The Shipowners’ Club
Fishing Vessel Liability Insurance
Policy
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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 fishing vessel owners and operators. We provide insurance on a mutual basis and operate as a non-profit making club.

Your policy documentation
All Members (policyholders) receive a Certificate of Insurance, setting out the scope of cover and risks insured. Subsequent amendments to cover will be documented by way of endorsements.

The protection we provide
When you become a Member you can expect us to respond to all marine liability claims made against you, other than those we list under ‘What is not covered’ and those which are unrelated to owning and operating the insured vessel.

If you purchase a new vessel or sell your current vessel we will cover your liability to your crew during pre-delivery and/or post-delivery periods, providing these are of a short duration.

Your cover
The liabilities we insure you against include:

Collision, fishing nets and property
Claims for collision damage to other vessels, including damage to fishing nets belonging to other vessels, loss of or damage to piers, wharves, jetties, pontoons or any property belonging to others.

Crew, passengers and others
Claims from your crew, passengers, or others for personal injury, illness or death including claims for crew compensation and sickness benefits.

Claims made against your crew members or your contractors as a result of carrying out their professional duties.

Related costs and expenses, including medical costs, are also covered.

Claims for loss of or damage to personal effects. The maximum amount payable for your crew’s personal effects will be limited to USD 5,000 per person, per claim.

Diversion costs
The extra costs and expenses of bringing sick or injured crew or others ashore for urgent medical treatment; arranging the repatriation of dead bodies from your vessel or delays caused by awaiting crew replacements for the above.
Fines
Fines for breach of pollution, smuggling or immigration laws, providing these were accidental or caused by your crew’s independent, deliberate actions or omissions.

Fines due to an inadvertent breach of any statute relating to health and safety regulations which apply to your vessel.

Inquiries and criminal proceedings costs
The reasonable costs and expenses of attending formal inquiries into a casualty and the reasonable costs of defending criminal proceedings brought against those who may be involved and for whom you may have a responsibility, such as crew or agents.

Investigation and defence costs
The reasonable costs of investigating and defending insured claims.

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.

Damage to coral reefs and other sensitive marine environments providing these occur as a result of an identifiable accident or occurrence. We also cover resulting governmental fines and penalties.

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

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

Towage
Claims arising from towing. The limit of cover under this section for loss or damage to the tow is USD 250,000 per claim unless we have agreed to a higher limit and this is shown on your Certificate of Insurance.

Wreck removal
Wreck removal, marking or lighting costs following the loss of your vessel, including claims for the extra cost and expenses of removing catch, cargo or property from the wreck. The residual value of any property recovered may be deducted or offset from your claim.

We also provide cover for your SCOPIC liabilities when salvors elect to use SCOPIC with the Lloyd’s Open Form (LOF).
What is also covered

**Contractual indemnities**
Contractual indemnities for illness, personal injury, death or property damage when these relate to your vessel and concern its operation and management. This includes indemnities given to port or harbour authorities, boatyards and suppliers of goods and services to the vessel, indemnities arising under fishing vessel licences or permits and indemnities given to those who board the vessel for official or regulatory purposes.

The limit of cover under this section is USD 5 million per claim.

We will also agree to waive rights of subrogation, if this is required.

**Piracy**
You remain covered for any of the claims listed under ‘Your cover’ which arise following acts of piracy against your vessel. Please note our exclusion in respect of kidnap and ransom demands contained in ‘What is not covered’ - point 12.

**Uninsured or underinsured boaters**
If an uninsured or underinsured third party vessel is responsible for you or your crew sustaining personal injury whilst on board your vessel, we agree to meet any medical costs or expenses which are not recoverable from them.

**War risks**
We insure marine liability claims arising from war risks unless you have separate cover under a war risks policy which includes marine liability, in which case we pay claims only in excess of the USD equivalent of the insured value of your vessel (which is deemed not to exceed USD 100 million) or the amount recoverable from your war risk underwriters, whichever is the greater.

The war risks cover we provide is subject to special conditions:

1. We do not cover claims arising from incidents within any of the areas listed under the current Hull War, Strikes, Terrorism and Related Perils Listed Areas. A full list is available from our offices and on our website: [www.shipownersclub.com](http://www.shipownersclub.com)
2. We may cancel your cover for war risks by giving you seven days’ notice of cancellation at any time
3. Your cover for war risks will terminate automatically should war break out between any of the following countries: the United Kingdom, United States of America, France, the Russian Federation and the People’s Republic of China.
What is not covered
For any claim to be payable it must arise from an incident which occurs during the period of insurance stated on your Certificate of Insurance. In addition, we do not pay claims for or arising from the following:

1. **Catch** carried on board your vessel

2. **Charterers** - If you make your vessel available for hire or reward to other parties, your liabilities are covered. However the liabilities of your charterers are not covered unless we have agreed to insure them and this is shown on your Certificate of Insurance or covered by way of a separate insurance policy

3. **Contractual indemnities** other than those relating to illness, personal injury, death or property damage

4. **Crew annuities or crew pension contributions**

5. **Deductibles** which you are required to bear under other policies in your name

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

7. **Disputes** with others over contractual liabilities or obligations

8. **Disputes** or proceedings over obstruction or interference with your vessel’s operations

9. **Employment practices** - We do not pay claims arising from wrongful or unfair dismissal, denial of natural justice, victimisation, sexual harassment or other forms of discrimination or any law relating to employment practices

10. **Environmental damage** arising from your continuing use or presence at a coral reef or other sensitive marine environment

11. **Illegal payments** of any kind such as extortion, blackmail or bribery or any associated costs or expenses

12. **Kidnap and ransom demands**

13. **Nuclear risks** or claims arising from radioactivity

14. **Other insurances** - Amounts which could be recovered under insurance policies you have taken out for hull and machinery, war risks and war risk liabilities, motor vehicle, aviation or aquaculture risks
15. **Own property** - Owned or leased property of yours, including your catch and your fishing gear

16. **Personal effects** which are cash, precious metals or stones or other objects of a rare or precious nature

17. **Salvage** services to your vessel or demands for general average payments and any related disputes

18. **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

19. **State compensation schemes** - If injured parties are entitled to receive compensation for personal injury 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

20. **Unseaworthiness** - If you fail to ensure that your vessel is maintained in a seaworthy condition or to keep or operate it in accordance with the requirements of her flag state, certifying authority or classification society, claims which arise as a result, including wreck removal, will not be payable

21. **Wilful misconduct** including your knowing infringement of any law, rule or regulation, or from permitting any activity on board or in connection with your vessel which is unsafe or unduly hazardous.

If we have agreed to insure any of the risks which we say we do not cover, it will be shown on your Certificate of Insurance.

It is a requirement of this policy that you use your vessel for lawful purposes; otherwise your liabilities may not be covered.

**General conditions**

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

**Cancellation**
You may cancel cover at noon on the renewal date of any year by giving us not less than 30 days’ prior written notice of cancellation. We may, at any time, cancel this policy by giving you not less than 30 days’ notice in writing.
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.

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

Dispute resolution
In the unlikely event that we cannot resolve your complaint satisfactorily, the matter will be referred to The London Maritime Arbitrators Association (LMAA) arbitration in London, and will be determined in accordance with their rules and subject to the provisions of the Arbitration Act 1996.

Law and jurisdiction
Your policy is governed by and will be construed in accordance with English law. It is subject to the exclusive jurisdiction of the English courts. It incorporates the provisions of the Marine Insurance Act 1906 and all amendments to it. It is not intended that rights should be acquired by any third party through the operation of the Contracts (Rights of Third Parties) Act 1999 or similar legislation.

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

Material facts
You must tell us all facts that may influence whether or not we wish to insure you and upon what terms. This is a continuing obligation that applies both before and during the period that you are insured with us. Failure to do so may result in our refusal to pay your claim.

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 you change the use of your vessel from fishing to other unrelated activities, such as guard duties. You must pay your premium in such instalments and on such dates as we have specified, otherwise we will not pay claims and we may cancel your insurance policy.

Security
Where we consider it appropriate and necessary we will provide letters of undertaking, bonds or bank guarantees on your behalf, as security for covered claims.

Surveys
You have a duty to ensure that your vessel is seaworthy at all times. We may at any time appoint a surveyor, at our cost, to inspect your vessel. If such an inspection identifies defects in your vessel, we may require that you remedy them as directed at that time.
Termination
The insurance which we provide to you will terminate upon the date shown on your Certificate of Insurance or upon an earlier date should you sell your vessel, transfer it to new owners or if you become bankrupt or insolvent. For those vessels under professional management, your insurance will also terminate automatically if the management company changes. You will be entitled to a daily pro rata return of premium providing that no claims have been made under the current policy. If your policy is cancelled for non-payment of premium and part of the premium due has been paid by instalments, no return of premium is payable.

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

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. Engine breakdown is not a casualty for the purposes of this policy.

Commercial diving means diving for reward.

Crew or crew member 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 business. Crew member does not mean those supplying services to your vessel.

Crew compensation and sickness benefits are those payable under your crew contracts, collective bargaining agreements or where the state requires employers to pay compensation or sickness benefits for personal injuries in the absence of a mandatory state insurance scheme. Death, disability or benefit payments you provide under individually negotiated and agreed crew contracts should be reasonable and appropriate for the duties and position held by the crew member when viewed against the prevailing compensation regime.

Deductible means the initial amount you have to pay yourself before the insurance policy will respond to a loss under a policy. Some policies refer to this as an excess. For the purposes of this policy, the words deductible and excess in this context have the same meaning.

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.

Incident means an accident or occurrence relating to the operation or use of your vessel. A series of incidents which have the same cause will be treated as one incident and for the purpose of claims’ settlements one claim’s excess will apply.

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 are brought on to your vessel for recreational purposes and which are unconnected to its operation.

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

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

**Tow** means the towed vessel or any cargo or property on it. It does not include towed objects which are not vessels.

**Uninsured third party vessel** means a third party vessel which collides with your vessel and which fails to stop and identify itself afterwards or a vessel whose owner or operator has no vessel liability insurance or whose liability insurer denies cover or becomes insolvent.

**Underinsured third party vessel** means a third party vessel whose owner or operator has insufficient insurance to cover medical costs and expenses of you and your crew.

**War risks** means liabilities incurred as a result of war, civil war, revolution, rebellion, insurrection or resultant civil strife or any hostile act by or against a belligerent power or by any act of terrorism; capture, seizure, arrest, restraint or detainment; mines, torpedoes, bombs, rockets, shells, explosives or similar weapons of war; any chemical, biological, bio-chemical or electromagnetic weapon; the use or operation, as a means of inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system.

**Wilful misconduct** means an intentional act or deliberate omission done by you either with knowledge that the act or omission is likely to result in loss, or with a reckless disregard for the likely consequences.

**We** or **our** or **us** means The Shipowners’ Mutual Protection and Indemnity Association (Luxembourg), the insurer.

**You** or **your** means the person named as the Member on the Certificate of Insurance. If more than one person is named as the Member 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.

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.
Optional additional cover
We also provide Personal Accident cover, Charterer’s Liability cover and, if you wish to insure cost arising from certain types of dispute, Legal Assistance and Defence cover. Please contact us should you require these additional insurances.

Claims handling procedure
If you are involved in an incident which could give rise to a claim you should contact us immediately at one of our offices:

London
Britt Pickering
Claims Director
The Shipowners’ Protection Limited
St Clare House, 30-33 Minories
London EC3N 1BP
Tel: +44 (0)20 7488 0911
Mobile: +44 (0)7703 254282
E-mail: britt.pickering@shipowners.co.uk
Skype: britt.pickering

Singapore
Mike Hammond
Claims Manager
Shipowners’ Mutual Protection and Indemnity Association (Luxembourg) (Singapore Branch)
6 Temasek Boulevard
#36-05 Suntec Tower 4
Singapore 038986
Tel: +65 6593 0420
Mobile: +65 8366 3186
E-mail: mike.hammond@shipowners.com.sg
Skype: mike.hammond1909

Vancouver
Ben Harris
Claims Manager
Shipowners’ North America Protection Ltd
Suite 1260-999 West Hastings Street
Vancouver BC V6C 2W2
Tel: +1 604 681 5999
Mobile: +1 604 367 7855
E-mail: ben.harris@shipownersclub.ca
Skype: ben.shipowners

Immediate advice and local assistance is also available from our correspondents who are listed at www.shipownersclub.com/correspondents

It is important that you contact us or our local correspondent promptly, so that we can assist you. The earlier we are involved the better. We recommend that you act prudently and as if you are uninsured until such time as we have taken over the handling and management of the incident.

When reporting a claim it will help us if you include your 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.

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.

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. If you admit liability, settle or fail to preserve your limitation rights, your claim may be rejected or reduced. If we pay the claimant, you or your nominated broker, manager, agent or other person, our liability shall be fully discharged.