

January 2018

COVER CIRCULAR

TO ALL MEMBERS

## Skuld Yacht Terms and Conditions - Amendments for the 2018/19 policy year

The following changes to Yacht Terms and Conditions for 2018/19 policy year were approved by the Board of Directors of Assuranceforeningen Skuld (Gjensidig) at its Meeting in November 2017.

Skuld Yacht Terms and Conditions are published on our website.

New text appears in red and deletions are struck through.

### 5. CREW

**5.4** Liability for compensation for loss of employment to serving crew members as a result of being signed off due to a major casualty to the Yacht which renders the vessel unseaworthy, and necessitates the signing off **or termination of employment** of ~~the~~ **any crew member for a maximum period of 60 days.**

***Comment:** This change allows us to limit payments of wages to 2 months.*

### **29. Full Disclosure Fair Presentation and Change in Circumstances**

The Assured shall **make to Skuld a fair presentation of the risk in compliance with Part 2 of the UK Insurance Act 2015** including:

29.1 full, ~~and correct~~ **and prompt** disclosure of:

**29.1.1. all every material** circumstances which the Assured knows or ought to know which might influence Skuld in deciding whether and on what terms to provide cover; and

**29.1.2 make full, correct and prompt disclosure to Skuld** of every change in circumstance which the Assured knows or ought to know alters the risk(s) covered by Skuld; and

**29.1.3. sufficient information to put Skuld on notice that it needs to make further enquiries for the purposes of revealing those circumstances; and**

**29.2. a warranty that every material representation as to a matter of fact is substantially correct, and every material representation as to a matter of expectation or belief is made in good faith;**

failing which **Section 8 of the Act shall not apply and** which the Assured shall not be entitled to any recovery from Skuld in respect of any event occurring after the time of the failure to comply with this Clause **irrespective of whether any breach of duty of fair presentation was innocent, deliberate or reckless.**

### **38. Termination of this insurance by notice**

38.1. Skuld may terminate this insurance by giving:

38.1 immediate notice of cancellation to the Assured, where the Assured is in breach of his obligations of **duty of fair presentation disclosure** under Clause 29 or, if in the sole opinion of Skuld, the Assured has acted in a fraudulent manner or with wilful misconduct (in which case there shall be no return of premium to the Assured). **Section 8 and Schedule 1 of the UK Insurance Act 2015 are excluded entirely;**

***Comment:** Changes in Clauses 29 and 39 align wording of our Yachts cover with the requirements in the UK Insurance Act. We also contract out provisions preventing Skuld from cancelling the insurance when we were not given a fair presentation of risk.*

### **57. ~~LIABILITY TO AND OF PRE-DELIVERY CREW~~ LIABILITY**

57.4 Where the Assured has entered into a written contract with: a yard for the purchase of a new Yacht and stations crew at the yard or the port where the Assured's Yacht is being constructed and/or completed prior to handover and delivery of the Yacht by the yard to the Assured;

~~57.2~~or the Seller for the purchase of a second hand Yacht and stations crew onboard the Yacht for the purpose of inspection, work, familiarisation or hand-over; the Assured will be insured for liabilities, costs and expenses **covered under Part 2 of this insurance for:**

57.3~~1~~ the actions or omissions of such crew while performing their duties in the course of their employment; and

57.4~~2~~ claims brought against the Assured by such crew for liabilities under **Clauses 3, 4 and 5.1, 5.3, 5.5 and 5.6** of this insurance;

**57.3. claims from the Assured's contractors or third parties provided always that the contract has been approved by Skuld in advance and that the maximum liability of Skuld under this Clause 57.3 arising from any one event or series of events shall be US\$5,000,000 any one claim, unless otherwise agreed. provided always that:**

57.4.4 the Certificate of Insurance or an Endorsement specifies that the Assured is insured for "Pre-Delivery **Crew** Cover";

57.4.2.5. cover under this Clause shall only cover such liabilities, costs and expenses insofar as there is no cover under any other insurance; and **shall exclude any claims which are recoverable under any builder's risk insurance or would have been recoverable had the Assured taken out builder's risk insurance on standard terms;** and

57.4.3.6. no claim for damage caused to the Yacht or any equipment allocated to the Yacht shall be recoverable under this insurance.

***Comment:** This change expands our pre-delivery cover to align it with others provided by the market.*

## Appendix 1

### TENDER

Any **water**craft owned by the Assured which is either stowed onboard the Yacht and/or towed by the Yacht when she is underway and which is used in connection with the Yacht to transfer the owner, guests and crew of the Yacht or to provide support to the Yacht and/or entertainment to the owner, guests and crew of the Yacht.

**Comment:** *This change limits our Yachts cover to watertoys only and excludes when toys are not on the water.*

