



► **LEGAL COSTS COVER**

POLICY 2026



YACHTOWNERS
LIABILITY INSURANCE FROM SHIPOWNERS

LEGAL COSTS COVER

Policy 2026

This insurance will meet the costs and expenses incurred by *You* in pursuing or resisting *claims* disputes or proceedings which have arisen during the period that a *Yacht* has been insured with *Us* for Legal Costs Cover and that are as set out under **'Your cover'** below.

Should *You* become liable to pay opponents' costs then this Legal Costs Cover will respond to meet those costs.

Legal Costs Cover is an additional cover and is subject to the procedures, limitations, definitions and exclusions of the Club's *Yacht* Liability Insurance policy.

Your cover

The cover and limit *We* provide will be set out in *Your* Certificate of Insurance and shall apply to the following *claims*, disputes or proceedings.

1. Under any charter agreement or other contract, including *claims* and disputes concerning charter fees, liquidated damages, delay, set off, breakdown or disablement, speed, performance and description of *Your Yacht*, port safety and orders to *Your Yacht*
2. Concerning the exercise or assertion of any rights arising under any charter agreement or other contract, including the right of withdrawal, or a right to keep property belonging to others until a debt is paid and *claims* arising from this action
3. In respect of the cancellation of a charter agreement or other contract
4. In respect of the loss of, damage to or detention of *Your Yacht*
5. In respect of the supply of inferior, unsatisfactory or unsuitable fuel, materials or equipment, or other necessities
6. For negligent or improper repair of or alteration to *Your Yacht*
7. In respect of and in connection with charges, disbursements, accounts received from agents, stevedores, chandlers, brokers, customs, harbour or other authorities, or others connected with the running, management and operation of *Your Yacht*
8. In respect of amounts due from or to insurers and any other persons and/or companies conducting the business of marine insurance, other than amounts due to or from *Us*
9. In respect of salvage or towage services provided by *Your Yacht*
10. By or against passengers, guests, others, intended to be, being, or having been carried on an insured *Yacht*
11. By or against captains, crews, stowaways and other persons on or about *Your Yacht*

12. In connection with the sale or purchase of *Your Yacht*
13. In connection with the mortgage of *Your Yacht*
14. In connection with *Your* representation at official investigations, inquests, or other enquiries whatsoever in relation to *Your Yacht*

This cover is discretionary

Legal Costs Cover is a discretionary form of insurance which means that *We* look at the circumstances of the dispute and *We* have the option to decide whether or not to support *You*, or to continue to support *You* if the dispute has previously been accepted. *We* base *Our* decision upon a number of factors, such as the likelihood of a successful outcome, the likelihood of obtaining security for *Your* claim and costs, the prospect of enforcing an award or judgment in *Your* favour, and whether it is in the interests of the Club as a whole to proceed.

Legal Costs Cover does not respond to costs and expenses covered by *Your* hull and machinery policies or other insurances.

Disputes between joint Members and Co-assureds

This insurance may not be used to cover disputes between joint Members; neither is it available for disputes between Co-assureds.

With respect to disputes between joint Members and Co-assureds, the only circumstance in which *We* may approve use of the Legal Costs Cover is for the benefit of a Member in connection with their dispute with a Co-assured. It is not possible for a Co-assured to obtain *Our* support to pursue a Member.

Minimum amount in dispute

Unless *We* (at *Our* discretion) decide otherwise, there shall be no right of recovery under this additional cover if the principal amount involved in the *claims*, dispute or proceedings is less than US\$ 5,000 or currency equivalent.

Period of Cover

For the purpose of this Legal Costs Cover, *claims*, disputes or proceedings are considered as having arisen:

When arising out of contract (other than a sale or purchase agreement), in tort or under statute, when the cause of action accrues;

In connection with the purchase or sale of a *Yacht* on the date on the contract for its sale or purchase;

In *claims* for salvage or towage services, when the agreement for the services was concluded, or the services were concluded, whichever is the earlier.

Disputes in respect of loss of, damage to, or detention of your Yacht

Any right of recovery under this cover relating to item 4, is allowed only to the extent that the amount in dispute is not covered by *Your Yacht's* hull policy. If the amount in dispute is covered by *Your Yacht's* hull policy, but falls below the deductible in that policy, then *Your* claim will be assessed on the basis that the deductible in that policy is deemed not to exceed 25% of *Your Yacht's* insured value.

Yacht building contracts

There is no right of recovery for costs or expenses incurred in relation to disputes arising out of *Yacht* building contracts, unless the contract has been seen and approved by the Managers in advance, and cover has been agreed by the Managers in writing.

Costs and set offs

In assessing *Your* rights of recovery, *We* shall take into account any costs paid or set off by the other party to the claim, dispute or proceedings and *Your* right of recovery shall be limited to the net costs payable by *You*. In the case of a settlement of a claim, dispute or proceedings in which the other party does not make any contribution to *Your* costs, *We* shall, at *Our* discretion, decide the sum to which *Your* right of recovery shall be restricted.

Claims

For assistance with *claims*, please contact *Our* offices:

London

White Chapel Building, 2nd Floor
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E1 8QS

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W www.shipownersclub.com

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Immediate advice and local assistance is also available from *Our* correspondents who are listed at:

www.shipownersclub.com/correspondents/find-correspondents/