



January 2023

CIRCULAR TO ALL MEMBERS

Skuld Yacht Terms & Conditions amendments for 2023/24 policy year

The following changes to Yacht Terms and Conditions for 2023/24 policy year were approved by the Board of Directors of Assuranceforeningen Skuld (Gjensidig) at its Meeting in November 2022.

Skuld 2023 Yacht Terms and Conditions are published on our website.

New text appears **in red** and deletions are ~~struck through~~.

1. Terms and scope of cover

4. ~~If, in the opinion of Skuld, there is a substantial change of risk, as a result of new legislation or for any other reason, Skuld may make such amendments to these T&Cs as the situation may require, giving at least two months' notice in writing of the amendment.~~

Skuld may amend these T&Cs as the situation may require with effect from 00:00 hours GMT on any date by giving at least 30 days' notice prior to that date. Amendments which do not materially change existing cover, may be done without giving prior notice. Amendment notices may be posted generically on Skuld's website only.

Comments: This change will align Terms & Conditions with the provisions in Skuld's Rules and other Terms & Conditions.

14. Wreck removal and obstruction

14.1 The standard insurance shall cover liability and costs arising out of the raising, removal, destruction or marking of the wreck of the Yacht or its equipment, bunkers or cargo lost as a result of a casualty, provided that:

14.1.1 the raising and other operations are compulsory by law or necessary to avoid or remove a hazard or obstruction to navigation or the costs are legally recoverable from the Assured under a contract approved by Skuld.

For the purpose of this rule, 'casualty' means collision, stranding, explosion, fire or similar fortuitous event, but excludes any wreck caused by dereliction. The standard insurance shall also cover the Assured's liability and costs of the raising, removal, destruction or marking of the wreck of any other vessel or Unit, **equipment, bunkers or cargo** as far as the raising and other operations are compulsory by law.



Comments: This change will align our cover for wreck removal for both own vessel and other vessel, when such removal is compulsory by law, with similar provision in Rules by including equipment, bunkers or cargo.

15. War risks

Cover for the Assured's liabilities, costs and expenses for war risks provided that:

15.1 cover under this Clause may be cancelled by Skuld giving the Assured or the Assured's agent **72 hours** ~~seven (7) days~~' notice of cancellation in writing;

15.2 cover under this Clause shall exclude liabilities, costs and expenses for or arising directly or indirectly from chemical, bio-chemical, electromagnetical weapons and computer risks;

15.3 cover under this Clause shall exclude liabilities, costs and expenses arising:

15.3.1. out of the outbreak of war (whether declared or not) between any of the following countries: the United Kingdom, the United States of America, the People's Republic of China, France or the Russian Federation;

15.3.2. Yacht operating in Listed Areas;

15.4. cover under this Clause shall exclude liabilities, costs and expenses caused by or arising from or in connection with:

15.4.1. any Russia-Ukraine conflict and/or any expansion of such conflict; or

15.4.2. in any area or territory or territorial waters where Russian armed forces, Russian-backed forces, and/or Russian authorities, are engaged in conflict within the territories (including territorial waters) of the Russian Federation, Belarus, Ukraine and any disputed regions of Ukraine, the Crimean Peninsula and the Republic of Moldova.

15.4.3. arising from capture, seizure, arrest, detainment, confiscation, nationalisation, expropriation, deprivation or requisition for title or use, or the restraint of movement of vessels and cargo in the territories (including territorial waters) of the Russian Federation, Belarus, Ukraine and any disputed regions of Ukraine, the Crimean Peninsula and the Republic of Moldova.

15.5 cover under this Clause will terminate automatically without notice to the Assured

15.5.1. should war (whether declared or not) break out between any of the following countries: the United Kingdom, the United States of America, the People's Republic of China, France or the Russian Federation **and/or**

15.5.2 upon the occurrence of any hostile detonation of any nuclear weapon of war, wheresoever or whensoever such detonation may occur.

Comments: Changes to clause 15 reflect the amended market and reinsurance terms in connection with war risks: (i) reducing notice of cancellation term to 72 hours; (ii) expanding war risk definition and exclusions, including the declaration of listed areas.



Part 3 Exclusions

28. This insurance shall not cover the Assured for any liabilities, losses, expenses or costs for:

...

~~28.15 chemical, bio-chemical, electromagnetic weapons and computer risks;~~

Comments: War Risks are now covered in clause 15 of the Yacht Terms & Conditions, so this clause has become superfluous.

35.2 In the event of shortfall in recovery from Skuld's reinsurers by reason of a sanction, prohibition or adverse action against the reinsurers by a state, international organisation or other competent authority or the risk thereof if payment were to be made by such reinsurers, the Assured shall in no circumstances be entitled to recover from Skuld that part of any liabilities, costs and expenses which is not recovered by Skuld **and, if for any reason whatsoever Skuld discharges the liabilities of the Assured or makes any payment to the Member in respect of which it suffers such a shortfall in recovery, the Assured shall indemnify and hold Skuld harmless to the extent thereof.**

For the purposes of this provision, the word "shortfall" includes any failure or delay in recovery by Skuld by reason of the parties or reinsurers making payment in to a designated account in compliance with the requirements of any state, international organisation or other competent authority.

Comments: This change allows Skuld to request indemnification of any payment made to the Assured, if it is not recoverable under reinsurance arrangements due to shortfall.

Appendix 1

Listed Area

Any area declared by Skuld to be an area of perceived enhanced risk for the purposes of this insurance.

At any time or times before, or at the commencement of, or during the policy year, Skuld may in its sole discretion declare any ports, places, countries, zones or areas (whether of land or sea) as Listed Areas. Any declarations of Listed Areas will be notified by publication on www.skuld.com. The cover shall cease in respect of the Listed Areas upon the expiry of seven days from the date the notice of such determination is published on www.skuld.com.

War Risks

Liabilities, costs or expenses (irrespective of whether a contributory cause of the same being incurred was any neglect on the part of the Assured or his servants or agents) when the loss or damage, injury, illness or death or other accident in respect of which such liability arises or cost or expense is incurred ~~was caused by~~ **arising out of or in any way connected with one or more of the following risks:**

(a) War, civil war, revolution, rebellion, insurrection or resultant civil strife or any hostile act by or against a belligerent power or by any person acting maliciously or from a political motive or by any act of terrorism (provided that, in the event of any dispute as to whether or not, for the purposes of this paragraph (a), an act constitutes an act of terrorism, the decision of Skuld shall be final;



(b) capture, seizure, arrest, restraint, detainment (barratry and piracy excepted) and the consequences thereof or any attempt thereat;

(c) mines, torpedoes, bombs, rockets, shells, explosions or other similar weapons of war;

(d) strikers, locked-out workmen, persons taking part in labour disturbances, riots or civil commotions, or

(e) confiscation, nationalisation, deprivation, requisition, or expropriation.

Comments: Refer to comments provided to changes to clause 15 above.