

# Yacht Claims

- IMCC – September 2018
- Morten Jacobsen



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 **YachtCharterFleet**  
THE SMARTEST WAY TO SEARCH



 **Torvald Klavness**



  
**Cruise Ship Hiring**

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- Bigger tonnage
- Sometimes complex with lots of equipment
- WW trade
- Financial income



- Variation in size
- Different yards and technology
- Lots of special equipment
- Variation in trade
- That particular vessel is important for the owner



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“A superyacht is a commercially operated luxury yacht (motor or sail powered), which is professionally crewed and has a loadline length of 24 metres and above.”



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168 ft M/Y Pioneer - courtesy of Camper & Nicholson's

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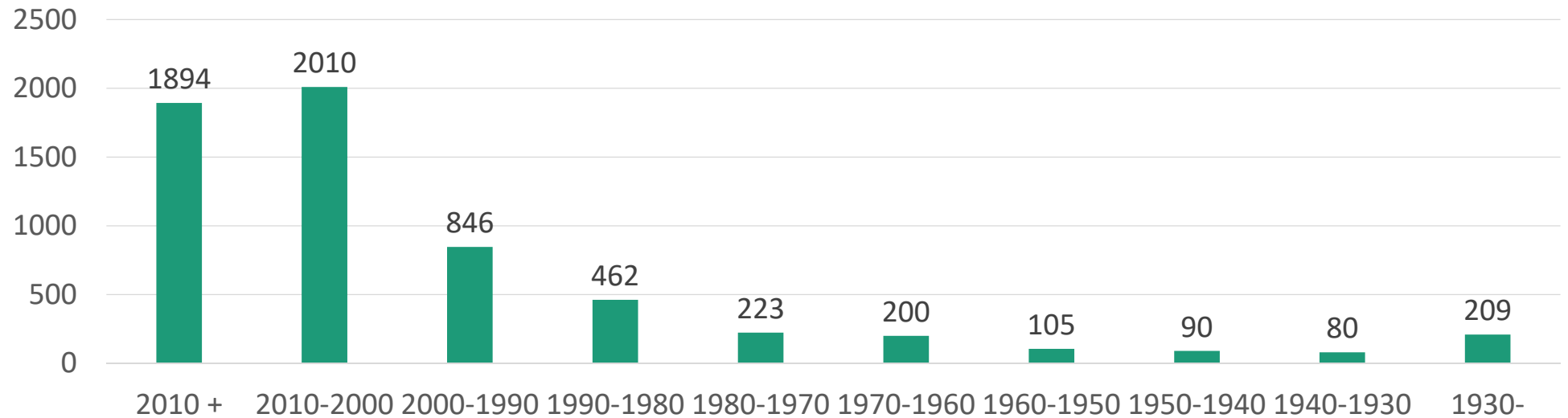


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# Market overview per 2016

- 5190 super yachts delivered since 1865
- 4750 delivered the last 25 years

Deliveries 1865-2016



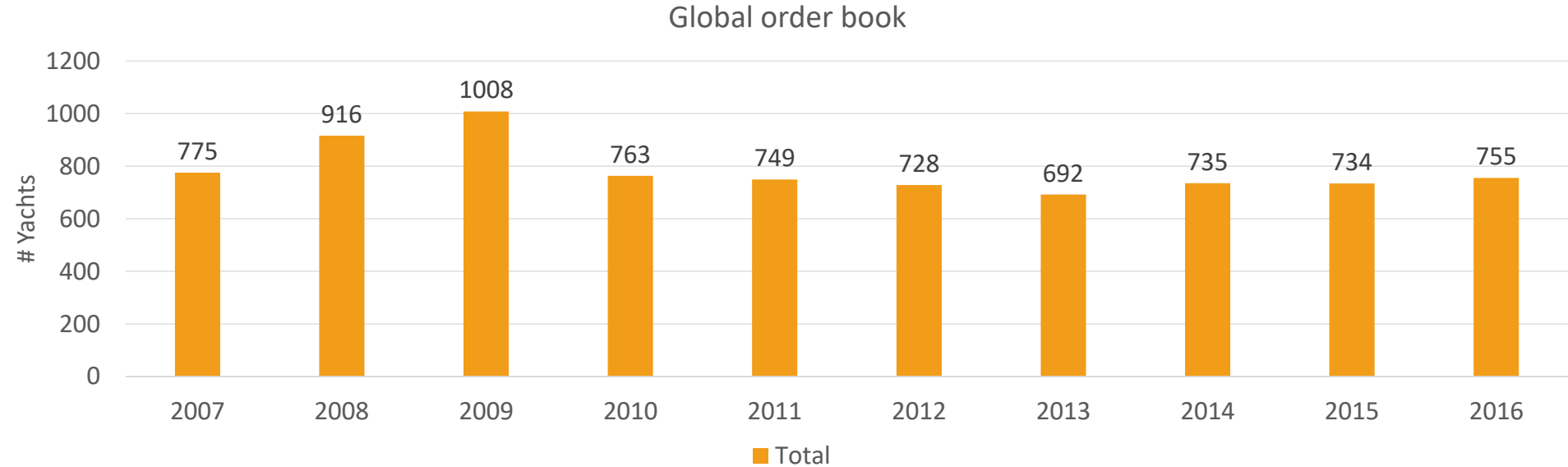
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# Global order book 2007-2016

Some trends:

- Market has picked up after crisis 2008/2009
- Bigger yachts on order
- More adventure- and explorer yachts

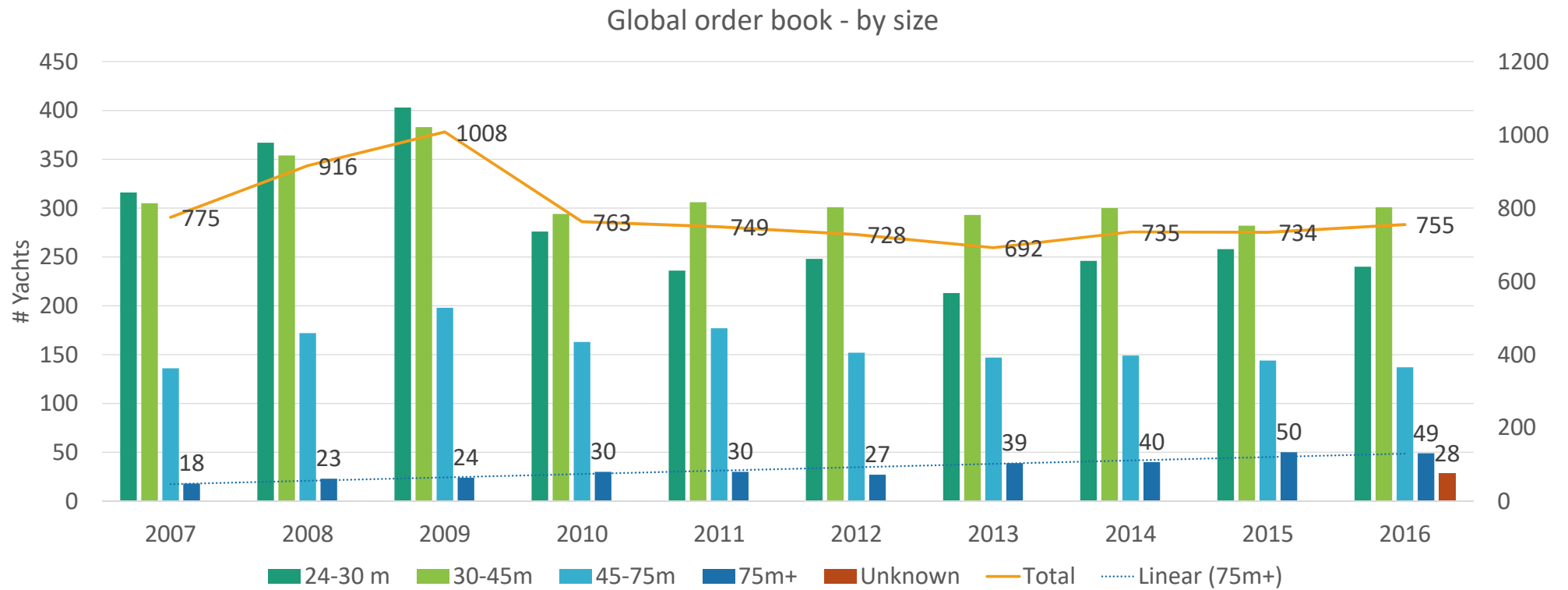


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# Distribution – by size



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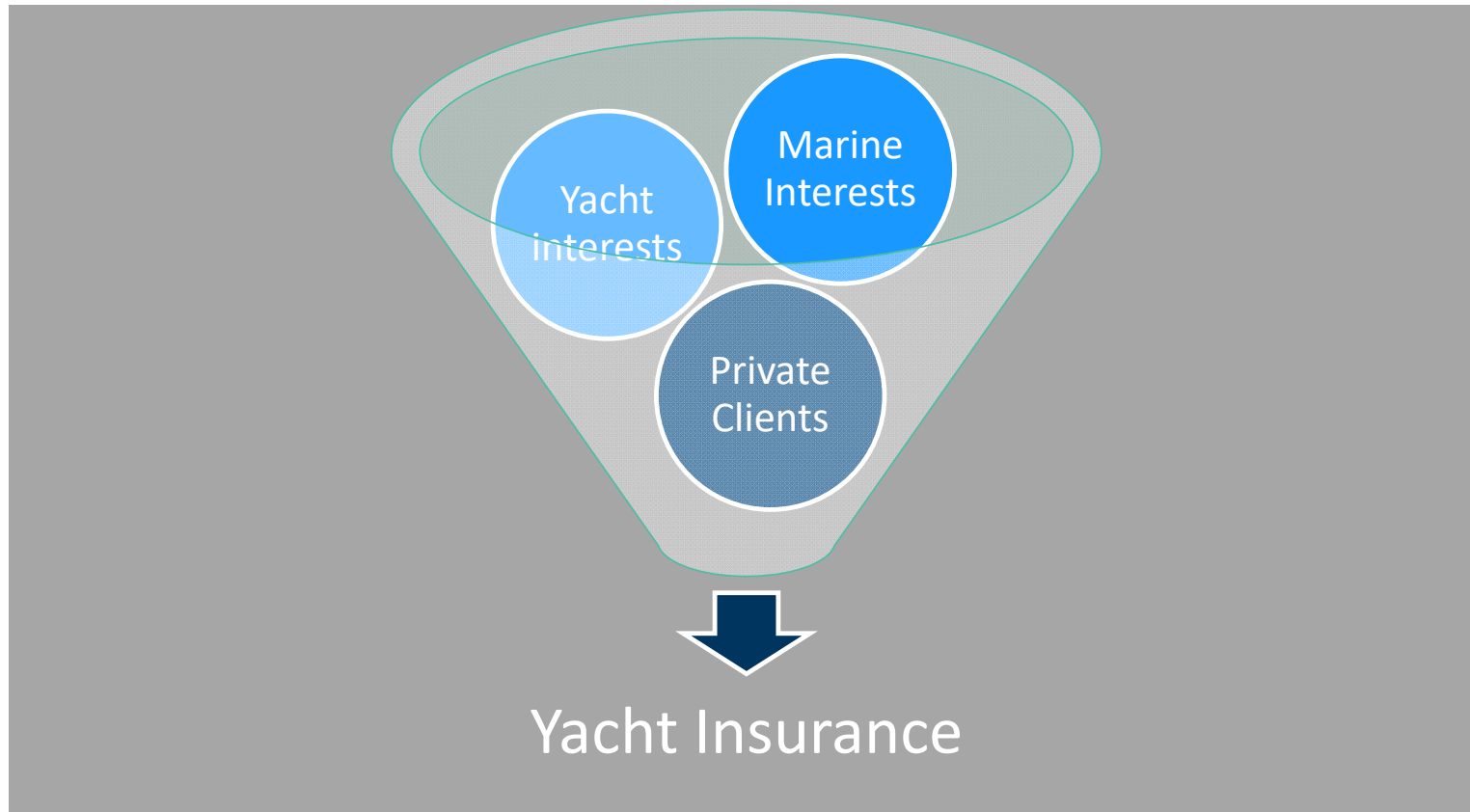
Superyacht industry and Superyacht insurance market has in many ways kept the mentality of yachting with smaller tonnage

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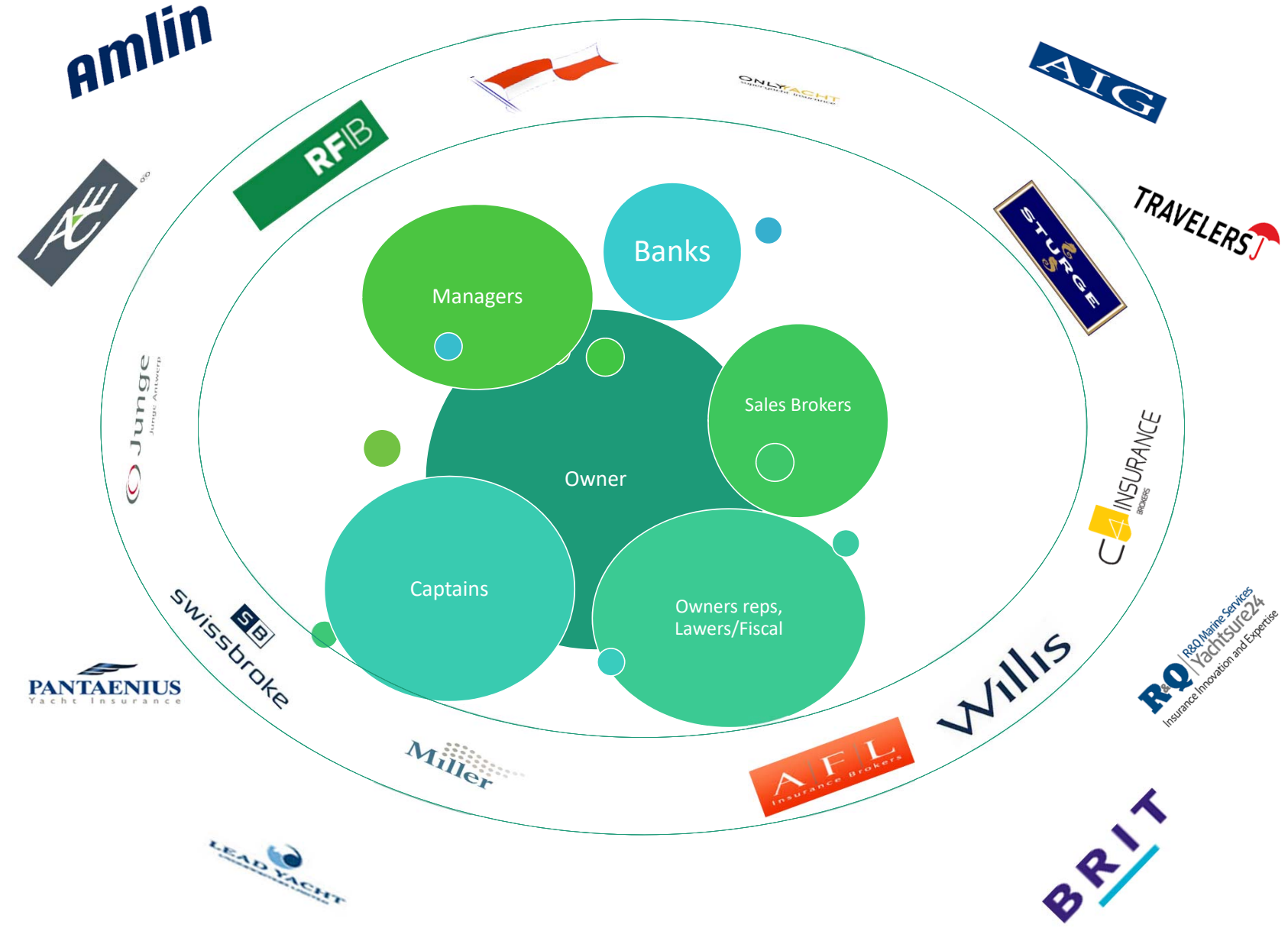


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# A Market mix



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# Terms & Conditions



**AMERICAN YACHT FORM R12**  
**WARRANTIES AND GENERAL CONDITIONS**  
(Applicable to all coverages unless otherwise indicated)

**PRIVILEGES**  
In port and at sea, under power or sail, in docks and graving docks, in hauling and launching, on ways, griddons, pontoons, and on shore. With leave to sail with or without pilots to tow and assist vessels or craft in all situations and to be towed and to go on trial trips.

**PRIVATE PLEASURE WARRANTY**  
Warranted to be used solely for private pleasure purposes and not to be hired or chartered unless approved and permission endorsed hereon.

**CONTINUATION CLAUSE**  
If the vessel insured hereunder is at sea, at the expiration of this policy, the risk may be continued until the arrival of the vessel at her port of destination and her being moored therein twenty-four (24) hours in good safety, provided notice be given to the Assurers and additional premium paid as required.

**TRANSFER OF INTEREST**  
The insurance shall be void in case this Policy or the interest insured thereby shall be sold, assigned, transferred or pledged without the previous consent in writing of these Assurers.

**PERSONAL NEGLIGENCE**  
Personal negligence or fault of the Owner or Assured in the navigation of the yacht or privity or knowledge in respect thereto (excluding loss, damage or liability willfully or intentionally caused by the Owner or Assured) shall not relieve the Assurers of liability under this policy.

**OTHER INSURANCE**  
If a named Assured has other insurance against a loss covered by any section of this Policy, the Assurers shall not be liable under this Policy for a greater proportion of such loss than the applicable amount stated bears to the total amount of all valid and collectible insurance against such loss. If an Assured other than a named Assured has other insurance against a loss covered by any section of this Policy, this insurance shall be excess over other such insurance.

**NOTICE OF LOSS AND FILING OF PROOF**  
It is agreed by the Assured to report immediately to the Assurers or to their representative who shall have issued this Policy every occurrence which may become a claim under this Policy, and shall also file with the Assurers or their representative, a detailed sworn proof of loss and proof of interest and/or receipts bills in case of a partial loss, within ninety (90) days from date of loss.

**PAYMENT OF LOSS**  
In case of loss payable under this Policy, such loss to be paid within ninety (90) days after satisfactory proof of loss and proof of interest in the property insured, all indebtedness of the Assured being first deducted.

**SUBROGATION**  
It is agreed that upon payment of any loss, damage, or expense the Assurers are to be subrogated to all the rights of the Assured to the extent of such payment.

**TIME FOR SUIT AGAINST THE ASSURERS**  
No suit or action on this Policy for the recovery of any claim shall be sustainable in any court of law or equity unless the Assured shall have fully complied with all the requirements of this Policy, nor unless commenced within one (1) year from the date of the happening or the occurrence out of which the claim arose, provided that where such limitation of time is prohibited by the laws of the state wherein this Policy is issued, then, and in that event, under the laws of such state.

**ACTION AGAINST THE ASSURERS**  
Any person or organization or the legal representative thereof who has secured judgement against the Assured shall be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Bankruptcy or insolvency of the Assured or of the Assured's estate shall not relieve the Assurers of any of their obligations thereunder.

**LEGAL REPRESENTATION AND CO-OPERATION CLAUSE**  
The Assured shall co-operate with the Assurers and shall not assume any obligation, admit any liability or incur any expense for which the Assurers may be liable, without the written approval of the Assurers, except as may be necessary and permitted to safeguard the yacht under the "SUE AND LABOUR" clause in Section "4" of this Policy. In case the liability of the Assured shall be contested with the written approval of the Assurers first obtained, the Assurers will pay the cost and expense of such defense, in which event the Assurers shall have the option of naming the attorneys who shall represent the Assured in said defense, and if such option is exercised, shall have the direction and control thereof. The Assured shall whenever required, attend hearings and trial and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of suits and limitations proceedings.

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# Yacht Insurance – Extended cover

- General Contents
- Fixtures and Fittings
- Fine Arts
- Personal Effects
- Yacht Cash
- Medical Cover
- Equipment ashore
- Tenders and toys

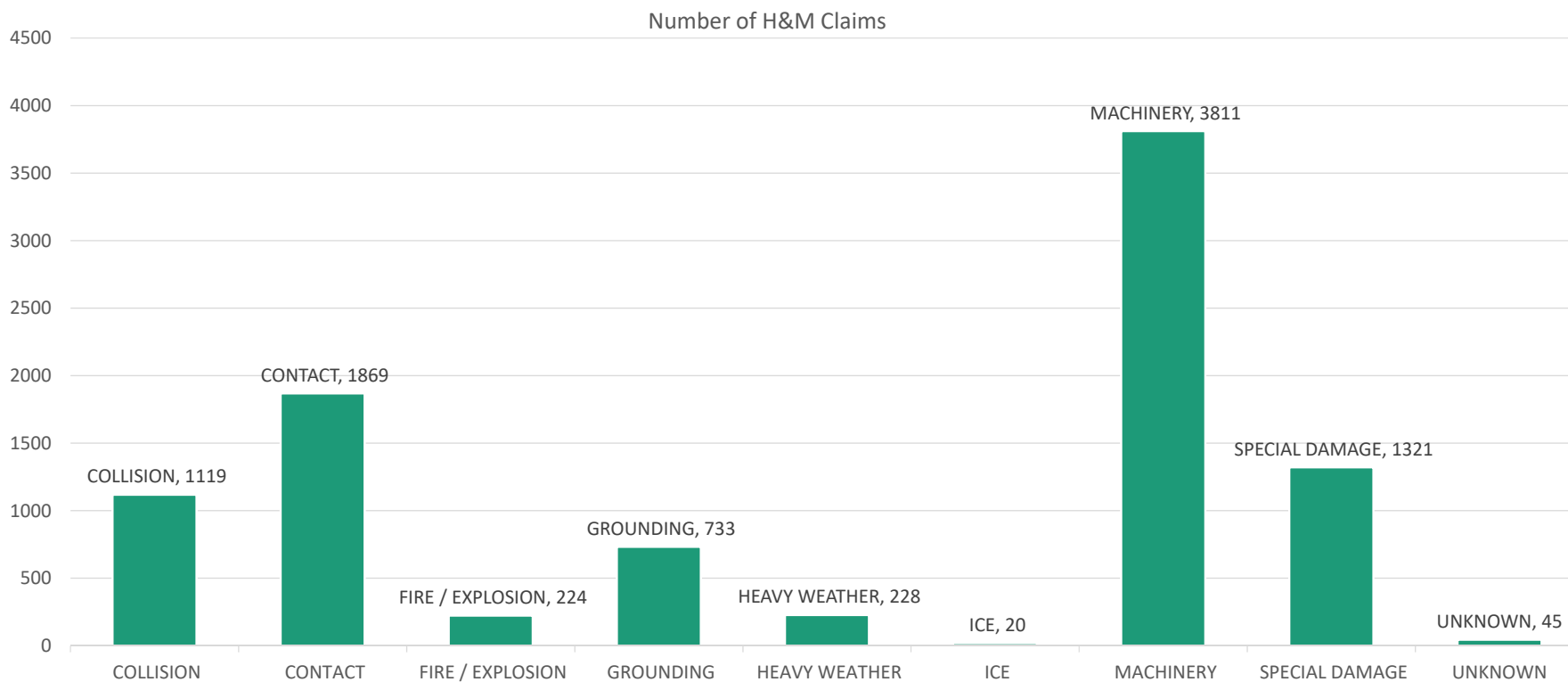


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# Yacht Claims Specifics - Events

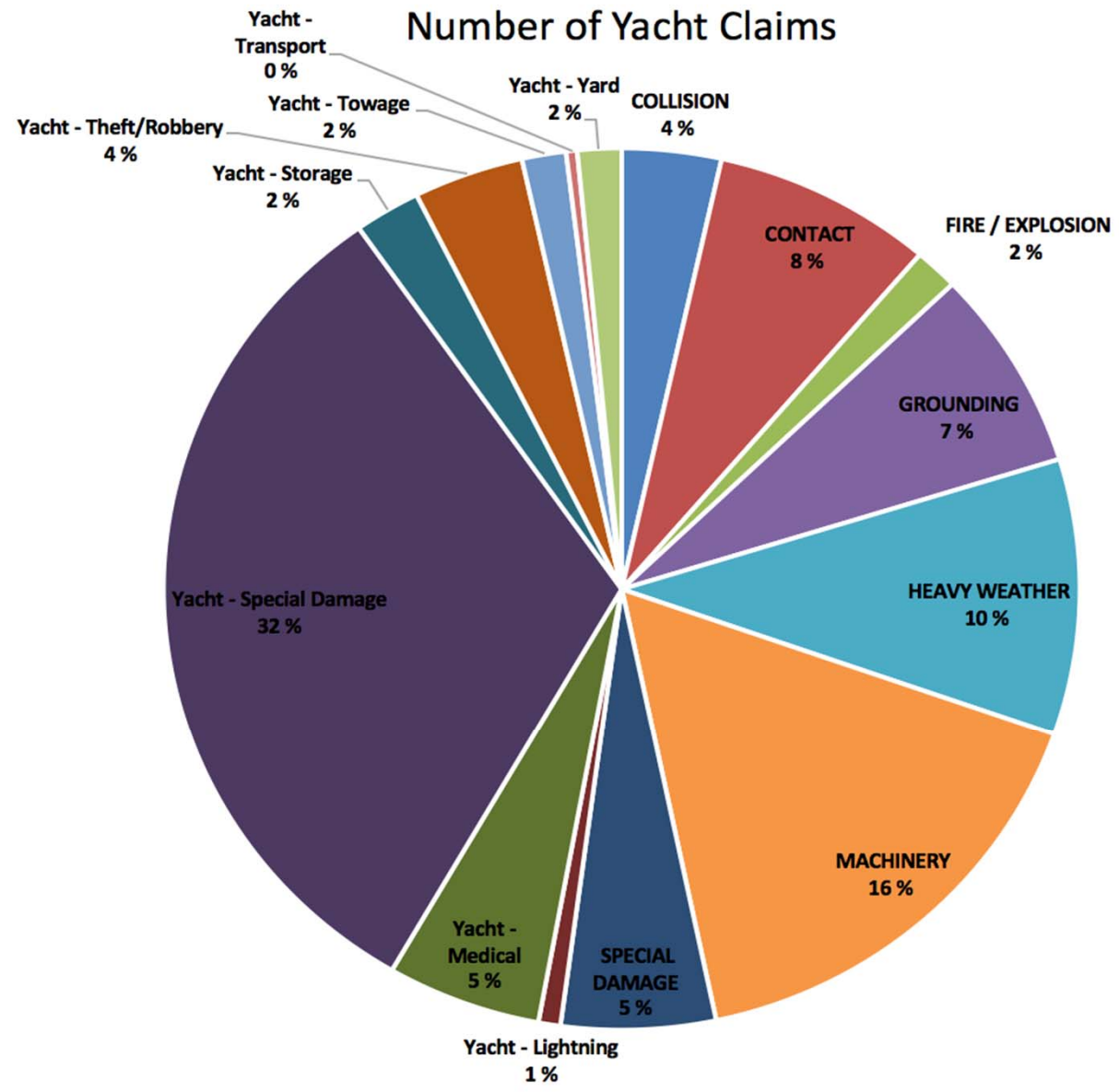


30.09.2018

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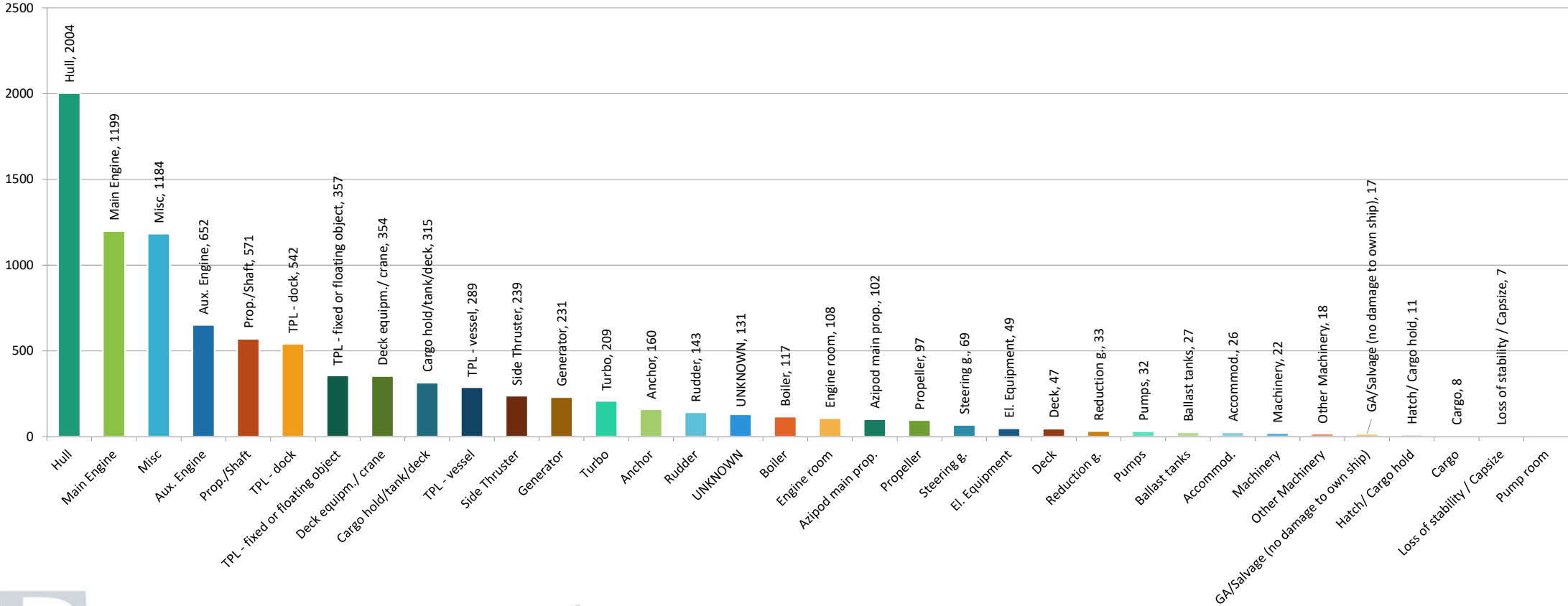
# Events



EXPLOSION

# Yacht Claims Specifics - Casualty

Total

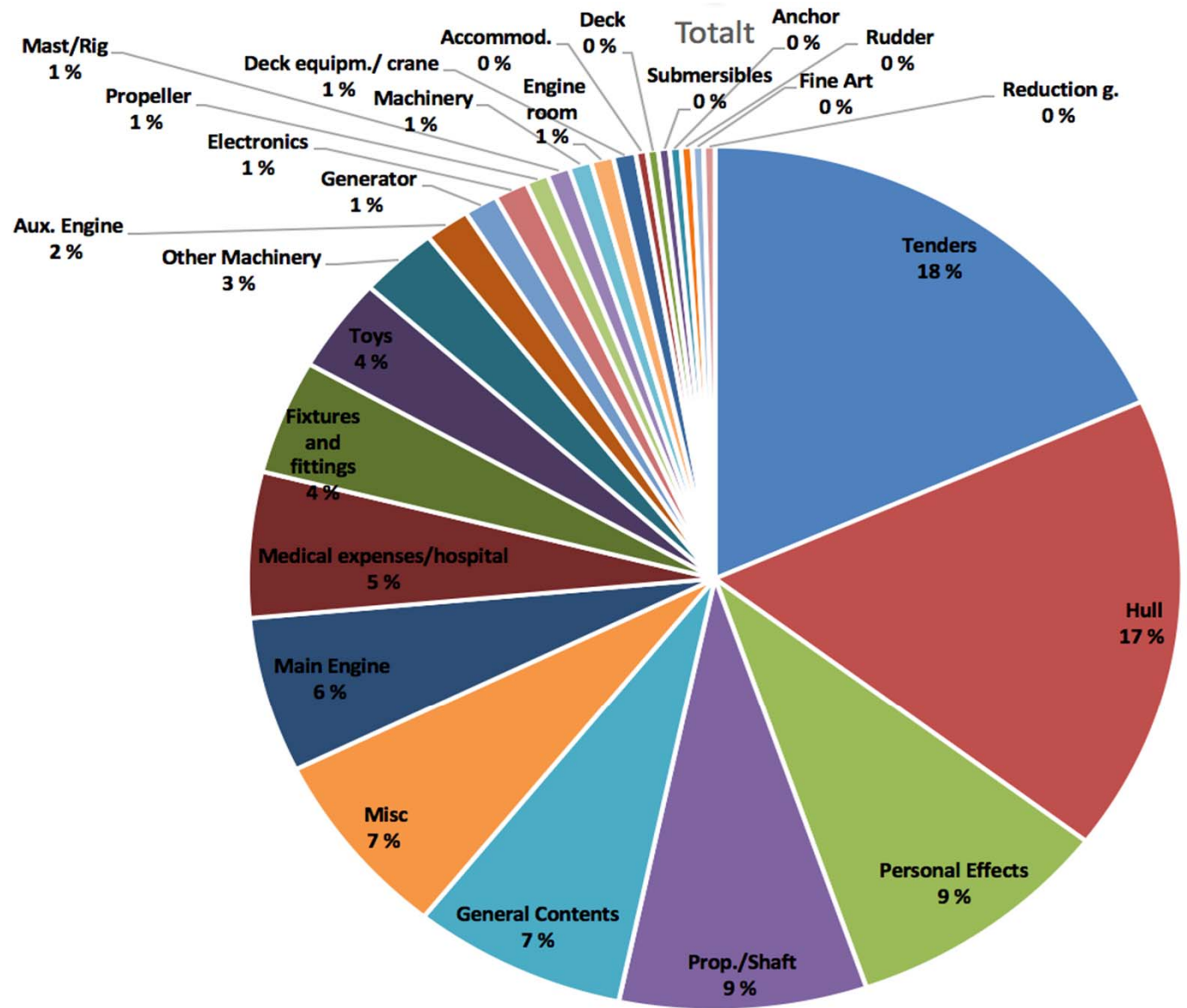


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# Casualty



EXPLORE

# General Contents and Fixtures & Fittings



13%



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# Personal Effects



9%



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# Tenders and Toys

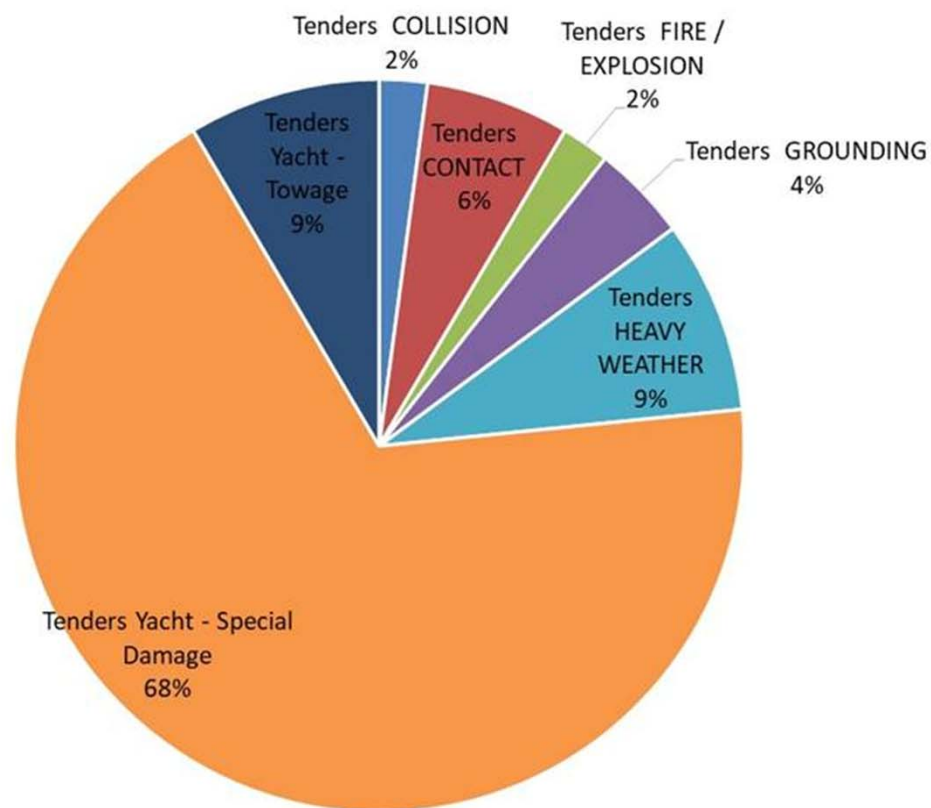


22%



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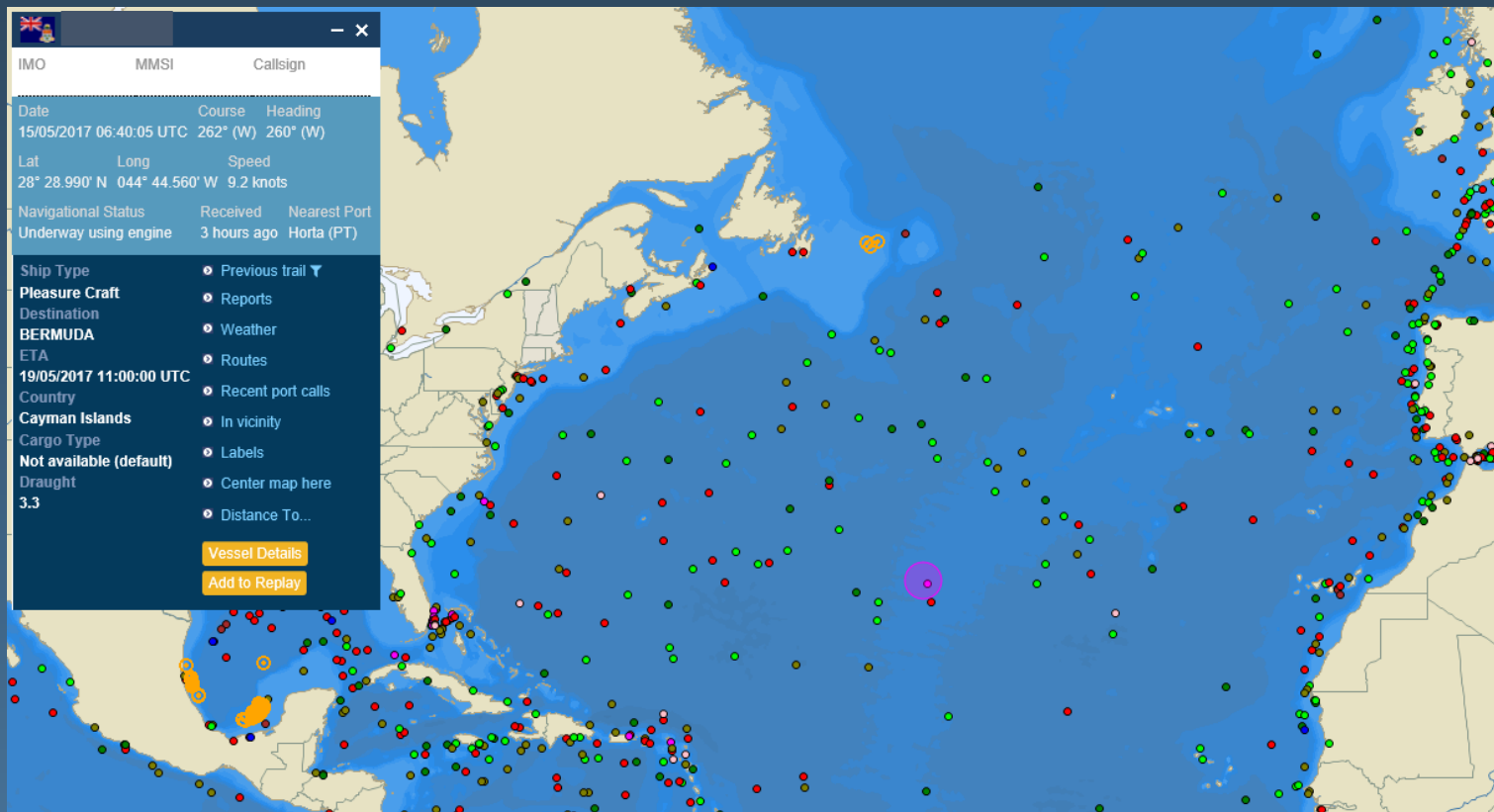
# Yacht Claims Specifics - Tenders



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# MY Superyacht– Lost tender



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# Traffic – AIS all



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# Coating



- Paint system
- Structure
- Colour match
- Gloss match
- Yards
- Applicators
- Paint experts

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## Limitation of liability

- Contact damage at berth in Nice
- Insured yacht GT 891 – Oponent GT 282
- Captain signed LOP – Yacht left for lay up in Lebanon
- Surveyor estimates of damage repairs – USD 800'
- Loss of earnings > USD 200'

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# Jurisdiction & Limitation

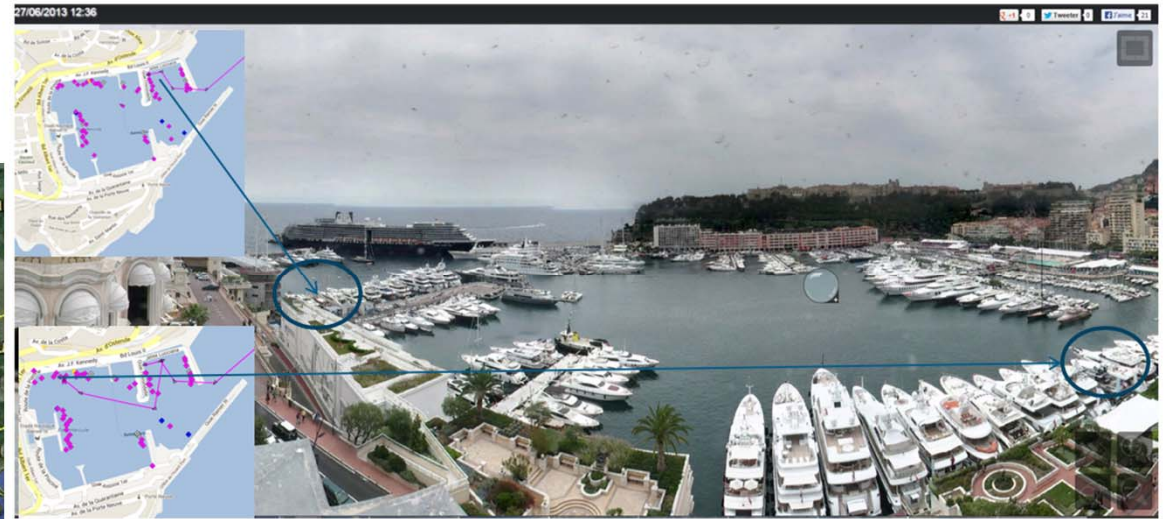
1996 Protocol vs 1976 Convention vs special legislation

Jurisdiction	SDR	USD	Remarks
Lebanon	TBA		
Turkey	500 000	750 000	
Greece	1 000 000	1 500 000	
Italy	500 000	750 000	
France	500 000	750 000	
Monaco	?		1957 Convention
Spain	500 000	750 000	
UK	500 000	750 000	
US		5 000 000	Yacht Value

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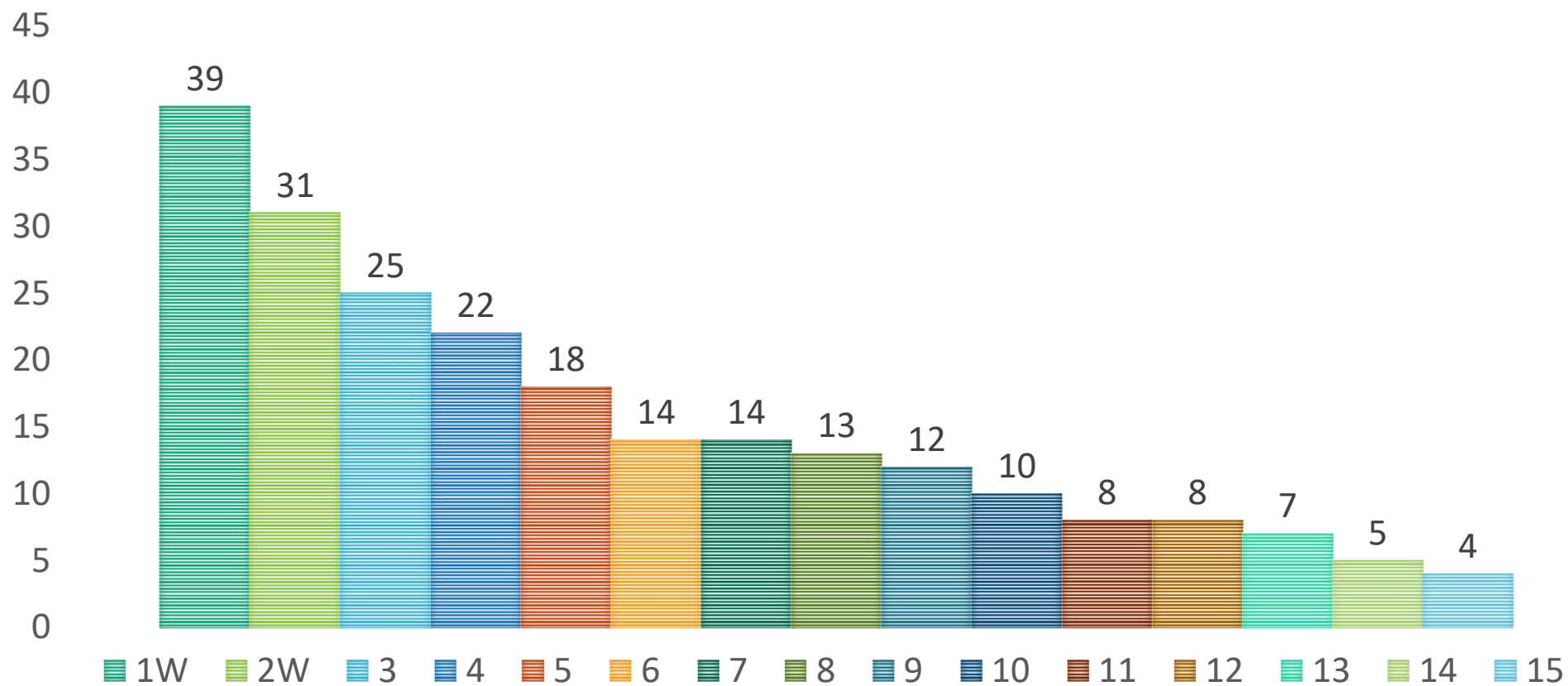


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## YACHTS OUT OF SERVICE IN WEEKS SINCE 2008



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# Yards

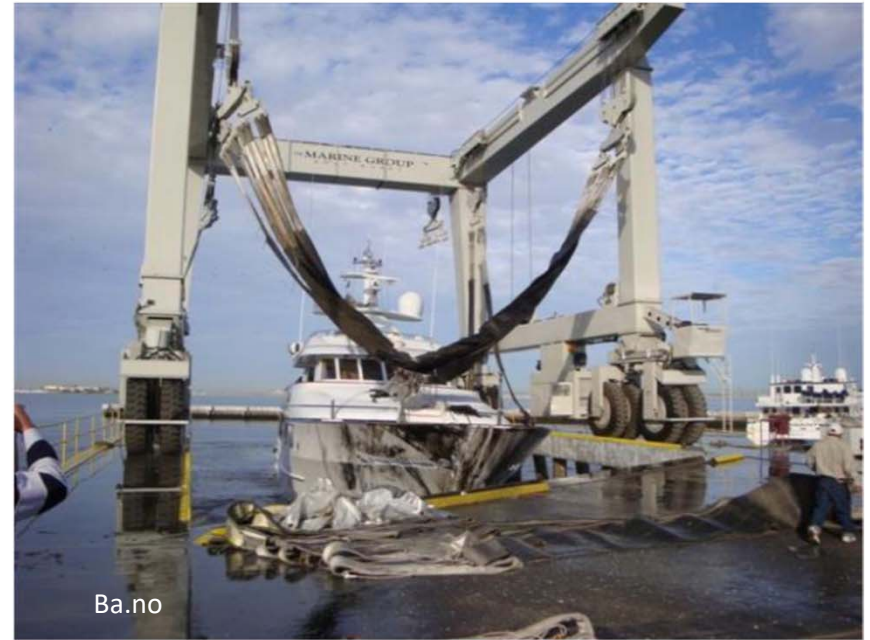


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# Repair and refit challenges



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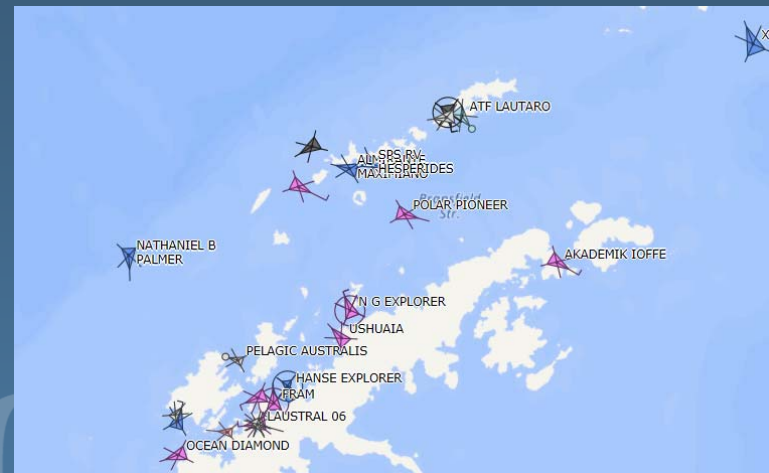
# Emerging Risks



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- Trading in Arctic and Antarctic waters
- Increased awareness



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**PGI News** **SUPERYACHT HIJACKED BY CYBER-ATTACK**  
All systems are disabled

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Newsonia.com

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