

# LIABILITY INSURANCE POLICY FOR EUROPEAN INLAND CRAFT 2019



## Who we are

EUROP&I is a specialist P&I intermediary acting as the agent of The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) in the provision of this insurance. EUROP&I is managed by DUPI Underwriting Agencies B.V.

The Shipowners' Mutual Protection and Indemnity Association (Luxembourg) is a marine liability insurer operating as a non-profit making organisation. We provide insurance on a mutual basis.

## Your policy documentation

When we insure you, you become a Member of the Shipowners' Club. You will receive a Policy Schedule from EUROP&I setting out the scope of cover and risks insured. Subsequent amendments to cover will be documented by Policy endorsements.

### The protection we provide

This policy protects the interests of European inland craft owners and operators including those whose vessels have a specific license to sail coastal and/or estuarine waters for the purpose of reaching European inland waters.

You can expect us to respond to all marine liability claims made against you as the owner or operator of the vessel named on your Certificate of Insurance, other than those we list under 'What is not covered (exclusions)' and those claims which are unrelated to owning and operating the vessel we insure for you. The reasonable costs of investigating and defending claims are paid, too.

For any claim to be payable it must arise from an incident which occurs ~~in connection with the operation of your vessel and~~ during the period of insurance stated on your Certificate of Insurance.

### Explanation

These surplus words are removed as they are catered for in the preceding paragraph.

## Your cover

The liabilities insured include:

### Cargo

Liabilities and expenses relating to cargo carried or intended to be carried by the insured vessel.

We also offer a number of Optional Covers in respect of specific additional cargo liabilities and expenses. You will find these listed at the end of this document.

### Collision and Property of others

Claims for damage to the vessels and property of others arising from collision, [whether or not contact occurs](#), and/or contact damage including liabilities in respect of pushed/towed units as per the European Push Conditions, either in excess of *your* Hull and Machinery Policy or to the extent not covered by *your* Hull and Machinery policy, unless *we* have agreed otherwise and this is stated in *your* Certificate of Insurance.

We also pay *claims* from other parties for personal injury or death which arise out of a collision.

[To the extent covered above, 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 wholly to different owners.](#)

#### Explanation

This wording clarifies the position where your own vessels or property are damaged by you. Further, that cover for collisions includes non-contact damage.

### Crew, passengers and others

Claims from your *crew, passengers* or others for personal injury, illness or death including when those claims arise under crew contracts so long as they are reasonable and appropriate for the duties and position held by the crew member when viewed against the prevailing compensation regime. 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.

### 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 vessel* ~~either to~~ brings sick or injured *crew* or others ashore for urgent medical treatment or to arrange the repatriation of dead bodies from *your vessel*.

#### Explanation

Diversion costs and expenses may also be claimed whilst awaiting crew replacement.

### Fines

Fines [imposed on you or any crew you are obliged to reimburse](#) in respect of short or over delivery of *cargo*, failure to comply with regulations relating to declaration of goods or documentation of *cargo*, accidental escape or discharge of oil or other substances from the insured vessel, breach [by you](#) of any

immigration law or regulation, [and](#) smuggling or any infringement by the Master or *crew* of any customs law or regulation other than in relation to *cargo* carried on the vessel.

#### Explanation

This amendment clarifies that fines are covered where imposed on you or your crew in respect of cargo and pollution and also where there is a breach by **you** of immigration law or regulation.

#### Inquiries and criminal proceedings ~~costs~~

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* Master, *crew* and agents, if *you* have a responsibility for them.

#### Explanation

Surplus text is deleted.

#### 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.

#### Motor Vehicles when lifted or hoisted

*We* cover liabilities, costs or expenses arising from lifting and/or hoisting motor vehicles to or from *your* vessel by the vessel's own gear. The limit of cover under this section is EUR 20,000 per claim.

#### Obstruction of Waterways:

*We* insure the financial loss *you* suffer as a direct consequence of *your* vessel being delayed from discharging its *cargo* at the port or place agreed upon due to an obstruction of any navigable waterway or port caused by:

- an accident involving a marine installation and /or
- the sinking of another vessel and/or some or all of its
- *cargo* and/or
- a collision between other vessels and/or
- *pollution* by any substance from any source.

*We* may at *our* discretion also reimburse *your* loss for other events having the same effect.

Cover is effective providing the responsible Maritime Authority has prohibited the free use of the waterway for all vessels of the same type and size as *your* vessel. This cover begins from the time and date of such prohibition and to be effective it requires that *your* vessel has not contributed to the accident, whether directly or indirectly.

### Obstruction of Waterways – limitations of cover

The cover we provide is subject to limits which apply to each *incident* and to each vessel, as follows:

- A waiting period of 96 hours until a *claim* is payable
- A maximum of 20 days coverage or 30 days in total each policy year
- An amount payable per day and pro rata per of EUR 0.25 per entered ton for all cargo carrying vessels if the vessel has registered inland tonnage, or EUR 0.25 per KW if the vessel has no registered inland tonnage.

You must give prompt notice of any event which may give rise to a *claim*.

### Personal effects

*Claims* for loss of or damage to *personal effects*. The limit of cover is EUR 5,000 per person, per claim. The limit of cover for *personal effects* of *passengers* will be in accordance with the relevant statutory limitation.

### Pollution and environmental liabilities

*Pollution* from *your* vessel, 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 wholly to different owners.

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

### Property on board

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

### Quarantine costs

The *extra costs and expenses* you incur as a direct result of an outbreak of an infectious disease.

### 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.

#### Explanation

This change recognises our ability to provide additional cover beyond that envisaged in this policy. If we do agree to the provision of special cover, the terms of that cover are as agreed by us in writing.

### 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 vessel, 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 ~~another~~ insurer.

### Explanation

This change is self explanatory.

### Wreck removal

Wreck removal, marking or lighting costs which are compulsory by law, following the loss of *your* vessel, including *claims* for the extra cost and expenses of removing *cargo* and property which is or was carried on board.

We also cover voluntary vessel wreck removal from somewhere *you* own or lease when no wreck removal order has been given. The residual value of the vessel and 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:

1. **Cargo.** We do not cover:

Any liabilities costs or expenses arising from:

the late arrival or non-arrival of *your* vessel at a port or place of loading;

the issue of a bill of lading, waybill or other document issued with *your* or the Master's knowledge and containing an incorrect description of the *cargo* or its quantity or condition;

the deliberate breach of the contract of carriage by *you* or *your* vessel's Master;

the discharge of *cargo* at a port or place other than that stated in the contract of carriage;

delivery to a person other than as nominated by the shipper;

any *claim* for liability which would not have been incurred or sums which would not have been payable by *you* if the *cargo* had been carried on terms no less favourable to *you* than those of the Budapest Convention on the Contract for the Carriage of Goods by Inland Waterways (CMNI) or Strasbourg Convention on the Limitation of Liability of Owners of Inland Navigation Vessel (CLNI).

Unless the contract of carriage is on terms less favourable to *you* only because the relevant terms of carriage are mandatory;

if the liabilities costs or expenses would not have arisen under a paper trading system we do not pay *claims* arising from *your* use of an electronic trading system (unless we have approved its use in writing) when such electronic trading system is intended to replace paper documents used for the sale of goods and/or their carriage.

2. **Chartering.** ~~If you make your vessel available for hire or reward to other parties and your master and crew remain on board and in command, your liabilities are covered, however t~~his policy does not insure *you* when *you* act as a time or voyage charterer of vessels which *you* do not own and it does not insure the liabilities of *your* charterers, unless they are a bareboat charterer who we have agreed to name on *your* policy.

#### Explanation

The definition has been condensed to focus on the aspects of chartering which are not covered.

3. **Commercial diving or diving bells.**

4. **Contractual indemnities** or any contractual liability other than those recoverable under the 'Crew, Passengers and Others' section unless we have agreed otherwise in writing.

#### Explanation

The definition has been condensed to focus on the aspects of chartering which are not covered.

5. **Crew annuities, ~~retirement accounts, pension contributions~~ or crew compensation under crew contracts.**

We do not pay crew annuities. If injured parties are entitled to receive compensation for personal injury or sickness benefits under a mandatory ~~state or national~~ 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, Passengers 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*.

### Explanation

The reference to retirement accounts or pension contributions is deleted as these can sometimes form part of a covered claim. For example, a claim by a crew member for compensation for injury composed of lost wages and pension funds, amongst other things.

It is now recognised that compulsory insurance schemes are varied in nature and, in some jurisdictions, private schemes are mandated.

It is clarified that cover under crew contracts is available under 'Crew, Passengers and Others'

6. **Deductibles, excesses, franchises or other amount(s)** which you are required to bear under other policies.

7. Delay Costs and expenses which arise because your vessel has been delayed, other than amounts recoverable under the diversion costs section of your policy.

### Explanation

It is not in the nature of P&I insurance to cover Member for losses as a result of delay. Costs and expenses resulting from diversion under 'What is Covered'.

~~7.8.~~ **Disputes** over contractual liabilities or obligations; or disputes or proceedings over obstruction or interference with your vessel's operations.

~~8.9.~~ **Disputes between named parties** We do not support Members or joint Members in dispute with each other, or Co-assureds in dispute with each other or with Members or joint Members under the same policy.

~~9.10.~~ **Environmental damage** including wash damage arising from your continuing use of, or presence at, a specific location or waterway.

~~10.11.~~ **Excursions from the vessel Claims** which result from an excursion from the vessel when the claimant has entered into a separate contract for the excursion with you or others or, in the absence of a separate contract, where you have waived any rights of recourse against any sub-contractor or other third party providing services in connection with the excursion.

~~11.12.~~ **Fines or penalties** arising from overloading your vessel, illegal fishing, carrying contraband or blockade running.

~~12.13.~~ **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.

~~13-14.~~ **Hotel or restaurant guests** or other visitors to *your* vessel or its catering *crew* when the vessel is moored and is open to the public as a hotel, restaurant, bar or other place of entertainment, unless on a temporary basis, meaning no longer than 30 days in one location.

~~14-15.~~ **Illegal payments** of any kind such as extortion, blackmail or bribery or any associated costs or expenses.

~~15-16.~~ **Kidnap and ransom** demands or payments.

~~16-17.~~ **Motor vehicles.** *Claims* arising from the use of mechanically powered vehicles whilst ashore which would be recoverable under a fully comprehensive motor vehicle policy.

~~17-18.~~ **Nuclear risks** or *claims* arising from radioactivity other than liabilities, costs and expenses arising out of the carriage of *cargo* which is 'excepted matter' (as defined in the Nuclear Installations Act 1965 of the United Kingdom or any regulations made under that Act).

~~18-19. **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 attached.*~~

*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, 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.*

#### Explanation

All prudent Members are expected to take out adequate insurance to meet all their needs. This new wording clarifies how this cover will respond in relation to hull and machinery cover.

~~19-20.~~ **Own property.** Loss of or damage to owned or leased property of yours including *your* vessel.

~~20-21.~~ **Personal effects** of *crew, passengers* or others which are cash, precious metals or stones or other objects of a rare or precious nature.

~~21-22.~~ **Salvage services** to your vessel or demands for general average payments and any related disputes other than *claims* for unrecoverable general average contributions or the vessel's proportion of general average or amounts recoverable under the 'SCOPIC' section of your policy.

~~22-23.~~ **Sanctions.** *We do not pay claims* which would expose *EUROP&I, 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. 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.

~~23-24.~~ **Ship Repair activities.** There is no cover for liabilities arising out of *your* activities as a ship repairer or ship builder.

~~24.25. **Specialist Operations** Other than *claims* for loss of life, injury or illness of crew and other personnel on board *your* vessel and/or the wreck removal of *your* vessel and/or oil pollution emanating from *your* vessel, we do not pay *claims* arising from the specialist nature of the specialist operations or *claims* for failing to perform such, or the loss of or damage to contract works or the fitness for purpose and quality of *your* work, products or services.~~

The performance of *specialist operations* including, but not limited to, dredging, blasting, pile driving, well-intervention, cable or pipe laying, construction, installation or maintenance work, core sampling, depositing of spoil, to the extent that such liabilities and expenses arise from: claims brought by any party for whose benefit the work has been performed, or by any third party in respect of the specialist nature of the operations; or the failure to perform such specialist operations by *you* or the fitness for purpose and quality of the *your* work, products or services, including any defect in *your* work, products or services; or any loss of or damage to the contract works.

This exclusion shall not apply to liabilities, costs and expenses incurred by *you* in respect of:

- i *loss of life, injury or illness of crew and other personnel on board *your* vessel, and or,*
- ii *the wreck removal of *your* vessel, or*
- iii *oil pollution emanating from the insured vessel or the threat thereof,*

but only to the extent that such liabilities, costs and expenses are otherwise covered by us in accordance with this policy and *your* certificate of insurance.

#### Explanation

This section has been adapted to reflect our reinsurance arrangements, which allow us to now no longer treat professional oil spill response and training as a specialist operation. We have also taken the opportunity to highlight the three limited circumstances where Members may still avail themselves of cover, despite their claim having arisen from a specialist operation.

~~25-26.~~ **Surveys & Management Audit defects.** *Claims* which arise out of defects identified during a survey and/or management audit are not payable.

~~26-27.~~ **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 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.

~~27-28.~~ **United States jurisdiction.** There is no cover for any contract *you* have entered into if it is subject to US jurisdiction or *your* Principal or Sub-contractor is a US entity. Punitive damages or exemplary damages however described, imposed by a court in the United States of America are also excluded.

29. **Unlawful/Unsafe/Imprudent or Unduly Hazardous Activities** ~~–purposes~~ 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.

**Explanation**

It would not be in the interests of membership as a whole for us to provide insurance where activities have been unsafe/imprudent or unduly hazardous or you have contravened laws, rules or regulations. This is a feature of the Club's policies and is in common with the cover provided by all IG Clubs.

~~28-30.~~ **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 Peoples 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.

~~If we reinsure in whole or in part any war risks then you are entitled only to recover the net sum we recover from such reinsurance together with any proportion of cover that we retain.~~

**Explanation**

Our reinsurance arrangements allow us to delete this restriction on the War Risks cover that we provide.

29-31. **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.

~~30-32.~~ **Wrecks** which occur because the vessel has been abandoned or has been allowed to become dilapidated through *your* lack of activity or neglect.

## General conditions

### Assignment and Subrogation

*You* cannot assign *your* policy to any other person other than with *our* prior written approval.

However, if *we* are insuring *you* as a private individual, in the event of *your* death, cover will automatically continue for the benefit of a family member inheriting the vessel or *your* executors for a period not exceeding 60 days.

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 or Flag state

*Your* vessel must comply with all statutory requirements of its classification society, certifying authority, flag State and governing regulations, as applicable, and maintain the classification society, 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.

### 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 the following website [www.europandi.eu](http://www.europandi.eu)

### 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* vessel.

### Dispute resolution

If any dispute arises out of or in connection with this 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 will](#) 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 thereof.

### Explanation

This introduces a preliminary step for Members to submit disputes to the Board in the first instance. This is a favourable and cost saving mechanism.

### Fair Presentation

*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 *us*, 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 a *claim* from *us* may be prejudiced.

### Governing Law

*You* and *we* agree that *your* policy [and Certificate of Insurance are](#) ~~is~~ governed by and will be construed in accordance with English law. In particular, it is 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.

### Explanation

This change ensures that all agreements between *us* and *you* are governed by English law.

### 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 there is a failure by any joint Member to comply with the 'Fair presentation' 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 ~~joint Members 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 a claim by all of them.

*We* direct all correspondence to *you* and *you* receive it on behalf of all ~~joint Members Insureds.~~

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.

#### Explanation

These changes are in order to ensure consistency of terminology. The text related to acts or omissions of insureds has been moved from the Definitions section under 'You and Your'.

#### 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 leaves 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.](#)

#### Explanation

This addition ensures that Members are protected in case their claims are affected by the provisions of the Insurance Act 2015.

We do not return premium for periods of lay up. Premium is on the basis of cancelling returns only.

## 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.

## Reinsurance

We have the right to agree contracts of reinsurance relating to your insured vessel(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.

### Explanation

This change reflects our normal procedures and is in line with the approach taken by insurers generally.

## 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 member is also the owner or part-owner of an insured vessel, the liability shall, in relation to claims arising from the act or omissions of such person in his capacity as master or crewmember, be assessed as if such master or crew member was not the owner or part-owner. This shall not apply where the claim arises from the privity or wilful misconduct of an insured party or the owner or part-owner.

## 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 Management Audit of your shore side operation. 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.

### 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 vessels be used, in *our* opinion, for a prohibited or unlawful activity or trade; or
- should any of *your* insured vessels or their activities, in *our* opinion, expose EUROP&I, 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 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, *we* pay *claims* for events that arose prior to the date of termination but *we* will not pay *claims* arising ~~for~~ [from](#) events after the date of termination.

#### Explanation

Clarifying text.

#### Automatic termination

*Your* policy [for any of your vessel\(s\)](#) will be automatically terminated [for that vessel](#) upon the date shown on *your* Certificate of Insurance or upon the happening of any of the following events: 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; an *insolvency event*; *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 any of *your* ~~insured~~-vessels, [their activities, or any named insureds](#) ~~or their activities~~ expose EUROP&I, The Shipowners Club or its Managers to *Sanctions risks*.

[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 *you* 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 Peoples' 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 ~~prior to automatic termination~~ thereby triggering automatic termination.

#### Explanation

The distinction between termination of cover by notice, automatic termination and cancellation and the consequences of each is further clarified.

#### Cancellation

If *you* fail to pay premium in such instalments 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 ~~claim event~~ arose and remained unpaid at the date of cancellation.

#### Explanation

These changes are self explanatory.

### Claims handling procedure

If *you* are involved in an *incident* which could give rise to a *claim* *you* should contact:

DUPI Underwriting Agencies B.V. Blaak 16, 6th Floor, 3011 Rotterdam  
P.O.Box 23085, 3001 KB Rotterdam The Netherlands

**T** 0031 (0)10 4405555

**E** info@europandi.eu

**W** www.europandi.eu

Immediate advice and local assistance is also available from the Shipowners' Club's network of correspondents who are listed at:

[www.shipownersclub.com/correspondents](http://www.shipownersclub.com/correspondents)

It is important that *you* contact DUPI Underwriting Agencies B.V. promptly, so that they can assist *you*. The earlier they are involved the better. *You* are required to act prudently and as if *you* are uninsured until such time as they have taken over the handling and management of the *incident*.

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

~~As your insurers, w~~**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 vessel 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 vessel 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, 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.

#### Explanation

These are cosmetic changes only.

### 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.

**Cargo** means materials or goods of any kind transported for reward, other than *passengers'* effects and vehicles.

**Casualty** means an *incident* affecting the physical condition of *your* vessel 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 passengers~~ or others. ~~Engine breakdown is not a casualty for the purposes of this policy.~~

#### Explanation

This definition is widened.

**Claims** means liability *claims* made against *you* as a result of owning or operating the vessel named on *your* Certificate of Insurance.

**Crew** means any person engaged or employed in any capacity in connection with *your* vessel, whether on board or proceeding to or from *your* vessel or on vessel's business. *Crew* does not mean vessel brokers or vessel agents or those supplying services to *your* vessel.

**Deductible** means the initial amount *you* have to pay yourself before the insurance policy will respond ~~to a loss under a policy.~~

**Explanation**

Surplus text is removed.

**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 fines, but not punitive damages.

**Fully insured** means insured at a value which, in *our* opinion, represents its full market value, disregarding any charter or other engagement to which the vessel may be committed.

**Incident** means an accident relating to the operation or use of *your* vessel. 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.

**Passenger** means any person carried or intended to be or having been carried on *your* vessel under a contract of carriage for reward.

**Personal Effects** means items which *your crew, passengers* or others bring on to *your* vessel ~~for recreational purposes~~ and which are unconnected to the operation of *your* vessel.

**Explanation**

This change reflects that crew, passengers or others will likely bring personal effects on board the vessel. Such personal effects are not always limited to recreation.

**Pollution** means the accidental discharge or escape of oil or other substances from *your* vessel.

**Sanctions risks** means the risk of being or becoming subject to any sanction, prohibition, or adverse action in any form whatsoever by any State where EUROP&I, the Shipowners' Club or its Managers have registered offices or permanent places of business or any State being a Major Power or by the United Nations or the European Union. For the purpose of this policy, 'Major Power' means any of the following States: United Kingdom, United States of America, France, the Russian Federation and the Peoples' Republic of China.

**SCOPIC** means Special Compensation P&I Club Clause.

**Unrecoverable general average contributions** means the proportion of general average expenditure, special charges or salvage which *you* are or would be entitled to claim from *cargo* or from some other party to the marine adventure and which is not legally recoverable by reason only of a breach of the contract of carriage and which shall be deemed to have been adjusted in accordance with the York/Antwerp Rules 1974, 1994 or 2004.

*Your* right of recovery from *us* is limited accordingly.

**Vessel's proportion of general average** means the vessel's proportion of general average, special charges or salvage which are not recoverable under *your* Hull and Machinery policies solely by reason of *your* vessel's sound value having been assessed for contribution to general average, special charges or salvage at a value in excess of the amount for which it should have been insured if it had been ~~'fully insured'~~ insured at a value which, in our opinion, represents its full market value, disregarding any charter or other engagement to which the vessel may be committed.

**Explanation**

The requirement for adequate hull insurance is now clarified.

**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 detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat; mines, torpedoes, bombs, rockets, shells, explosives or similar weapons of war.

**We** or **our** or **us** means EUROP&I as agents for the Shipowners' Mutual Protection and Indemnity Association (Luxembourg), the Shipowners' Club.

**You or your** means the person or company named as the Member on the Certificate of Insurance. ~~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 a claim by all of them.~~

### Optional additional cover

If *you* require additional cover for any of the following, please contact us:

- Hotel &/or Restaurant vessels
- Liability arising under indemnities and contracts
- Timely delivery of *cargo*
- Legal Costs Cover (for certain types of dispute)
- *Specialist Operations* including dredging risks

### EUROP&I

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Version 2018

## 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

1. This clause is subject to English law and practice.