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▶ **LEGAL COSTS COVER**

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POLICY



**YACHTOWNERS**

LIABILITY INSURANCE FROM SHIPOWNERS

## LEGAL COSTS COVER

### POLICY

This insurance will meet legal and other costs incurred by you in pursuing or resisting claims which arise out of operating your yacht.

Typically this would include legal fees, as well as experts', consultants' and correspondents' fees. Should your claim or defence be unsuccessful and a court or tribunal order that you pay opponents' costs then this Legal Costs Cover would respond to meet those costs **providing we have agreed that the cost and expenses should be recoverable from us.**

Legal Costs Cover is an additional cover and is subject to the claims procedures, limitations, definitions and exclusions of the Club's Yacht Liability Insurance policy.

#### Your cover

The cover and limit *we* provide will be set out in your Certificate of Insurance and shall apply to the following claims, disputes or proceedings:

1. Under any charter agreement or other contract, including claims and disputes concerning charter fees, *liquidated damages, delay, set off, breakdown or disablement, speed, performance and description of your yacht, port safety and orders to your yacht*
2. Concerning the exercise or assertion of any rights arising under any charter agreement or other contract, including the right of withdrawal, or a right to keep property belonging to others until a debt is paid and claims arising from this action
3. In respect of the cancellation of a charter agreement or other contract
4. In respect of the loss of, damage to or detention of your yacht
5. In respect of the supply of inferior, unsatisfactory or unsuitable fuel, materials or equipment, or other necessities
6. For negligent or improper repair of or alteration to your yacht
7. In respect of and in connection with charges, *disbursements, accounts received from agents, stevedores, chandlers, brokers, customs, harbour or other authorities, or others connected with the running, management and operation of your yacht*
8. In respect of amounts due from or to insurers and any other persons and/or companies conducting the business of marine insurance, other than amounts due to or from *us*
9. In respect of salvage or towage services provided by your yacht
10. By or against captains, *crews, stowaways and other persons on or about your yacht*
11. In connection with the sale or purchase of your yacht, unless *we* have agreed otherwise in writing, the signing of the Memorandum of Agreement for the sale and purchase and the date the yacht was first insured with *us* must be the same for a claim to be considered
12. In connection with the mortgage of your yacht
13. In connection with your representation at official investigations, inquests, or other enquiries whatsoever in relation to your yacht. Subject to the conditions below, you will be covered in respect of the

costs and expenses incurred in obtaining advice in connection with any of the claims, disputes or proceedings described above, including costs which you may become liable to pay to any other party to such claims, disputes or proceedings.

#### This cover is discretionary

Legal Costs Cover is a discretionary form of insurance which means that *we* look at the circumstances of the dispute and *we* have the option to decide whether or not to support you, or to continue to support you if the dispute has previously been accepted. *We* base *our* decision upon a number of factors, such as the likelihood of a successful outcome, or whether it is in the interests of the Club as a whole to proceed, or whether by your actions you have affected the chances of a successful outcome prior to contacting *us*.

Legal Costs Cover does not respond to costs and expenses covered by your hull and machinery policies or other insurances.

#### Disputes between joint Members and Co-assureds

This insurance may not be used to cover disputes between joint Members; neither is it available for disputes between Co-assureds.

With respect to disputes between joint Members and Co-assureds, the only circumstance in which *we* may approve use of the Legal Costs Cover is for the benefit of a Member in connection with their dispute with a Co-assured. It is not possible for a Co-assured to obtain *our* support to pursue a Member.

#### Minimum amount in dispute

Unless *we* (at *our* discretion) decide otherwise, there shall be no right of recovery under this additional cover if the principal amount involved in the claim, dispute or proceedings is less than USD 5,000 or currency equivalent.

#### Hull and machinery deductible

Any right of recovery under this cover relating to item 8. above (amounts due from or to insurers and any other persons and/or companies conducting the business of marine insurance, other than amounts due to or from *us*); shall be assessed on the basis that any *deductible* or deduction in the hull policy (or policies) shall be deemed not to exceed 25% of the yacht's insured value.

#### Your deductible under this additional cover

You are responsible for one fourth (25%) of costs and expenses incurred in connection with any claim, dispute or proceedings with a minimum *deductible* of USD 5,000 and a maximum *deductible* of USD 30,000 (or their currency equivalents), unless your Certificate of Insurance states otherwise.

### Costs and set offs

In assessing your rights of recovery, *we* shall take into account any costs paid or *set off* by the other party to the claim, dispute or proceedings and your right of recovery shall be limited to the net costs payable by you.

In the case of a settlement of a claim, dispute or proceedings in which the other party does not make any contribution to your costs, *we* shall, at *our* discretion, decide the sum to which your right of recovery shall be restricted.

### Definitions

When used in this policy, the following words have a special meaning assigned to them, as follows:

**Delay** means compensation payable to another party for their lost time.

**Disbursements** means payments made by an agent or others on your behalf for which you receive a bill for reimbursement.

**Liquidated damages** means amounts agreed as compensation under a contract should one of the parties breach the terms of that contract.

**Set off** means an amount that has been deducted from sums due to you.

### Claims

For assistance with claims, please contact our offices:

#### London

St Clare House | 30-33 Minories  
London EC3N 1BPT

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Immediate advice and local assistance is also available from our correspondents who are listed at: [www.shipownersclub.com/correspondents](http://www.shipownersclub.com/correspondents)