

## FISHING VESSEL LIABILITY INSURANCE POLICY

### Who we are

We are The Shipowners' Mutual Protection and Indemnity Association (Luxembourg), a marine liability insurer, protecting the interests of vessel owners and operators on a mutual basis. This means that We operate as a non-profit making Club.

### Your cover

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

#### Crew, Passengers and Others

*Claims* from *Your crew, passengers* and 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 member* when viewed against the prevailing compensation regime.

#### Explanation

Deletion of word to bring in line with definitions.

#### 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 tThe reasonable costs and expenses of protecting ~~*your-Your*~~ interests at formal inquiries into a *casualty* and the reasonable costs of defending criminal proceedings brought against *Your* Master, *crew* and agents, if *You* have a responsibility for them.

#### Explanation

This amendment reflects that it may not always be appropriate for Members to have an automatic right of recovery where it comes to formal inquiries and/or criminal proceedings.

#### Property on board

Loss of or damage to any equipment, fuel or other property on board the insured vessel other than *cargo* and catch, excluding loss of, or damage to, any property which forms part of the vessel or which is owned, leased or hired in.

#### Explanation

This change clarifies coverage for items onboard that are neither *cargo* or *catch*.

#### What is not covered (exclusions)

We do not pay *claims* for or arising from the following:

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 insofar as covered under ‘Crew, [Passengers](#) and Others’ above, We do not pay *claims* for or arising out of contractual obligations to pay *crew* wages unless managers have seen and approved the contract in writing. We do not pay share of *catch* and/or profits of vessel payments following sickness or injury or disputes with *crew* over contractual liabilities or obligations. We do not pay *Employment Practices liability claims*.

#### Explanation

‘Passengers’ added to correctly reflect the heading referred to.

[12. Hazardous waste any liabilities, losses, damages, costs arising as a consequence of the discharge or escape of any hazardous waste, previously carried on the insured vessel, from any land based dump, storage or disposal facility.](#)

#### Explanation

This change clarifies to note it is not the intension to cover Members for losses caused by hazardous waste once they have discharged their responsibilities to a third party and brings in line with other policies.

~~12~~[13](#). **Illegal payments** of any kind such as extortion, blackmail or bribery or any associated costs or expenses.

~~13~~[14](#). **Kidnap and ransom** demands or payments.

~~14~~[15](#). **Motor vehicles.** *Claims* arising from the use of mechanically powered vehicles whilst ashore, which would be recoverable under a full comprehensive motor vehicle policy.

~~15~~[16](#). **Nuclear risks** or *claims* arising from radioactivity.

~~16~~[17](#). **Other insurances.** We do not cover liabilities which are recoverable from any other insurance (or where they could have been recoverable had such other insurance not contained a provision similar to this). 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 on terms not less wide than those of the Lloyd’s Marine Policy with the Institute Time Clauses (Hulls) 1/10/83.

~~17~~**18. Own property.** Loss of or damage to owned or leased property of *Yours* including *Your* catch, *Your* fishing gear and *Your* vessel.

~~18~~**19. Property or personal effects of crew**Crew, ~~passengers~~Passengers or ~~others~~Others consisting of cash, precious metals or stones or other objects of a rare or precious nature.

~~19~~**20. Punitive damages** or exemplary damages however described, imposed by a court in the U.S.

~~20~~**21. Salvage services** to *Your* vessel or demands for general average payments and any related disputes other than amounts recoverable under the 'SCOPIC' section of *Your* policy.

~~21~~**22. Sanctions.** *We* do not pay *claims* which would expose the *Shipowners' Club* or its *Managers* to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, the United Kingdom or the United States of America- 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 where the Association or its Managers have their registered offices or permanent places of business or by any State being a Major Power or by the United Nations or the European Union. 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 sanctions restrictions placed on one or all of *Our* Reinsurers.

#### Explanation

In recognition of a growing trend by States to *designate* both entities and vessels, this change and subsequent sanctions changes to this policy, are necessary.

~~22~~**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.

~~23~~**24. Scuba diving.** When scuba equipment is used commercially as an intrinsic part of the fishing operations, unless the diver has been certified by a recognised diver training organisation. Any other form of *commercial diving* is not insured.

~~24~~**25. Submarines,** mini-sub~~s~~ or remotely operated vehicles (ROVs).

~~25~~**26. Surveys & Management Audit**~~-defects.~~ 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~~-are not payable.~~

#### Explanation

It would be improper for Members to recover *claims* where they have failed to comply with their obligations with respect to surveys and management audits. Nevertheless, other than in the case of *claims* arising from defects identified in a survey or management audit, Members have recourse to the Board of the Shipowners' Club.

**2627. 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 *Our* 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.

**2728. Towing.** Unless cover is available under the 'Towage' section of 'What is Covered', *claims* arising from towing are excluded unless such towage is necessary for the purpose of saving life or property at sea.

**2829. 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, *Your* infringement of any law, rule or regulation, or permitting any activity on board or in connection with *Your* vessel which is unsafe, imprudent or unduly hazardous.

**30. United States jurisdiction** there is no cover for any contract *You* have entered into if it is subject to U.S. jurisdiction or *Your* Principal or Sub-contractor is a U.S. entity. Punitive damages or exemplary damages however described, imposed by a court in the United States of America are also excluded.

#### Explanation

This change clarifies to bring in line with other policies.

**2931. War Risks** There is no cover for any *claims* arising from *war risks* when the liabilities costs or expenses arise directly or indirectly from any of the following:

- any chemical, biological, bio-chemical or electromagnetic weapon; or
- the use or operation, as a means of inflicting harm, of any computer virus except that this exclusion 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
- 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
- *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
- requisition for title or use.

**3032. 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.

**3133. Wrecks** which occur because the vessel has been abandoned or has been allowed to become dilapidated through *Your* lack of activity or neglect. ~~caused by dereliction or neglect.~~

#### Explanation

Wording amended to clarify cover position and bring in line with other policies.

#### General conditions

##### Classification, Certifying Authority ~~and~~ flag State

Your vessel must comply with all statutory requirements of its ~~classification society, certifying authority~~, flag State and SOLAS, as applicable, and maintain and comply with all requirements of the classification society or, certifying authority ~~or flag State certification~~ that it had at the time We agreed to insure it. 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.

#### Explanation

This change does not materially change Members' obligations; it simply clarifies the requirements.

##### Lay-up

If Your vessel has been laid-up for six months or more outside its usual seasonal trading pattern, You must give Us notice that the vessel will be reactivated no less than seven days before the vessel leave its place of lay-up. When We receive notice from You We may appoint a surveyor, at Your cost, to inspect the vessel on Our behalf and You must provide Your full co operation 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. Premium is on the basis of cancelling returns only.

#### Explanation

It would be improper to pay *claims* arising out of defects during a post lay-up inspection.

##### Surveys & Management Audits

We may at any time appoint a surveyor, at Our cost, to inspect Your vessel. We may also wish to perform a ~~m~~Management ~~a~~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. ~~If such an inspection or audit identifies defects in Your vessel and/or Your management systems, We may require that You remedy them as directed at that time.~~

#### Explanation

This change makes clear the requirement that Members must cooperate with regard to surveys and management audits and follow the Club's recommendations.

#### 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.

#### Explanation

This change makes clear that any follow-up surveys are to be at Members' cost.

### 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 vessel insured, in the following circumstances:

- should any of *Your* insured vessel(s) be used, in *Our* opinion, for a prohibited or unlawful activity or trade; or
- should any of *Your* insured vessel(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*.

*We* may terminate cover for *war risks* by notice for each and every vessel 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 above 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.

#### Explanation

See explanation under Exclusion 22 'Sanctions'.

## Automatic Termination

*Your* policy for any of *Your* vessel(s) will automatically terminate for that vessel upon the date shown on *Your* Certificate of Insurance or upon the happening of any of the following : the sale or transfer of *Your* vessel; a change of beneficial owner(s); a change of management of *Your* vessel; upon the mortgage of *Your* vessel; *Your* vessel becoming an actual or constructive total loss; *Your* vessel 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 vessel(s) or their activities, or any named insured expose the Shipowners Club or its Managers to *Sanctions risks*; should *You* or *Your* insured vessel be *designated* by any State where the Association or its Managers have their registered offices or permanent places of business or by any State being a *Major Power* or by the United Nations or the European Union.

*Your* insurance for all vessel(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* vessel 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* vessel becoming an actual or constructive total loss thereby triggering automatic termination.

## Explanation

See explanation under Exclusion 22 'Sanctions'.

## 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.

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

**Major Power** means any of the following States: United Kingdom, United States of America, France, The Russian Federation and the People's Republic of China.