



# Circular

January 2022

CIRCULAR TO ALL MEMBERS

## Skuld Yacht Terms and Conditions – Amendments for 2022/23 policy year

The following changes to Yacht Terms and Conditions for 2022/23 policy year were approved by the Board of Directors of Assuranceforeningen Skuld (Gjensidig) at its Meeting in November 2021.

Skuld 2022 Yacht Terms and Conditions are published on our website.

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

### 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 as far as the raising and other operations are compulsory by law.**

**14.1.1.1. However the standard insurance shall not cover liability, costs, or expenses**

**14.1.1.2 which are covered under the Yacht's Hull or Increased Value policies, or**

**14.1.1.3 where the Assured transfers his interest in the wreck or other property saved otherwise than by abandonment.**

~~14.1.2 no claim for liability, costs or expenses covered by the Yacht's Hull or Increased Value policies shall be recoverable under this insurance;~~



~~14.1.3 where the Assured transfers his/its interest in the wreck or other property saved otherwise than by abandonment to other underwriters, no claim will be recoverable under this insurance; and~~

14.1.3 ~~14.1.4.~~The realised value of the wreck and other property saved shall be credited to Skuld.

14.2 **The standard insurance shall cover** Liability to third parties in respect of their interest in harbours, wharves, canals or similar structures or vessels arising directly from the Yacht causing an obstruction as a result of a casualty.

**Comments: This amendment aligns Wreck Removal clause with that in our Rules.**

## 16. FINES

Liability for fines imposed on the *Assured* or for which the *Assured* is under a legal obligation to reimburse any crew for:

16.1. breach of any immigration law or regulation; or

16.2. in respect of the accidental escape or discharge of oil or other polluting substance or threat thereof;

~~16.3. smuggling or any infringement of any customs law or customs regulation other than in relation to VAT;~~

~~taxes and/or duties of any nature whatsoever.~~

**16.3 In exceptional circumstances, Skuld may, in its absolute discretion, cover the Assured's liability for fines:**

**16.3.1 other than those set out in clauses 16.1 and 16.2 provided that Skuld is satisfied that the Assured took all reasonable steps to prevent the infringement of the law or regulation giving rise to the fine; or**

**16.3.2 imposed on any crew or any other party in respect of the entered Yacht:**

**- provided that the Assured is under a legal obligation to reimburse the crew or other party; or**

**- to the extent that Skuld determines that it was reasonable for the Assured to reimburse the crew or other party.**

~~16.4. an act or omission by any crew in the performance of their obligations to the Assured under their contract of employment.~~

**Comments: This amendment aligns Fines clause with that in our Rules.**

## PART 3 EXCLUSIONS

28.22 any event falling within the **Communicable Disease** ~~Coronavirus~~ Exclusion Clause

**Comments: Please see comment to Appendix 1 Definitions.**



32.6 provide *Skuld* as soon as possible with all available information and documentation relating to any claim or to any event which might give rise to a claim;

32.7~~6~~ preserve any right of recourse against third parties;

32.8~~7~~ allow *Skuld* to handle or take over the handling of any claim or legal or other proceedings in respect of any liability, loss, cost or expense for which the Assured is or may be wholly or partly covered under this insurance and to conduct such proceedings in the name of the Assured and authorise *Skuld* to appoint lawyers, experts, arbitrators, surveyors and other parties on behalf of the Assured. This insurance shall not cover the Assured for any liabilities, losses, expenses or costs resulting from the Assured's failure to comply with any of the obligations set out in this Clause 32 to the extent that the failure has materially prejudiced *Skuld*'s interests.

**Comments: This change introduces a clear obligation to the Assured to provide *Skuld* with all documentation related to a claim.**

### 33. OBLIGATORY CREW MEDICAL INSURANCE

The Assured is required to have in place medical insurance for the Yacht's crew with a reputable medical insurer with cover for at least USD100,000 (or equivalent in any other currency) for each member of crew for each accident, occurrence or illness. ~~Where the crew medical does not respond a USD7,500 deductible will apply, except for claims that arise, are presented or enforced in the United States of America or any of its territories, then this deductible is increased to USD 25,000.~~

**Comments: This amendment clarifies that crew claims in the US will have a higher deductible.**

### 37. AUTOMATIC TERMINATION OF THIS INSURANCE

This insurance shall terminate automatically without notice to the *Assured* or the *Assured's* agent in the following circumstances:

37.7. where the *Yacht* having been engaged or engaging in any activity whatsoever that may expose *Skuld* to the risk of being or becoming subject to any applicable sanction, prohibition, or adverse action in any form whatsoever by any State, international organisation or competent authority. The cessation of cover will take effect from the date of the commencement of the aforementioned activity.

Notwithstanding the provisions of 37.7 above, where cover ceases or the entry is terminated, *Skuld* may nevertheless, in its absolute discretion, reinstate the cover with effect from such time as it considers appropriate.

**Comments: This change will allow *Skuld* to terminate the policy immediately where the vessel's activity may expose *Skuld* to sanctions. This amendment also aligns this clause with that in our Rules.**

38. TERMINATION OF THIS INSURANCE BY NOTICE *Skuld* may terminate this insurance by giving:

38.4. notwithstanding provisions and without prejudice to provisions of in 37.7, on such notice in



writing as *Skuld* may decide where, in the opinion of *Skuld*, the *Assured* has exposed or may expose *Skuld* to the risk of being or becoming subject to a sanction, prohibition, restriction or other adverse action by a state or international organisation or competent authority.

**Comments: We refer to change in Clause 37.7 above. This amendment will protect the right of termination and cessation as alternatives to each other where *Skuld* may be exposed to sanctions.**

#### 47. SET OFF

*Skuld* shall be entitled to set off any amount due by the *Assured* to *Skuld* against any amount that may be due to the *Assured* or *Co-assured*.

**Comments: This amendment extends *Skuld*'s right to set-off any outstanding amounts to co-assureds and also aligns it with the provision in Rules.**

#### Appendix 1 Definitions

##### *Communicable Disease* ~~Coronavirus~~ Exclusion Clause

1. Any and all liabilities, losses, damages, costs and expenses in excess of USD10,000,000 for one event directly arising from any transmission or alleged transmission of the Declared Communicable Disease in the event that the World Health Organization ('WHO') has determined an outbreak of a Communicable Disease to be a Public Health Emergency of International Concern (a 'Declared Communicable Disease') are excluded.

This exclusion in paragraph 1 above will not apply to any liability otherwise covered, where the liability directly arises from an identified instance of a transmission of a Declared Communicable Disease and where the Assured proves that identified instance of a transmission took place before the date of determination by the WHO of the Declared Communicable Disease.

2. However even if the requirements of paragraph 1 of this exclusion are met, no cover will be provided for any:

A. liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for the Declared Communicable Disease whether the measures are preventative or remedial;

B. liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of the Declared Communicable Disease;

C. loss, damage, liability, cost or expense caused by or arising out of fear of or the threat of the Declared Communicable Disease.

3. For the purpose of this exclusion, Communicable Disease means any disease, known or unknown, which can be transmitted by means of any substance or agent from any organism to another organism where:

A. the substance or agent includes but is not limited to a virus, bacterium, parasite or other organism or any variation or mutation of any of the foregoing, whether deemed living or not, and



B. the method of transmission, whether direct or indirect, includes but is not limited to human touch or contact, airborne transmission, bodily fluid transmission, transmission to or from or via any solid object or surface or liquid or gas, and

C. the disease, substance or agent may, acting alone or in conjunction with other co-morbidities, conditions, genetic susceptibilities, or with the human immune system, cause death, illness or bodily harm or temporarily or permanently impair human physical or mental health or adversely affect the value of or safe use of property of any kind.

4. This exclusion shall not extend to cover any liability which would not have been covered hereunder had this exclusion not been included.

~~1) directly arising from the transmission or alleged transmission of:~~

~~a) Coronavirus disease (COVID-19);~~

~~b) Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2); or~~

~~c) any mutation or variation of SARS-CoV-2; or from any fear or threat of a), b) or c) above;~~

~~2) any liability, cost or expense to identify, clean up, detoxify, remove, monitor, or test for a), b) or c) above;~~

~~3) any liability for or loss, cost or expense arising out of any loss of revenue, loss of hire, business interruption, loss of market, delay or any indirect financial loss, howsoever described, as a result of any of a), b) or c) above or the fear or the threat thereof.~~

**Comment:** *This change reflects the updated wording adopted in the wider insurance market in respect of liabilities arising out of Communicable Disease and excludes cover in excess USD10,000,000.00 (ten million US Dollars) for all losses and liabilities arising from Declared Communicable Diseases as defined above. This change is implemented across all non-mutual products.*