *We* agreed to insure it; should *Your* insured *Yacht(s)* or their activities or any named insured expose the Shipowners' Club or its Managers to *Sanctions risks*; should *You* or *Your* insured *Yacht* be *designated* by any State, international or supranational organisation or competent authority.

Your insurance for all *Yacht(s)* will automatically terminate upon the happening of any of the following: an *insolvency event*; if *You* are an individual, upon *Your* death or upon *Your* becoming incapable by reason of mental disorder of managing or administering *Your* property and affairs.

The insurance which *We* provide to *You* for *War risks* will automatically terminate upon the happening of either of the following:

- Should war break out between any of the following countries; the United Kingdom, the United States of America, France, the Russian Federation and the People's Republic of China; or
- Should *Your Yacht* be requisitioned either for title or use.

The effect of *Your* policy being automatically terminated is the same as for termination by notice except that *We* do not pay *claims* for events arising after the date of automatic termination, other than *claims* arising from *Your Yacht* becoming an actual or constructive total loss

thereby triggering automatic termination.

Cancellation

If *You* fail to pay premium in such installments and on such dates as are agreed by *Us*, *We* may serve notice in writing requiring *You* to make payment by a specified date. If *You* fail to make payment in full, on, or before the specified date *We* shall immediately cancel *Your* insurance. If *We* cancel *Your* insurance *You* must pay all premium due up to the date of cancellation. *We* will not pay *claims* for events arising on or after the date of cancellation.

We will not pay *claims* for events arising before the date of cancellation if premium was owing at the time the event arose and remained unpaid at the date of cancellation.

Claims handling procedure

If *You* are involved in an event or matter which could give rise to a *claim*, please refer to *Our* website for the contact details of *Our* dedicated *Yacht* team; www.shipownersclub.com/our-services/cover-provided/yacht/ or in an emergency contact *Our* 24hr emergency response line:

24/7 EMERGENCY RESPONSE

The *claims* response service is available 24 hours a day, 7 days a week and provides immediate global assistance to all of *Our* Members.

Calling the emergency contact number provides a quick and effective way to speak directly to a duty Shipowners' *claims* handler in the event of an *incident* or *casualty* involving an entered vessel.

London Branch

+44 203 829 5858

Singapore Branch

+65 8683 3190

During office hours the emergency number will redirect to the relevant corresponding office switchboard.

Immediate advice and local assistance is also available from *Our* Correspondents who are listed at:

www.shipownersclub.com/correspondents/find-correspondents/

It is important that *You* contact *Us* or *Our* local Correspondent promptly, so that *We* can assist *You*. The earlier *We* are involved the better. *You* are required to act prudently and as if *You* are uninsured until such time as *We* have taken over the handling and management of the *incident*.

When reporting a *claim* it will help *Us* if *You* include *Your Yacht's* name, the *incident* date, the nature of the *incident*, the location of *Your Yacht* and location of the *incident* (if different). If an injury or collision is involved *You* may be required to notify the appropriate authorities.

We have the right to handle, settle or compromise *claims* or proceedings as *We* see fit. *We* may appoint lawyers, surveyors or other persons when *We* consider these are necessary. They may report to *Us* and provide documents or information to *Us*, without prior referral of these matters to *You*.

When it is possible for a *Yacht* owner to limit their liability at law, that sum becomes the maximum amount recoverable under this policy and will apply regardless of whether *We* insure *You* as the owner of the *Yacht* or in some other capacity.

You must not admit liability for any *claim* and *You* must not settle a *claim* without *Our* prior approval. *You* must also preserve any rights *You* may have to limit *Your* liability and any rights *You* may have against any third party. *You* must also promptly notify *Us* of every event or matter which is likely to give rise to a *claim*, provide *Us* with any relevant information or documents and permit *Us* access to any persons employed by *You* who *We* consider likely to have knowledge of the event or matter. If *You* admit liability, settle or fail to preserve *Your* limitation rights, or take any action that encourages or results in a

claim being made against *you*, or fail to promptly notify or provide information or access to *Your* employees *Your claim* may be rejected or reduced. If *We* pay the claimant, *You* or *Your* nominated broker, manager, agent or some other person whom *You* nominate, *Our* liability shall be fully discharged.

Data protection

We process personal information about *You* to provide *You* with insurance that benefits *You* and meets *Our* legal and regulatory requirements. For more information about how *We* process *Your* personal information, including *our* full privacy notice that sets out *Your* rights in relation to the information *We* hold about *You*, please visit *our* website (www.shipownersclub.com/data-protection/) or contact the Club's Data Protection Officer.

Definitions

Please note that the use of *italic* text in this policy indicates that the word or phrase is defined in the clauses. Words in the singular shall include the plural and vice versa.

Bare-boat chartering means making *Your Yacht* available for hire or reward to other parties, without *Your crew* on board. Inter-company arrangements in which *Your Yacht* is chartered from one related company to another within a company group or otherwise, is not considered to be *bare-boat chartering* for the purposes of this policy.

Casualty means an *incident* affecting the physical condition of *Your Yacht* so as to render it incapable of safe navigation to its intended destination, or which creates a threat to the life, health or safety of *Your crew* or guests.

Certificated claims means *claims* that are payable by *Us* as a result of a guarantee, undertaking, or certificate issued by *Us* on *Your* behalf.

Chartered out on a fully crewed basis means making *Your Yacht* available for hire or reward to other parties (charterers), with *Your crew* on board. Also known as time chartering.

Claims mean liability *claims* made against *You* as a result of owning or operating the *Yacht* named on *Your* Certificate of Insurance.

Communicable disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

- A. the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and
- B. the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and
- C. the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

Consumer means *You* when *You* are an individual and *You* have taken out this cover wholly or mainly for purposes unrelated to *Your* trade, business or profession.

Crew means any person engaged or employed in any capacity in connection with *Your Yacht*, whether on board or proceeding to or from *Your Yacht* or on *Yacht's* business.

This includes day workers, but the total number of day workers engaged on or around *Your Yacht* at any one time must not exceed 50% of *Your Yacht's* normal *crew* complement unless *We* have been advised and agreed in writing, in advance.

Crew does not mean *Yacht* brokers or *Yacht* agents or those supplying

services to *Your Yacht*.

Deductible means the initial amount *You* have to pay yourself before the insurance policy will respond.

Designated means listed and subject to asset blocking or freezing such that persons are prohibited from dealing with them.

Employment practices liability claims means *claims* for wrongful or unfair termination, sexual harassment, discrimination or any other employment-related conduct.

Extra costs and expenses means costs and expenses over and above those which would ordinarily be incurred had the *incident* not taken place.

Fines include civil penalties, penal damages and other impositions similar in nature to *finances*, but not punitive damages.

Fully insured means insured at a value which, in *Our* opinion, represents *Your Yacht's* full market value, disregarding any charter or other engagement to which *Your Yacht* may be committed.

Incident means an accident or occurrence relating to the operation or use of *Your Yacht*. A series of *incidents* which have the same cause will be treated as one *incident*.

Insolvency event If *You* are an individual, *insolvency event* means any of the following: a receiving order is made against *You*; *You* become bankrupt; *You* make any composition or arrangement with *Your* creditors generally.

If *You* are a company, *insolvency event* means any of the following: the passing of any resolution for voluntary winding up; an order being made for compulsory winding up (other than for the purpose of company or group reorganisation); the dissolution of the company; the appointment of a receiver or manager of all or part of the company's business; upon commencement by the company of proceedings under any bankruptcy or insolvency laws to seek protection from its creditors or to reorganise its affairs.

Nuclear risks means any loss, damage or expense due to or arising out of, directly or indirectly, nuclear reaction, radiation or radioactive contamination regardless of how it was caused.

Personal effects means items which *Your crew*, guests or others bring on to *Your Yacht* and which are unconnected to the operation of *Your Yacht*.

Pollution means the accidental discharge or escape of oil or other substances from *Your Yacht*.

Sanction risks means the risk of violating or to being or becoming subject to any sanction, prohibition, or adverse action in any form whatsoever by any State, international or supranational organisation or competent authority.

SCOPIC means Special Compensation P&I Club Clause.

Tender means any craft whether owned, chartered, or otherwise used by *You*, and which is either stored onboard the *Yacht* and/or towed by the *Yacht* when she is underway and which is used in connection with *Yacht* to transfer the owner, guests and *crew* of the *Yacht* or to provide support to the *Yacht* and/or entertainment to the owner, guests and *crew* of the *Yacht*.

Toy means any personal watercraft (PWC), jetski and other watercraft (other than the *Yacht* or *Tender*), parasailers, para-gliders, bananas, doughnuts or other watersports equipment and unmanned aerial vehicles (drones) owned and/or operated by *You* and which are designed and built for recreational use in and are stored onboard the *Yacht* when underway.

Uninsured or Underinsured third party vessel means a third party vessel whose owner or operator has no insurance or insufficient insurance to cover medical costs and expenses of *Your crew*, guests, or

others.

War risks means costs or expenses (regardless of whether partially caused by neglect by *You* or *Your* servants or agents) when the *incident* giving rise to the liability or expense was caused by the following: war, civil war, revolution, rebellion, insurrection or resultant civil strife arising therefrom or any hostile act by or against a belligerent power, or any act of terrorism; capture, seizure, arrest, restraint or detention (barratry and piracy excepted) and the consequences thereof or any attempt thereof; mines, torpedoes, bombs, rockets, shells, explosives or similar weapons of war.

We or Our or Us means The Shipowners' Mutual Protection and Indemnity Association (Luxembourg), the insurer.

Yacht *Yacht* means the *Yacht* named on the Certificate of Insurance as the *Yacht* insured including her *tender(s)*, *toy(s)* and other equipment on board. *Yacht* does not include any shadow vessel in support of the *Yacht* or the shadow vessel's *tender(s)*, *toy(s)* and equipment.

You or Your means the individual or company named as the Member in the Certificate of Insurance. Where the *Yacht* is owned by a corporate entity, the beneficial owner(s) will also benefit from the protection of the policy and if the owner is domiciled in the U.S. the U.S. *Yacht* Endorsement will automatically apply to this insurance.

Optional additional cover

If *you* require any of the following additional covers, please contact *Us*. Contact details are found on the next page.

- Legal Costs Cover.
- Personal Accident Cover.
- Yacht Owners Pre-Delivery Liability Cover.

London

White Chapel Building, 2nd Floor
10 Whitechapel High Street
London E1 8QS

T +44 207 488 0911

F +44 207 480 5806

E info@shipownersclub.com

The Shipowners' Mutual Protection and Indemnity Association
(Luxembourg) | 16, Rue Notre Dame | L 2240 Luxembourg |
Incorporated in Luxembourg | RC Luxembourg B14228

Singapore

9 Temasek Boulevard
Suntec Tower Two, #22-02
Singapore 038989

T +65 6593 0420

F +65 6593 0449

E info@shipowners.com.sg

The Shipowners' Mutual Protection and Indemnity Association
(Luxembourg) | Singapore Branch | Company No. T08FC7268A

MARITIME LABOUR CONVENTION (MLC) CERTIFICATES CLAUSE

THE ADDITIONAL COVER WHICH FOLLOWS DOES NOT FORM PART OF ANY MEMBER'S INSURANCE UNLESS AND TO THE EXTENT THAT IT IS EXPRESSLY AGREED AND INCORPORATED INTO THE MEMBER'S CERTIFICATE OF INSURANCE.

1. Subject only to the other provisions of this MLC Certificates Clause ("Certificates Clause"), We shall discharge and pay on your behalf under the 2006 Maritime Labour Convention as amended (MLC 2006) or domestic legislation by a State Party implementing MLC 2006:

- a) Liabilities in respect of outstanding wages and repatriation of a seafarer together with costs and expenses incidental thereto in accordance with Regulation 2.5, Standard A2.5 and Guideline

B2.5; and

- b) Liabilities in respect of compensating a seafarer for death or long-term disability in accordance with Regulation 4.2, Standard A4.2 and Guideline B4.2.
 - c) Accordance with Regulation 4.2, Standard A4.2 and Guideline B4.2.
2. When *We* make a payment to a seafarer under the Certificates Clause *We* shall, in accordance with MLC 2006 acquire by subrogation, assignment or otherwise the rights which the seafarer would have enjoyed and in addition *We* have a right to seek reimbursement of such payments from the Assured and/or Joint Members save to the extent that such payment is in respect of liabilities, costs or expenses which are recoverable under the Policy.
3. There shall be no payment under paragraph 1(a) or paragraph 1(b) if and to the extent that the liability, cost or expense is recoverable under any social security scheme or fund, separate insurance or any other similar arrangement.
4. *We* shall not discharge or pay any liabilities, costs or expenses under paragraph 1(a) or paragraph 1(b), irrespective of whether a contributory cause of the same being incurred was any neglect on your part or on the part of your servants or agents, where such liabilities, costs or expenses were directly or indirectly caused by or contributed to by or arise from:
- a) Any chemical, biological, bio-chemical or electromagnetic weapon,
 - b) The use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, computer virus or process or any other electronic system.
5. The Certificates Clause may be cancelled in respect of *War risks* by us on 30 days' notice to you (such cancellation becoming effective on the expiry of 30 days from midnight of the day on which notice of cancellation is issued).
- a) Whether or not such notice of cancellation has been given the Certificates Clause hereunder shall terminate automatically in respect of the *War risks*:
 - (i) Upon the outbreak of war (whether there be a declaration of war or not) between any of the following: United Kingdom, United States of America, France, the Russian Federation, the People's Republic of China;
 - (ii) In respect of any ship, in connection with which cover is granted hereunder, in the event of such ship being requisitioned either for title or use.
 - b) The Certificates Clause excludes loss, damage, liability or expense arising from:
 - (i) The outbreak of war (whether there be a declaration of war or not) between any of the following: the UK, the USA, France, The Russian Federation, the People's Republic of China;
 - (ii) Requisition for title or use.
6. The Certificates Clause shall be subject to the Sanctions and *Nuclear Risks* exclusions in your Policy.
7. Without prejudice to paragraph 5, cover under the Certificates Clause shall cease 30 days after notice of termination in accordance with either Regulation 2.5, Standard A2.5.2.11 or Regulation 4.2, Standard A4.2.12.
8. Any dispute arising out of or in connection with the Certificates Clause shall be resolved in accordance with the Dispute Resolution and Governing Law sections in your Policy.
9. For the purpose of the Certificates Clause:

"*You or Your*" means any insured party who is liable for the payment of calls, contributions, premium or other sums due under your Policy.

"Seafarer" shall have the same meaning as in MLC 2006.

"*War risks*" means the risks set out in the Definitions section of your policy.

BIO-CHEMICAL EXTENSION CLAUSE

THE FOLLOWING BIO-CHEMICAL EXTENSION CLAUSE FORMS PART OF A MEMBER'S INSURANCE UNLESS OTHERWISE AGREED BY THE MANAGERS IN WRITING

1. **Subject to the terms and conditions and exclusions set out herein, cover is extended to include the liability of the Member (being an Insured Owner):**
- (a) To pay damages, compensation or expenses in consequence of the personal injury to or illness or death of any seaman (including diversion expenses, repatriation and substitute expense and shipwreck unemployment indemnity),
 - (b) For the legal costs and expenses incurred solely for the purpose of avoiding or minimising any liability or risk insured by an Association (other than under the 'Discretionary Claims' section of your policy)
- 1.2 Where such liability is not recoverable under:
- (a) Any war risk P&I policies either provided by us or by someone else,
- 1.3 Solely by reason of the operation of an exclusion of liabilities, costs, losses and expenses directly or indirectly caused by or contributed to by or arising from:
- (a) Any chemical, biological, bio-chemical or electromagnetic weapon
 - (b) The use or operation, as a means for inflicting harm, of any computer, computer system, computer software program, malicious code, computer virus or process or any other electronic system,
- 1.4 Other than liabilities, costs, losses and expenses arising from:
- (i) Explosives or the methods of the detonation or attachment thereof
 - (ii) The use of the entered ship or its cargo as a means for inflicting harm, unless such cargo is a chemical or biochemical weapon.
 - (iii) The use of any computer, computer system or computer software program or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile.

2. Excluded Areas

- 2.1 The Board may in its discretion decide that there shall be no recovery in respect of any liabilities, costs, losses and expenses directly or indirectly caused by or contributed to by or arising out of any event, accident or occurrence within such ports, places, zones or areas, or during such period as they may specify.
- 2.2 At any time or times before, or at the commencement of, or during the Policy Year, the Association may by notice to the Member change, vary, extend, add to or otherwise alter the ports, places, countries, zones and periods specified in Clause 2.1 from a date and time specified by the Association not being less than 24 hours from midnight on the day the notice is given to the Member.

3. Cancellation

Cover hereunder may by notice to the Member be cancelled by the Association from a date and time specified by the Association, not being less than 24 hours from midnight on the day notice of cancellation is given to the Member.

4. Limit of Liability

4.1 Subject to Clause 4.2 the limit of liability of the Association under this extension of cover in respect of all claims shall be in the aggregate US\$ 30 million each ship any one accident or occurrence or series thereof arising from any one event.

4.2 In the event that there is more than one entry by any person for Bio- Chemical cover as provided herein in respect of the same ship with the Association and/or any other insurer which participates in

the Pooling Agreement or General Excess Loss Reinsurance Contract, the aggregate recovery in respect of all liabilities, costs, losses and expenses arising under such entries shall not exceed the amount stipulated in Clause 4.1 and the liability of the Association under each such entry shall be limited to such proportion of that amount as the *claims* arising under that entry bear to the aggregate of all such *claims* recoverable from the Association and any such other insurer.

5. Deductible

The *deductible* shall be the *deductible* applicable to the relevant cover set out in the Certificate of Insurance.

6. Law and Practice

This clause is subject to English law and practice.