



yacht  
club

by  
Steamship  
Mutual



# Yacht Charterers' Liability Terms and Conditions 2020/2021

# Managers' Area Representatives

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Registration Number 105461 England

Authorised by the Prudential Regulation Authority and  
regulated by the Financial Conduct Authority and  
Prudential Regulation Authority.  
PRA and FCA registration number 202548

Company limited by guarantee in 1909



yacht  
club

by  
Steamship  
Mutual



## Emergency Contact Details

For emergency assistance when the London office is closed, please contact the relevant personnel from the contact details listed on page 02.

Additionally at weekends or during public holidays, staff on duty can be contacted on the following mobile telephone number:

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[duty.team@simsi.com](mailto:duty.team@simsi.com)

Alternatively refer to the Club's website at:

[www.steamshipmutual.com/list-of-vessels.html](http://www.steamshipmutual.com/list-of-vessels.html)  
[www.steamshipmutual.com/syndicate-structure-and-staff-directory.html](http://www.steamshipmutual.com/syndicate-structure-and-staff-directory.html)





## Part A

### General

#### 1. Policy Terms

The terms and conditions of the Assured's insurance with the Club are contained in:

- i. These Terms and Conditions; and
- ii. The Certificate of Entry; and
- iii. Any endorsements to the Certificate of Entry; collectively the Policy Terms

#### 2. Definitions and Headings

The definition of words and phrases in Appendix 1 shall apply to such words and phrases where used in the Policy Terms. Headings in these Policy Terms are for ease of reference and convenience and shall not affect the meaning and/or interpretation of any of the provisions of this insurance.

#### 3. Scope of Cover

The Assured is insured against the risks set out in Part B subject always to:

- i. The Policy Terms; and
- ii. The Exclusions in Part C; and
- iii. The claim arising:
  - a. out of events occurring during the Policy period; and
  - b. out of the Assured's charter of the insured Yacht;

#### 4. Who is covered

In addition to the Assured named in the Certificate of Entry, this insurance covers:

- i. The beneficial owner of the Assured and immediate family members and guests in respect of liabilities, costs and expenses arising out of their use of the Yacht, its Tenders as defined, its Water Craft and its equipment;
- ii. Liabilities incurred by Crew whilst acting within the scope of their Contracts of Employment as crew members on board or in respect of the Yacht only to the extent that the Assured is under a legal liability under the terms of the Charter to indemnify the Owners in respect of such liabilities, cost and expenses;

- iii. Where agreed to in writing by the Managers, any other party provided that such cover shall be limited to:
  - a. liabilities and in the amount that would have been incurred by the Assured had a claim in respect of that liability been made against the Assured; and
  - b. a maximum of US\$500,000,000 inclusive of all costs and expenses, any one occurrence, unless otherwise agreed in writing;

in each case subject to the Policy Terms.

#### 5. Joint Assureds

- i. Where more than one Assured is named in the Certificate of Entry, each Joint Assured shall be:
  - a. insured only for the risks set out in Part B arising out of operations and activities customarily carried on by or at the risk and responsibility of Yacht Owners and for which the Assured would be liable to indemnify them and subject to these Policy Terms; and
  - b. jointly and severally liable for premium and any other sums due to the Club.
- ii. Where the conduct of one Joint Assured is sufficient to bar recovery under the Policy Terms, it shall bar recovery by all Joint Assureds.
- iii. Payment of a claim to any one Joint Assured or any other party covered under Clause 4 shall discharge the Club's liability in respect of the claim paid.
- iv. The total liability of the Club in respect of any one claim to the Assured and to any others covered under the Assured's entry, shall not, in any circumstances, exceed such sum as would have been recoverable from the Club by the Assured.
- v. The Club shall not be liable for liabilities, costs and expenses arising out or in consequence of any dispute or difference between Joint Assureds or any others covered under the Assured's entry.





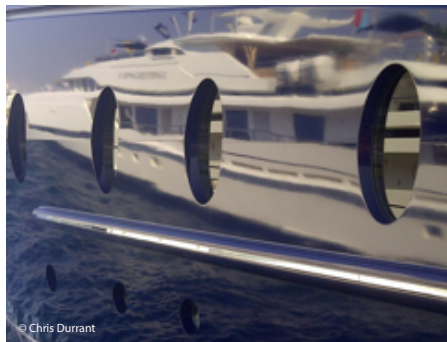
- vi. Any notice given pursuant to this insurance to any one Assured shall be sufficient notice to all Assureds, and others insured hereunder.

#### 6. Premium

This insurance is on a fixed premium basis. Unless otherwise agreed, the agreed premium shall be payable by the Assured on or prior to the inception of cover.

#### 7. Period of Cover

This insurance shall commence at the time and on the date specified in the Certificate of Entry and, save where the Club has exercised rights to terminate this insurance or as otherwise provided in the Policy Terms, continue for the period specified in the Certificate of Entry.





## Part B

### Scope of Cover

#### 8. Preamble

This insurance shall cover the liabilities, costs and expenses set out in Clauses i to xxv of this Part B;

- i. Subject to the Policy Terms;
- ii. Unless excluded or varied by the Certificate of Entry or any endorsement;
- iii. In the case of liabilities, when such liability arises:
  - a. by operation of law; or
  - b. under the terms of an indemnity, undertaking or contract:
    - i. which has been approved in writing by the Managers, or
    - ii. under which the Assured assumes no greater liabilities than it would under:
  - a) an unamended standard terms of business which are customarily required to be agreed in order to use a port, marina, yacht club or shipyard facilities; or
  - b) an unamended MYBA Charter Agreement (Revised 2017), or an unamended AYCA Recreational Bareboat Charter Agreement 2015 (under which the crew employed by the Charterer shall be the same crew customarily employed by the Owner), or an unamended ECPY Transport and Services Agreement for Yachts 2017.
- iv. Save that in respect of liabilities for:  
Crew repatriation or substitute expense under Clause iii  
Crew Compensation under Clause iv  
Loss of effects under Clause vi  
only where such liability arises under Clause 8 iii b.

### Covered Risks

#### i Liability to Persons

Liability for damages or compensation in respect of personal injury, illness or death of:

- a. crew and day workers, and
- b. other persons on board.

#### ii Medical Expenses

Liability for reasonably incurred hospital, medical and/or funeral expenses, including repatriation of remains, in relation to injury, illness or death of:

- a. any person on board, other than crew;
- b. crew but, unless otherwise agreed, only in excess of the amount for which crew medical insurance is required to be provided under Clause 10 xii; and
- c. any person to whom the Assured is so liable where that liability is caused by the operation of the Yacht.

#### iii Repatriation and crew substitute expenses

- a. (i) Liability for repatriation expenses in respect of persons on board the Yacht consequent on:
  - (a) a casualty to the Yacht; or
  - (b) illness or injury to such person;which necessitates such repatriation; and
- (ii) Repatriation expenses in any other case or expenses incurred in order to avoid repatriation which would otherwise have been necessary where the Managers in their discretion determine that such expenses have been necessarily and reasonably incurred.
- b. Expenses necessarily incurred in sending abroad substitutes, or in securing, engaging, repatriating or deporting a substitute engaged abroad, to replace any Crew on board an entered Yacht who shall have died, or who shall have been disembarked due to injury, illness, or deserted, or in any other case in which the Managers determine that such expenses were reasonably incurred, save that wages shall only be recoverable as part of such expenses when payable to substitutes, engaged abroad, whilst awaiting and during repatriation.



#### iv Crew Compensation

Wages or other compensation for loss of employment payable to crew in consequence of the loss or constructive total loss of the Yacht.

#### v Deviation Expenses

Port and deviation expenses when solely incurred:

- a. for the purpose of landing or disposing of stowaways, refugees or other persons rescued at sea; or
- b. in order to secure the treatment necessary for an injured or sick person on board the Yacht; or
- c. in attempting to save or saving life at sea; or
- d. in order to search for, and/or recover, persons missing from the Yacht;

*Provided that:*

- i. such expenses have in the opinion of the Managers been reasonably incurred; and
- ii. they have been incurred as a direct result of the deviation; and
- iii. any savings in expenditure which would have been incurred by the Assured but for the deviation shall be deducted from the amount recoverable.

#### vi Loss of effects

Loss of or damage to baggage and effects of crew excluding cash and valuables;

#### vii Deserters and Stowaways

Repatriation expenses in respect of crew posted as deserters, stowaways, refugees and persons rescued at sea provided reasonably incurred and, in the case of deserters, irrecoverable from them.

#### viii Life salvage

- a. To the extent not recoverable from Hull Underwriters, life salvage; and
- b. In the Managers' discretion, costs and expense claimed by third parties, for the saving of, or attempting to save, the life of any person on or from the Yacht.

#### ix Collision

Liabilities costs and expenses consequent upon collision between the Yacht and any other ship including the Assured's liability to indemnify the Owner of the other ship against, or to pay, liabilities, costs and/or expenses of and incidental to:

- a. raising, removal, destruction, lighting or marking of the wreck of such other ship, its cargo or other property on board;
- b. loss of, or damage to, or interference with rights in relation to any fixed or movable property, whether on or above, in or below land or water, caused by such other ship;
- c. an actual or threatened escape or discharge of oil or any other substance (other than from the Yacht) save for that causing damage to the ship with which the Yacht is in collision or that causing damage to any property on board that ship;
- d. remuneration payable under the P&I SCOPIC Clause or special compensation or increment awarded thereon under the provisions of Article 14 of the International Convention on Salvage 1989;

*Provided always that:*

if a claim arises under this Clause in respect of a collision involving the entered Yacht and another ship belonging wholly or partly to the same beneficial owner, the Assured shall be entitled to recover from the Club, and the Club shall have the same rights, as if the Yacht and the other ship had belonged to different owners.

#### x Pollution

Liability for and costs and expenses caused by or consequent on the escape or discharge, actual or threatened, of oil or any other substance from the Yacht as follows:

- a. Liability for loss, damage or contamination;
- b. Costs of any measures reasonably taken for the purpose of minimising or cleaning up any pollution, avoiding or preventing any imminent danger of pollution, or any resulting loss, damage or contamination, together with any liability for loss of or damage to property caused by any measures so taken;
- c. Liabilities, costs or expenses following a casualty to the Yacht incurred as a result of compliance with the order or direction of any government or authority (other than in respect of repair or salvage of, or permanent structural alteration to, the Yacht) for the purposes of avoiding or minimising pollution or the danger of pollution;





- d. Liability for special compensation and any increment awarded thereon payable to salvors incurred by the Assured under the terms of the P&I SCOPIC Clause or under the provisions of Article 14 of the International Convention on Salvage 1989 or under the terms of a standard form of salvage contract approved by the Managers.

*Provided always that* such liabilities, costs or expenses are not recoverable, unless consequent on the conduct of the Assured, under the hull policies of the Yacht.

#### xi Damage to Fixed and Floating Objects and Other Vessels Without Collision

Liability for loss of, or damage to, or interference with rights in relation to any other ship or property therein occasioned otherwise than by collision with the Yacht, or any fixed or other property whether on or above, in or below land or water, and whether or not on board the entered Yacht, except:

- a. if owned by or leased to the Assured; or
- b. if otherwise excluded under the Policy Terms; or
- c. to the extent recoverable under i, ii, iii, iv, v, vi, ix, x, xii or xiii of this Clause or would have been so recoverable but for the exclusions or conditions contained therein.

#### xii Towing

- a. Liabilities of the Assured other than for the cost of the tow, arising from and/or in respect of towing of the Yacht:
  - i) Provided that there shall be no recovery in respect of liabilities, costs or expenses incurred under or pursuant to the terms of a contract for towing of the Yacht unless that contract is entered into for the purpose of entering, leaving or manoeuvring within a port; or
  - ii) In an emergency.
- b. Liabilities of the Assured arising from and/or in respect of towing by the Yacht insofar as:
  - i) The towing or attempt thereat is made for the purpose of saving or attempting to save life or property at sea, provided that such tow by the Yacht is either terminated or handed over by the Yacht

to a more appropriate towing vessel as soon as reasonably possible; or

- ii) The towing is of the Yacht's Tenders or Water Craft, subject to such towing being conducted:
  - a) with suitable equipment;
  - b) and in appropriate conditions.

#### xiii Wreck Removal

- a. Costs and expenses of or incidental to or liabilities arising out of the actual, or attempted, raising, removal, destruction, lighting or marking of the wreck of the Yacht including any part thereof;
- b. Liabilities arising out of the presence or involuntary shifting of, or obstruction caused by, the wreck of the Yacht, including any part thereof or other property carried thereon.

*Provided always that:*

- i) in the case of 8 xiii a such raising, removal, destruction, lighting or marking is compulsory by law, or the costs thereof are legally recoverable from the Assured; and
- ii) in the case of 8 xiii b unless the Managers otherwise determine, there shall be no recovery in respect of liabilities resulting from the failure of the Assured to take such measures as are reasonable to raise, remove, destroy, light or mark the wreck; and
- iii) the occurrence giving rise to the claim occurred during the period of the Yacht's entry; and
- iv) such costs and expenses are not covered by any other insurances; and
- v) the Assured does not transfer its ownership of the wreck or other property saved otherwise than by abandonment to underwriters; and
- vi) the value of the wreck and any other property saved shall be deducted from the claim; and
- vii) there shall be no recovery in respect of any liability incurred more than two years after the Yacht became a wreck.



#### xiv Quarantine Expenses

Extraordinary expenses solely consequent on the outbreak of infectious or contagious disease on the Yacht or in respect of quarantine.

#### xv Fines

Fines for which the Assured is liable or for which the Assured, with the approval of the Managers, assumes responsibility, imposed in respect of the Yacht by any court, tribunal or authority of competent jurisdiction for:

- a. breach of any law or regulation relating to immigration;
- b. accidental escape or discharge of oil or any other substance or the threat thereof;
- c. smuggling or any infringement of any customs law or customs regulation other than in respect of VAT;
- d. any other matter, only in the absolute discretion of the Managers.

#### xvi Enquiry Costs

Costs and expenses incurred by the Assured in defending itself or protecting its interests before a formal enquiry into the loss of or a casualty to the Yacht in cases which, in the opinion of the Managers, may affect any claim upon the Club arising out of such loss or casualty.

#### xvii Legal Costs

Costs and expenses including legal costs which the Assured may incur with the consent of the Managers of the Club in respect of any liability or expenditure against which it is insured by the Club.

#### xviii Sue and Labour

Extraordinary costs and expenses reasonably incurred upon or after any casualty, occurrence or event which is likely to give rise to a claim covered by the Club, solely for the purpose of avoiding or minimising any liability or expenditure arising out of such claim.

#### xix Compliance Costs

Costs, expenses and losses which the Assured may incur in complying with a written direction of the Club.

#### xx Water Sports

Liabilities arising out of the participation by the beneficial Owner of the Assured and immediate family members, crew, guests or other third parties in water sports, either from the Yacht or its Tenders or its Water Craft or elsewhere whilst using the Yacht's equipment provided that such equipment is being operated by or its use supervised by a crew member who is both adequately qualified (where it is a flag state and/or a legal requirement where the Yacht is situated to be so qualified), and is also adequately experienced in the operation of such equipment.

#### xxi Helicopters and other Airborne Craft

Liabilities arising as a result of the presence of a helicopter or other airborne craft owned or chartered by the Assured whilst on board the Yacht commencing from the moment when all its rotors have ceased to turn until the moment when any of its rotors have begun to turn. This insurance does not cover any liability for loss of or damage to any helicopter or airborne craft of any nature whatsoever.

#### xxii War Risks

Liabilities arising from, and costs and expenses caused by:

- a. war, civil war, revolution, rebellion, insurrection or civil strife arising therefrom or any hostile act by or against a belligerent power or any act of terrorism;
- b. capture, seizure, arrest, restraint or detainment (barratry or piracy excepted), whether actual or attempted or their consequences;
- c. mines, torpedoes, bombs, rockets, shells, explosives or other similar weapons of war;

*Provided that:*

- i) cover under this Clause xxii shall not be effective, if prior to the attachment of risk, there has occurred any event which would have automatically terminated cover under the provisions of this Clause;
- ii) there shall be no cover under this Clause xxii:
  - a) For Nuclear, Chemical, Bio Chemical, Electromagnetic Weapon and Computer Virus risks;



- b) When the Yacht enters and for the period that the Yacht remains in any area specified in the current edition of the Joint War Committee Hull, War, Strikes, Terrorism and Related Perils – Listed Areas, unless
  - i. notified to the Managers 14 days in advance of such entry; and
  - ii. the Managers in their absolute discretion confirm cover subject to any terms, conditions and/or limits that they impose; and
  - iii. the Assured complies with all terms and conditions imposed by the Managers;
- c) Where the Yacht is requisitioned for title or use:
- iii) cover under this Clause xxii may be cancelled by the Club giving the Assured 7 days written notice;
- iv) in the event of outbreak of war, whether declared or not, between any of the United Kingdom, the United States of America, the People's Republic of China, France or the Russian Federation:
  - a) Cover under this Clause xxiii shall cease automatically and without notice; and
  - b) Any liabilities, costs and expenses so arising shall be excluded.

- a. notified to the Managers 14 days in advance of such entry; and
- b. the Managers in their absolute discretion confirm cover subject to any terms, conditions and/or limits that they impose; and
- c. the Assured complies with all terms and conditions imposed by the Managers.

#### xxv Omnibus

Liabilities, cost and expenses incidental to the chartering of Yachts which the Managers may decide, in their absolute discretion, to be within the scope of the insurance.



#### xxiii Firearms

Liabilities arising from the use of weapons on board for sporting purposes provided carried, stored and used in compliance with all applicable laws and regulations.

#### xxiv Piracy

Liabilities covered under this Part B consequent on acts of piracy, including capture, seizure, detainment, whether actual or attempted or the consequences, provided that there shall be no cover under this Clause xxiv when the Yacht enters and for the period that the Yacht remains in any area specified in the current edition of the Joint War Committee Hull, War, Strikes, Terrorism and Related Perils – Listed Areas unless:



## Part C

### 9. Exclusions

Unless otherwise agreed by endorsement of the Certificate of Entry, there shall be no coverage under this insurance for any liabilities, costs and expenses in respect of:

- i. Nuclear risks;
- ii. Chemical, bio-chemical, electromagnetic weapons and computer virus risks;
- iii.
  - a. liabilities, costs and expenses consequent on loss of or damage to the Yacht, its equipment, bunkers, stores and anything on board;
  - b. loss of charter hire, or arising out of cancellation of a charterparty;
  - c. bad debts;
  - d. loss or liability arising out of fraud or insolvency of the Assured or its agents;
  - e. detention of the Yacht;

unless and only to the extent provided for in Part B Clauses 8 viii, xviii, xix, xxii b and xxiv.

- iv. Any liability, loss, claim or expense which is and to the extent covered by any other insurance or would be covered but for a provision in that other insurance that such insurance will not respond in the event of double insurance, or be in excess of any other insurance.
- v. The consequences of the carriage of contraband.
- vi. Performing or agreeing to perform any voyage which in any way howsoever exposes the Club to the risk of being or becoming subject to any sanction, prohibition or adverse action in any form whatsoever by any state or international organisation.
- vii. Performing any voyage which in the opinion of the Managers is imprudent, unsafe, unduly hazardous or improper.
- viii. Corrupt or illegal payments or inducements.
- ix. Any claim resulting from the Assured's failure to act as a prudent uninsured, or the Assured's wilful misconduct.

- x. Arising out of the Assured's non-compliance with its obligations under Clause 10 vii
- xi. Racing, unless, only in the case of sailing yachts, agreed by the Managers in writing.
- xii. Commercial diving or, unless agreed in writing, the use of Underwater Craft.
- xiii. Deductibles under other insurance policies.
- xiv. Personal effects other than of crew.
- xv. Kidnap and ransom payments.
- xvi. Disposal or discharge at, presence in or escape from, whether actual or threatened, any shore based facility of any substance previously on board the Yacht.
- xvii. Unpaid or disputed wages, unless and only to the extent provided for in Part B Clauses 8 iii b and iv.
- xviii. The use or insurance of Motor Vehicles.
- xix. Claims arising out of disputes with, or between, persons on board the Yacht which do not arise from its ownership or operation.
- xx. Liability assumed by the Assured under any contract or agreement, unless approved by the Managers and endorsed on the Certificate of Entry, or otherwise meeting the conditions set out in Clause 8 Preamble iii b.



## Part D

### Assured's Obligations

#### 10. Disclosure

- i. The Assured warrants that when it:
  - a. applies for insurance;
  - b. renews that insurance; and
  - c. negotiates any change to the insurance;

it shall make to the Club a fair presentation of the risk in compliance with Part 2 of the English Insurance Act 2015 including disclosure:

- a. of every material circumstance which the Assured knows or ought to know; or
- b. providing sufficient information to place the Club on notice of the need to make further enquiry for the purposes of revealing those circumstances; and
- c. in which every material representation as to a matter of fact is substantially correct, and every representation as to a matter of expectation or belief is made in good faith;

save that Section 8 of the Act shall have no application and Clause 13 iii shall apply irrespective of whether any breach of the duty of fair presentation is innocent, deliberate or reckless.

- ii. The Assured shall immediately disclose to the Club any material change in any material particulars and information or any material alteration in the risk.

#### iii Payment of Premium

The Assured will pay all premium and any other sums due to the Club on or before the agreed due date in the currency of account agreed without deduction or set off.

#### iv Premium and other Taxes

The Assured shall pay on demand to the Club the amount of any premium tax or other tax levied on or in connection with the insurance provided by the

Club to the Assured for which the Club determines it or the Assured has or may become liable, and shall indemnify and hold harmless the Club in respect of any loss, damage, liability, cost or expense which the Club may incur in respect of such premium tax or other tax.

#### v Paid to be paid

The insurance provided under these Policy Terms is on an indemnity basis. Unless the Managers otherwise agree, it shall be a condition precedent of the Assured's right to recover from the Club in respect of any liability, costs or expenses that the Assured shall first have paid the same.

#### vi Illegality

The Assured, to the extent that it is within its knowledge and control, shall not permit the Yacht to be used for any illegal purpose during the period of this insurance.

#### vii Captain and Crew

The Assured shall ensure that the charter is on a fully crewed basis under the command of the Yacht Owner's professionally qualified Captain.

#### viii Class and Code Compliance

Unless otherwise agreed by written endorsement of the Certificate of Entry, the Assured shall ensure that

- a. at the time when the Yacht is entered in the Club the Yacht is:
  - i. in Class with an IACS Classification Society; or
  - ii. in compliance with the applicable MCA Large Commercial Yacht Code; and
- b. the Yacht Owner has P and I insurance; and
- c. Under the Assured's charter of the Yacht the Owner warrants that throughout the period of that charter it shall:
  - i. maintain the Yacht's, Class or Code compliance and P and I insurances;
  - ii. Comply with any statutory requirements applicable to, and/or maintain valid certificates required by, the Yacht.





#### ix Survey

On request of the Managers, the Assured shall procure the availability of the Yacht for inspection and survey as soon as reasonably practicable, including any documentation whether on board or not relating to the operation or condition of the Yacht as is requested.

Where the condition of the Yacht as surveyed in the opinion of the Managers so requires, the Managers may require the Assured to procure repairs to be carried out within a time specified, by them.

#### x Notice of Claims

- a. In the event of an occurrence likely to lead to a claim on this insurance notice must be given of that occurrence to the Managers as soon as the Assured, its agents or the crew is or ought reasonably to be, aware of that occurrence. Such notice shall include:
  - i) the name of Yacht;
  - ii) the nature of the incident;
  - iii) the names of any other parties involved, including governmental authorities investigating or to whom the incident has been reported.
- b. Without prejudice to the Assured's obligation under Clause 10 x a, the Club shall be under no liability whatsoever where a claim, liability or expense is notified later than 12 months after the Assured becomes or ought reasonably to have become aware of its existence.

#### xi Protection of rights of recourse

Where the Assured may have a right of recourse in respect of a claim against any other party, including its agents or independent contractors, the Assured shall notify the Managers as soon as it becomes aware that such right may be available, take any steps as may be necessary to preserve the same whether requested or not and comply with any directions given by the Managers in respect thereof.

#### xii Claims Handling

The Assured shall permit the Club to investigate and/or handle any incident or matter which will or may result in a claim insured by the Club. Irrespective of whether a claim is handled by

the Club, the Assured will co-operate fully in the handling of such a claim and, in particular:

- a. obtain the Club's prior approval before instructing lawyers, experts or other third party provider of services;
- b. keep the Club fully informed as to the matter and instruct any lawyers or other professionals to do the same;
- c. take all reasonable steps to collect and preserve evidence, and provide information or documentation promptly when requested;
- d. use its best endeavours to make witnesses available to be interviewed, provide statements or to give evidence;
- e. comply with any direction of the Managers as to the initiation of proceedings, handling, settlement or discontinuance of any claim.
- f. no claim shall be abandoned, settled or discontinued nor any liability admitted nor any other material step taken whatsoever which may affect any claim upon the Club by or on behalf of the Assured without the prior consent in writing of the Managers.

#### xiii Medical Insurance

Unless otherwise agreed, the Assured's Charter of the Yacht shall require its Owner to maintain medical insurance for each member of the Yacht's crew, including the Master, with a minimum Policy limit of US\$50,000 any one occurrence throughout the period of this insurance.



## Part E

### General Conditions

Unless otherwise agreed, all cover under this insurance shall be subject to the following General Conditions:

#### 11. Limits

Unless subject to an express policy limit set out elsewhere in the Policy Terms, all claims for liabilities, costs and expenses under this insurance shall bear a limit in aggregate of US\$500,000,000 any one claim or occurrence.

#### 12. Deductibles and Policy Limits

- i) The deductibles provided in the Certificate of Entry shall apply to this insurance;
- ii) Any liabilities, costs or expenses recoverable under Part B up to the policy limit shall be reduced by the amount of such deductible(s).

#### 13. Termination of insurance

This insurance shall terminate on the happening of any of the following events:

##### i Automatic termination

- a. In the case of an individual Assured, on him becoming deceased, bankrupt, subject of a receiving order, or making any arrangements with his creditors or becoming incapable of conducting his affairs;
- b. If the Assured is wound up, dissolved or placed in receivership or seeks protection from its creditors;
- c. If the Yacht becomes an actual or constructive total loss or is accepted or acknowledged by hull underwriters as being a constructive or compromised total loss;
- d. 10 days from the date of the Yacht being last heard of;
- e. If a creditor takes uncontested possession of the Yacht pursuant to any security interest therein.

##### ii By reason of an act or omission of the Assured

- a. If the Assured fails to pay when due and demanded by the Managers any amounts due from it to the Club, the Managers shall be entitled in their absolute discretion either:

- i. By notice in writing, to terminate the insurance of the Yacht in respect of any policy year to which the Assured's default relates with effect from the beginning of that policy year in which event the Club shall:

- a) Return to the Assured any premium paid for that policy year after deduction of any sums already paid by the Club and of any sums for which the Club is or thereafter may become liable in respect of the Yacht for that year;

*Provided always that:*

If the total amount of the sums already paid and/or which may become payable to the Club exceeds any premium paid for that policy year, the Assured shall be and remain liable for the difference.

- b) Not be liable for claims in respect of the Yacht arising by virtue of events occurring in any policy year to which the termination of entry relates.

- ii. By notice in writing, to terminate the insurance with the Club of the Yacht in respect of the policy year to which the Assured's default relates, with effect from the date given in such notice which shall be in the Manager's absolute discretion in which event the Club:

- a) Shall be entitled to that proportion of all premiums as the actual period of insurance in respect of the Yacht bears to the policy year;
- b) Not be liable in respect of claims in relation to the Yacht arising by virtue of any event in the policy year to which the Assured's default relates occurring after the date of termination.



### iii By notice given by the Managers

#### a. Where:

- i) the Assured has failed to comply with the obligations set out in Clause 10 i and ii;
- ii) in the opinion of the Managers, there has been a material alteration of risk;
- iii) the Yacht ceases to be Classed, if Classed, or ceases to comply with the applicable MCA Large Commercial Yacht Code unless not required to do so under the terms of the Certificate of Entry;
- iv) the Yacht fails to comply with the statutory requirements of the Flag State or no longer possesses valid statutory certificates;
- v) the Assured fails to procure the availability of the Yacht for survey when requested by the Managers;
- vi) the Assured fails to procure compliance, in the opinion of the Managers, with recommendations for repair within the time specified;
- vii) the condition of the Yacht as surveyed in the opinion of the Managers so requires;

the Managers may terminate the insurance of the Yacht by written notice forthwith or from a time and date specified in such notice or, in the Managers' absolute discretion:

- a) determine that there shall be no right to recover claims during the period in which their Yacht ceases to be classed or the Yacht or the Assured is non-compliant or the Yacht's condition so requires;
- b) exclude cover for claims arising out of or contributed to by such non-compliance or condition or reduce recovery to the extent of such contribution;
- c) vary the terms and conditions of this insurance whether as to premium and/or the exclusion or limitation of covered risks save that where the Assured does not accept such variation, it may terminate this insurance by notice in writing to the Managers given within

7 days of being notified of the variation.

- b. The Managers may by 30 days' notice in writing to the Assured at any time terminate the insurance of the Yacht.

### 14. Deduction, Set-Off, Interest and Costs

- i. The Club shall have the right to deduct from any monies whatsoever that are due from, or credited to, it for the account of the Assured, any premiums, deductibles or liabilities whatsoever and howsoever arising due from the Assured to the Club, including any liability, costs or expense which the Club may incur in respect of any premium tax or other tax levied on or in connection with the insurance provided by the Club to the Assured. Further in their absolute discretion the Managers may deduct from any monies, such amounts as they estimate will become due from the Assured in respect of premium.
- ii. The Assured shall not be entitled to set off claims or other amounts due from the Club or from third parties against any premium or other sums due from it to the Club.
- iii. Without prejudice to the rights and remedies of the Club under the Policy Terms, if any premium or other sum due from the Assured to the Club is not paid on or before the due date:
  - a. the Assured shall pay interest on the amount outstanding; and
  - b. if the Club brings legal proceedings to recover and/or to secure recovery of such sums, the Assured shall pay the costs incurred by the Club of and/or consequent upon, such legal proceedings.
- iv. Where a recovery is paid to an Assured and/or paid directly to a third party, in respect of a liability for which the Assured is subsequently exonerated whether on appeal or otherwise, or where payment is made by the Club pursuant to any bail, guarantee, certificate or security of whatsoever provided by the Club and the Assured recovers such payment, the Assured shall be liable to reimburse the Club in respect of the amount originally paid plus interest on that amount from when the payment was made to the



date that the repayment is received by the Club.

### 15. Assignment

Save with the Club's prior consent in writing, no assignment or subrogation whatsoever and howsoever arising of any interest under these Policy Terms shall bind the Club to any extent whatsoever.

### 16. Subrogation

Where the Club makes payment to the Assured in accordance with the Assured's rights under these Policy Terms, or pursuant to security provided on behalf of the Assured, and the Assured has rights against any other party, the Club shall be subrogated to such rights to the extent of its payment.

### 17. Provision of Security

- i. The Club is under no obligation to provide security, including any guarantee, undertaking or certificate evidencing financial or other responsibility, or security for costs on behalf of the Assured.
- ii. If the Club does provide security then at any time whilst that security is outstanding, it may:
  - a. require the Assured forthwith to provide alternative security in substitution for that provided by the Club, if acceptable to the Claimant, or place a cash deposit or provide counter-security acceptable to the Club, equivalent to the security provided; or
  - b. withhold any payments due from the Club to the Assured up to the amount of the Club's exposure under the security provided until the Club's liability under that security has been determined.
- iii. The provision of security by the Club does not constitute any admission of liability by the Club for the claim in respect of which the security is given, or that any payment made thereunder falls within the scope of this insurance.
- iv. Insofar as the Club makes payment under any security, the amount of which would not be recoverable from the Club but for its provision of security, the Assured shall indemnify the Club.

### 18. Waiver

No action taken by the Club shall prevent its subsequent reliance on the Policy Terms or constitute a waiver of the Club's rights to decline liability for a claim.

### 19. Interest

No interest shall be paid on any amounts due from the Club to the Assured.

### 20. Sanctions

- i. Where
  - a. the provision of insurance to the Assured or any other entity insured under that Assured's entry or of any Yacht or any voyage or carriage is or becomes prohibited, unlawful or sanctionable; or
  - b. the ownership, management, operation, charter and/or employment of a yacht may howsoever expose the Assured entering such Yacht and/or the Club and/or any other Assured of the Club to the risk of being or becoming subject to any sanction, prohibition or adverse action of whatsoever nature by any state or international organisation;

the insurance by the Club of that Assured or entity or yacht or voyage or carriage shall cease from the date when such insurance or ownership, management, operation, charter and/or employment becomes prohibited, unlawful or sanctionable, or in the opinion of the Managers the risk thereof arises.

When the risk of any such sanction, prohibition or adverse action ceases, insurance by the Club may be reinstated on such terms and conditions and from such date and time as the Managers determine in their discretion.

- ii. No claims, liabilities, costs or expenses shall be paid or recoverable from the Club where such payment or recovery is prohibited or would constitute a sanctionable activity or in the opinion of the Managers may expose the Club to the risk of being or becoming subject to any sanction, prohibition or adverse action other than, where permitted, payment into a designated account in which event the Club's liability shall be discharged by and to the extent of such payment.



- iii. In the event of cesser of insurance of an Assured or of a Yacht pursuant to this Clause, the Assured shall remain liable for premium and any other sums due, and such cesser shall be without prejudice to any other rights available to the Club under these Terms and/ or otherwise.

## 21. Law and Dispute Resolution

- i. This insurance shall be governed by, and construed in accordance with, English law, provided always that
  - a. The sections of the English Insurance Act 2015 as set out in Clauses 10i and 21ii shall not apply, and
  - b. No benefits or rights are conferred or intended to be conferred, under or through the operation of the Contract (Rights of Third Parties) Act 1999.
- ii. To the extent that these Terms and Conditions and any Certificate of Entry or other policy document issued hereunder are subject to the English Insurance Act 2015, from its entry into force, the following Sections shall be excluded and have no application save to the extent provided in the case of Section 13A of the Act with the effects as set out in sub-paragraphs a-e below:

### Excluded Provisions - Effect

- a. Section 10 - All warranties must be strictly complied with and in the event of breach, the Club's liability is discharged from such date irrespective of whether such breach is subsequently remedied.
- b. Section 11 - The Club shall be entitled to exercise any rights provided in the Policy Terms arising in consequence of the Member's non-compliance with the Policy Terms tending to reduce the risk of loss of a particular kind, or at a particular location or time. The Club shall be so entitled notwithstanding that such non-compliance could not have increased the risk for the loss which actually occurred in the circumstances in which it occurred.

- c. Section 13 - In the event that a fraudulent claim is made by any party insured hereunder the Club shall be entitled to terminate the policy in respect of all parties insured pursuant to that entry or any of them as the Managers so decide in their absolute discretion.
- d. Section 13A - No claim shall be brought against the Club for breach of the implied term that the Club will pay to the Assured any sums due in respect of a claim within a reasonable time save where or to the extent that any breach is deliberate or reckless.
- e. Section 14 - The contract evidenced by the Policy Terms requires the Member and the Club to observe the duty of utmost good faith and non-observance by one party shall entitle the other to avoid the policy.

- iii. Any difference or dispute whatsoever and howsoever arising between or affecting the Assured and the Club and concerning the insurance shall be subject to arbitration in London unless the Club elects for the jurisdiction of the Commercial Court in London. In the absence of such election, unless the Managers agree in writing to the appointment by the Club and the Assured jointly of a sole arbitrator, the Tribunal shall consist of three arbitrators who shall be Queens Counsel currently in practice at the Commercial Bar in London, one to be appointed by each party, the third by the two so chosen. The Arbitration Act 1996 shall apply.





## Appendix 1

### Definitions

#### Assured

Means the party or parties named in the Certificate of Entry as the Assured(s).

#### Certificate of Entry

Means the document issued by the Managers after the acceptance of an application for entry of a Yacht for insurance in the Club, in such form as the Managers from time to time determine, identifying:

- a. the name(s) of the Assured on whose behalf the Yacht has been entered and their interest in that Yacht;
- b. the date of commencement of the period of insurance; and
- c. the terms and conditions, including any limitations to cover, on which the Yacht has been accepted for insurance.

#### Chemical, Bio-Chemical, Electromagnetical Weapons and Computer Virus Risks

Means loss, damage, liability or expense directly or indirectly caused by or contributing to or arising from:

- a. any chemical, biological, bio-chemical or electromagnetic weapon;
- b. the use or operation, as a means of inflicting harm, of any computer virus.

#### Crew

Means any person, including the Master, employed as part of a ship's complement under the terms of a crew agreement or other contract of service or employment to serve on board an entered Yacht other than a Day Worker and for the purposes of cover under Clause 8 iii b shall include a seafarer, being any person who is employed or engaged or works in any capacity on board a Yacht to which the Maritime Labour Convention 2006, or equivalent statutory provisions, apply.

#### Day Worker

Means any person other than a member of the Crew employed by or on behalf of the Assured to work on board on a temporary basis.

#### Effects

Means personal property of a Crew member on board or in transit to or from the Yacht but excluding cash, valuables and any other articles which in the opinion of the Managers is not an essential requirement for a Crew member.

#### Hull Policies

Means the policies effected on the hull and machinery of a Yacht, including excess liability policies.

#### ISM Code

Means the International Safety Management Code.

#### ISPS Code

Means the International Ship and Port Facility Security Code.

#### Managers

Means Steamship P&I Management LLP and/or its' London representative.

#### Nuclear Risks

Means liabilities, costs and expenses directly or indirectly caused by or contributed to by or arising from:

- a. ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b. the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
- c. any weapon or device employing nuclear fission and/or fusion or other like reaction or radioactive force or matter; or



- d. the radioactive, toxic, explosive or other hazardous or other contaminating properties of any radioactive matter.

#### Policy Terms

Means these terms and conditions and the Certificate of Entry and any endorsements to the Certificate of Entry.

#### SCOPIC

Means the special compensation P&I Club Clause.

#### Tender

Means any vessel that is:

- a. owned by the owner of the entered Yacht or associated with the ownership of the entered Yacht; and which is either stowed on board the Yacht and/or towed by the Yacht when she is underway, and is used in conjunction with the Yacht for its purposes.

#### Underwater Craft

Means submarines, mini-submarines, diving bells and any other submersible craft, other than Water Craft.

#### Water Craft

Means any personal water craft:

- a. owned by the owner of the entered Yacht;
- b. other than the entered Yacht or its tenders, Underwater Craft or any craft or device whose use is primarily airborne; and
- c. stowed on board the Yacht when not in use;

#### Yacht

Means the Yacht named on the Certificate of Entry together with its tenders, Water Craft and other equipment on board.

London  
Limassol  
Hong Kong  
Rio De Janeiro  
Piraeus  
Singapore  
Tokyo



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