

The Shipowners' Club Dive Boat Liability Insurance

Policy

The Shipowners' Club

Dive Boat Liability Insurance Policy

Who we are

We are The Shipowners' Mutual Protection and Indemnity Association (Luxembourg), a marine liability insurer, protecting the interests of dive boat owners and operators. We provide insurance on a mutual basis and operate as a non-profit making club.

Your policy documentation

All Members (policy holders) 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 boat.

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

Claims arising from the use of *tenders* and water sports equipment are covered, providing these arise from activities connected with the insured boat. To obtain cover for *tenders* which are registered separately from *your* boat, *you* must declare them to us and if we agree to insure them they will be covered under their own policy.

Your cover

The liabilities we insure *you* against include:

Collision and property

Claims for collision damage to other boats or for loss of or damage to piers, wharves, jetties, pontoons or any property belonging to others.

Crew, divers, dive instructors, guests and others

Claims from *your* crew, divers, dive instructors, guests or others for personal injury, illness or death including claims for *crew compensation and sickness benefits*.

Claims made against *your* crew members and dive instructors 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 20,000 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* boat 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* boat.

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.

Personal effects

Claims for loss of or damage to *personal effects* including scuba gear and photographic equipment. The maximum amount payable per person, per claim, will be limited to USD 20,000.

Pollution and environmental liabilities

Pollution from *your* dive boat 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 *fin*es 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.

Water sports

Claims arising from the use of water sports equipment belonging to and carried by *your* dive boat.

Wreck removal

Wreck removal, marking or lighting costs following the loss of *your* boat, including claims for the *extra cost and expenses* of removing 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

We cover contractual indemnities for illness, personal injury, death or property damage when these relate to *your* boat and concern its operation and management. This includes indemnities given to travel agents, tour operators, port or harbour authorities, shipyards and suppliers of goods and services to *your* boat.

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.

Liability from supply and use of dive-related products, air and gas

If *you, your crew or diving instructors* supply dive-related products and breathing air and gas for use during a *recreational diving* trip, we cover any dive related illness, personal injury, death or property damage which results.

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

Liability to divers and guests whilst off the boat

If *your* dive boat's itinerary includes locations ashore or other places where divers or *guests* disembark temporarily and *you* remain responsible for them, *your* liabilities are covered. *You* are also covered for liability arising after a *recreational diving* trip has taken place where divers elect to remain on board or go ashore in port to observe the mandatory no fly time after completing their last dive and before finally disembarking to return home.

Piracy

You remain covered for any of the claims listed under 'Your cover' which arise following acts of piracy against *your* boat. Please note *our* exclusion in respect of kidnap and ransom demands contained in 'What is not covered' - [point 17](#) below.

Uninsured or underinsured boaters

If an *uninsured or underinsured third party vessel* is responsible for *you or your crew or guests* sustaining personal injury whilst on board *your* dive boat or its *tenders*, 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* boat (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/vessel-type

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, the 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. **Charterers** - If *you* make *your* dive boat 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
2. **Contractual indemnities** other than those relating to illness, personal injury, death or property damage
3. **Crew annuities or crew pension contributions**
4. **Commercial diving** - Claims arising from *commercial diving* or the use of submarines, mini subs or diving bells
5. **Deductibles** which *you* are required to bear under other policies in *your* name
6. **Delay** - Costs and expenses which arise because *your* boat 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* boat's operations
9. **Dive accident and travel insurance** - We do not pay claims which would be insured under a dive accident or travel insurance policy, unless *you* are liable for the *incident* and it arises as a result of owning and operating *your* boat
10. **Dive centres** - We do not cover claims which would ordinarily be recoverable under a dive centre liability policy
11. **Dive schools** - We do not cover claims which arise from giving instruction or advice as part of a dive training course at a dive school or similar establishment ashore
12. **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

13. **Environmental damage** arising from *your* continuing use or presence at a coral reef or other sensitive marine environment
14. **Fines** or penalties arising from overloading *your* boat, illegal fishing, carrying contraband or blockade running
15. **Illegal payments** of any kind such as extortion, blackmail or bribery or any associated costs or expenses
16. **Instruction or advice** - We do not cover claims for inadequate dive instructions or dive advice, other than for *incidents* occurring during a dive trip
17. **Kidnap and ransom demands**
18. **Nuclear risks** or claims arising from radioactivity
19. **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 or aviation risks
20. **Own property** - *Your* owned or leased property
21. **Personal effects** which are cash, precious metals or stones or other objects of a rare or precious nature
22. **Sale or supply** of non-dive related products
23. **Salvage** services to *your* boat or demands for general average payments and any related disputes
24. **Sports or activities** other than swimming, snorkelling or diving whilst divers or *guests* are off *your* boat
25. **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
26. **Technical diving**
27. **Unseaworthiness** - If *you* fail to ensure that *your* boat 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
28. **Wilful misconduct** including *your* knowing infringement of any law, rule or regulation,

or from permitting any activity on board or in connection with *your* boat 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* boat 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 the material facts upon which we base the cover change. 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 boat is seaworthy at all times. We may at any time appoint a surveyor, at our cost, to inspect your boat. If such an inspection identifies defects in your boat, 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 boat, transfer it to new owners or if you become bankrupt or insolvent. For those boats 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 boat 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 or guests. Engine breakdown is not a casualty for the purposes of this policy.

Commercial diving means diving for purposes unconnected with the provision of recreational diving, such as salvage, construction, wreck inspection or similar.

Crew or **crew member** means any person engaged or employed in any capacity in connection with your boat, whether on board or proceeding to or from your boat or on boat business. Crew or crew member does not mean boat brokers or agents or those supplying services to your boat.

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.

Dive instructors includes dive masters and dive guides.

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 *fin*es.

Guest means any person carried or intended to be or having been carried on *your* boat under a contract of carriage for reward. This definition also includes passengers.

Incident means an accident or occurrence relating to the operation or use of *your* boat. 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.

Personal effects means items which *your crew*, *divers*, *dive instructors*, *guests* or others bring on to *your* dive boat for recreational purposes which are unconnected to the operation of *your* boat.

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

Recreational diving means scuba diving in open water with conventional diving equipment within the limits set by a recognised *recreational diving* association. It includes penetrating overhead environments, using specialised equipment and breathing gases or standard nitrox, providing divers are certified by a recognised diving association to engage in these activities at the time of the *incident*.

SCOPIC means the Special Compensation P&I Club Clause.

Subrogation means a right which we may acquire as insurers to pursue other persons for reimbursement of claims we have paid.

Technical diving means diving considered higher risk than conventional *recreational diving*. It also means exceeding depth and time limits of *recreational diving* tables provided by a recognised *recreational diving* association.

Tender means the boat or boats which are carried on board *your* boat.

Uninsured third party vessel means a third party vessel which collides with *your* boat 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, your crew, divers and guests*.

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 costs 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 boat's name, the *incident* date, the nature of the *incident*, the location of your boat 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.