



► **FISHING VESSEL LIABILITY INSURANCE**  
FREQUENTLY ASKED QUESTIONS







# FISHING VESSEL LIABILITY INSURANCE

## FREQUENTLY ASKED QUESTIONS (FAQs)

These frequently asked questions are intended to provide general guidance for our Fishing Vessel Liability Insurance policy. It is subject to the terms and conditions of the policy wording, the Certificate of Insurance and any endorsements to it. We recommend that you read the policy carefully and discuss with your broker. You will find a copy of the Fishing Vessel Liability Insurance policy wording on [www.shipownersclub.com/latest-updates/publications/](http://www.shipownersclub.com/latest-updates/publications/)

### CONTENTS

#### 1.0 What is the Shipowners’ Club and what does it do?

- 1.1 What is the Shipowners’ Club?
- 1.2 What is different about insuring with a mutual insurer?
- 1.3 Will I be asked to pay more premium if the Club has a bad year?

#### 2.0 Who or what is covered?

- 2.1 What do you regard as a fishing vessel?
- 2.2 What types of fishing vessel do you insure?
- 2.3 Do you cover aquaculture risks?
- 2.4 If a claim would have been paid under your Club Rules, will it be paid under the Fishing Vessel Liability Insurance policy?
- 2.5 Do you cover fish cages?
- 2.6 Do you cover claims for loss of catch?

#### 3.0 You and your crew

- 3.1 Am I covered for my liabilities towards my crew?
- 3.2 What does the Club do about workers’ compensation schemes?
- 3.3 What does ‘even if you or the injured parties have failed to take the steps necessary to receive such entitlements’ mean under *point 19* of your list of exclusions?
- 3.4 What if I have crew contracts?
- 3.5 What is the Club’s position regarding share fishermen?
- 3.6 Are my crew members covered while they are off the vessel?
- 3.7 Am I covered for my crew’s medical expenses if they are injured?
- 3.8 Does the Club pay my crew’s wages if they are injured and cannot work?
- 3.9 Am I covered for disputed or unpaid wages?
- 3.10 What if my vessel is a total loss and my crew members are out of work?

- 3.11 If my skipper is arrested and has to face a trial or inquiry is there any cover?
- 3.12 You cover pre-delivery crew for a short duration. How long is this?
- 3.13 You mention scuba diving and the need for divers to be certified by a recognised diver training organisation under *point 18* of your list of exclusions. What is meant by this?

#### 4.0 What liability risks are insured?

- 4.1 Am I covered for liability claims arising from piracy?
- 4.2 Am I covered for war risks?
- 4.3 Am I covered for terrorism?
- 4.4 If I have to sign a contract am I covered for any contractual indemnities?
- 4.5 What is a contractual indemnity?

#### 5.0 Other matters

- 5.1 Your cover includes liabilities to ‘others’. Can you give some examples which might apply for fishing vessels?
- 5.2 Can you summarise the policy exclusions?
- 5.3 Do you provide personal accident insurance for fishermen?
- 5.4 What other benefits are there from being a Member of the Shipowners’ Club?
- 5.5 I like the Shipowners’ Club Rules. Can I stick with these or do I have to change?
- 5.6 Who do I contact at the Club?



1.0 What is the Shipowners’ Club and what does it do?

- 1.1 What is the Shipowners’ Club?  
The Shipowners’ Club was formed in 1855 and is the leading insurer of smaller and specialist vessels worldwide. We are one of the 13 International Group Protection and Indemnity (P&I) clubs, which together insure over 90% of the world’s ocean-going tonnage. We provide cover on a mutual basis and everything we do is driven by the interests of our policyholders, the Club Members.
- 1.2 What is different about insuring with a mutual insurer?  
You buy insurance cover at cost. We have no shareholders to satisfy. Most importantly, it means a fair and friendly claims handling service.
- 1.3 Will I be asked to pay more premium if the Club has a bad year?  
No. Your premium is fixed at the beginning of each policy year and is unaffected by the Club’s underwriting result from that year. However, we may require additional premium if you ask us to increase the level of insurance we provide during the year. This could happen if your vessel operations change or you need to cover risks which were not insured when you first joined the Club.

2.0 Who or what is covered?

- 2.1 What do you regard as a fishing vessel?  
Any vessel with a commercial fishing registration.
- 2.2 What types of fishing vessel do you insure?  
All types. We insure over 5,000 fishing boats operating around the world.
- 2.3 Do you cover aquaculture risks?  
We do not insure livestock, but we do insure the vessels that support the fishing and fish farm industry.
- 2.4 If a claim would have been paid under your Club Rules, will it be paid under the Fishing Vessel Liability Insurance policy?  
Yes. Each year we will issue updated versions of the Club Rules and the Club Fishing Vessel Liability Insurance policy. We confirm that any claim that would have been paid under the Club Rules for a particular year will be payable under the Fishing Vessel Liability Insurance policy for that same year.

- 2.5 Do you cover fish cages?  
If the fish cages belong to you they will not be insured as we exclude property you own under *What is not covered, point 15*. If, however, you declare them to us, we can insure your liability arising from owning or using them.
- 2.6 Do you cover claims for loss of catch?  
It depends upon whether it is on board your vessel and who owns it. We do not cover your own catch. We expect this to be insured elsewhere. We also do not cover catch owned by other people if it is on board your vessel. However, if it is carried on board another vessel and you are liable for loss or damage to it, such as following a collision, then we would respond if you have a liability.

3.0 You and your crew

- 3.1 Am I covered for my liabilities towards my crew?  
Our policy covers your liability to your crew for risks such as illness, injury or death. It may have arisen out of common law, statute or a crew contract. What we look for is whether or not you have a liability to the crew member concerned. A covered claim must have arisen out of the operation of the vessel we insure for you. Under 5.3 below, we provide information about our Personal Accident policies. These provide protection for crew accidents when you do not have a liability.
- 3.2 What does the Club do about workers’ compensation schemes?  
Some parts of the world place a legal obligation on employers to take out cover for their employees (workers) and these schemes will pay out compensation in the event of an injury to a workman, often regardless of any fault on the part of the employer. It is usually not possible to opt out of these schemes. The Club does not usually pay claims where there are compulsory workers’ compensation schemes in operation. This may be because the Club is not licensed to provide the benefits required by the state scheme or it may include benefits which the Club does not grant, such as annuities. Please check with us if there are workers’ compensation obligations for your crew.

- 3.3 What does ‘even if you or the injured parties have failed to take the steps necessary to receive such entitlements’ mean under *point 19 of your list of exclusions*?  
This situation could arise if a crew man was disqualified from entitlement because they or you as their employer did not sign up to the scheme (state compensation scheme) or failed to ensure that the required contributions to the scheme had been paid. Our policy exclusion is there to prevent the Club having to provide compensation as a last resort, because the government scheme did not respond.
- We would emphasise, however, that the Club can and does respond and pay subrogation claims; meaning cases where a government scheme has paid out entitlements in the first instance and then they or their representatives look to obtain reimbursement from us, because you are the employer and we insure you.

- 3.4 What if I have crew contracts?  
We recognise the importance of recruiting and retaining good crew and the need to provide a decent level of death or disability compensation in line with the duties and position held. Our policy will cover crew compensation and sickness benefits under individual 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 scheme.
- There are, however, limits to the cover. 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. Also, our policy does not cover annuities, pension contributions or similar long-term payment obligations.

- 3.5 What is the Club’s position regarding share fishermen?  
It depends upon how they are working with you. If they are working as employees, under an employment contract which provides for a share of the catch, then we treat them as an ordinary member of crew.
- If they are self-employed, either as individuals or in a company name, we may be able to cover them as ordinary members of crew, after we have seen the contract which has been agreed between you.

We recommend that you refer to us any share of catch or vessel profit payments which go beyond what is normally provided by law so that we can consider whether we can insure you.

- 3.6 Are my crew members covered while they are off the vessel?  
Yes. We cover claims from crew who are travelling to or from your vessel at the beginning or end of a tour of duty or who may be ashore on ship’s business, provided that you as the owner or manager have a liability.
- 3.7 Am I covered for my crew’s medical expenses if they are injured?  
If you have a liability to meet these expenses, yes. The policy covers you for claims from your crew for personal injury, illness or death and the resultant medical costs.
- 3.8 Does the Club pay my crew’s wages if they are injured and cannot work?  
If you have a liability to do so, yes. We would expect this to apply whilst your crew member is undergoing medical/hospital treatment or whilst being repatriated following injury or illness.
- 3.9 Am I covered for disputed or unpaid wages?  
No. We do not cover claims arising from disputes under our Fishing Vessel Liability policy. You can however, approach the Club for additional cover, in the form of Legal Assistance and Defence insurance.
- This covers the legal costs associated with a dispute and includes an advisory service under which a member of our legal team will consider the facts of the case and offer an opinion on the likelihood of a successful outcome to the dispute. We would stress that this insurance does not cover the sums which are at the heart of the dispute; only the legal costs associated with trying to resolve it.
- 3.10 What if my vessel is a total loss and my crew members are out of work?  
If you have a liability to pay compensation to crew members resulting from the total loss of your vessel, we will cover you.
- 3.11 If my skipper is arrested and has to face a trial or inquiry is there any cover?  
Yes. We will assist with the costs of attending the trial or inquiry, including accommodation costs, for both you and the skipper or crew member concerned.

**3.12 You cover pre-delivery crew for a short duration. How long is this?**

We would expect this to be no longer than one month.

**3.13 You mention scuba diving and the need for divers to be certified by a recognised diver training organisation under *point 18* of your list of exclusions. What is meant by this?**

We mean a dedicated training and certifying body for scuba diving. This would include the organisations such as and the Professional Association of Diving Instructors (PADI), Scuba Schools International (SSI) and British Sub-Aqua Club (BSAC).

**4.0 What liability risks are insured?**

**4.1 Am I covered for liability claims arising from piracy?**

Yes. Your liabilities remain covered during a piracy incident and we would respond to claims made against you by crew or passengers should they sustain injury. Please note that ransom or kidnap payments are not covered by this policy.

**4.2 Am I covered for war risks?**

Yes, subject to the special conditions which relate to war risks, such as the Russia-Ukraine exclusion contained in our Notice of 21 December 2022 (updated on 7 February 2023), which can be found on our website - [www.shipownersclub.com/latest-updates/news/update-notice-alteration-terms-and-conditions-dated-21-december-2022/](http://www.shipownersclub.com/latest-updates/news/update-notice-alteration-terms-and-conditions-dated-21-december-2022/), or the exclusion relating to transit or trade in the Red Sea, Gulf of Aden and portions of the Indian Ocean contained in our Notice of 12 February 2024 which can be found on our website: [www.shipownersclub.com/latest-updates/news/notice-alteration-terms-and-conditions-insurance-3/](http://www.shipownersclub.com/latest-updates/news/notice-alteration-terms-and-conditions-insurance-3/)

As with all war cover, we may cancel it by giving you the required number of days' notice and all policies automatically terminate if war breaks 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.

**4.3 Am I covered for terrorism?**

Yes. It is part of the war risks cover that we give and subject to the same special conditions which relate to war risks.

**4.4 If I have to sign a contract, am I covered for any contractual indemnities?**

Assuming it concerns the operation of the vessel we insure for you, you are covered for any contractual indemnities for illness, personal injury, death or property damage which you are required to give to

port or harbour authorities, boatyards and suppliers of goods and services to the vessel. We also cover indemnities for illness, personal injury, death or property damage arising under fishing vessel licences or permits and indemnities given to those who board the vessel for official or regulatory purposes. The limit of cover under this section is US\$ 5m for any one claim.

**4.5 What is a contractual indemnity?**

This is where you are required to accept liabilities towards someone else's property or personnel when you would not normally have any liability. For example, standard boatyard contracts often require an indemnity in respect of injuries to yard personnel or damage to yard property. Even though you are not at fault, you may be obliged to compensate the person injured or the property owner and we would cover you for this exposure.

**5.0 Other matters**

**5.1 Your cover includes liabilities to 'others'. Can you give some examples which might apply for fishing vessels?**

Yes. This would include fish quality control personnel acting on behalf of cargo buyers, government officials on board as monitors, shore captains forming part of the company's personnel and those aboard as observers, to name a few.

**5.2 Can you summarise the policy exclusions?**

All policies have exclusions for risks which are uninsurable, but we have kept our exclusions to a minimum. There are general exclusions which may be found in most such policies. There are exclusions for risks which should be insured under more specific policies such as motor, aviation or aquaculture policies, and particular exclusions dealing with exposures which our general membership would not expect us to insure. For a full list of the exclusions please refer to the policy wording under [www.shipownersclub.com/latest-updates/publications/](http://www.shipownersclub.com/latest-updates/publications/)

**5.3 Do you provide personal accident insurance for fishermen?**

Yes, as we mention in 3.1 above, our Fishing Vessel Liability Insurance policy provides cover for liabilities you may have when your crew are injured. However, there may be occasions when you are not liable and our policy would not respond. For these occasions, if you wish to provide additional protection for your crew you can purchase personal accident insurance from us as an additional product. You can choose from two levels of cover – basic or enhanced – ensuring fast, no fault payments in the event of accidents. Further details can be found at [www.shipownersclub.com/latest-updates/publications/](http://www.shipownersclub.com/latest-updates/publications/)

**5.4 What other benefits are there from being a Member of the Shipowners' Club?**

We understand that you buy insurance to pay claims when they arise. Our claims team never loses sight of the fact that we are a mutual Club, owned by and at the service of our Members. This means that you have our support 24 hours a day, through our worldwide offices as well as an international network of correspondents. You will also be able to benefit from our Loss Prevention advice as well as our help in reviewing insurance related vessel contracts.

**5.5 I like the Shipowners' Club Rules. Can I stick with these or do I have to change?**

We will not require our policyholders to change to the new policy if they do not wish to do so. However, it is our intention, over time, to offer only the new Fishing Vessel Liability Insurance policy and phase out the use of Club Rules for fishing vessel owners.

**5.6 Who do I contact at the Club?**

For help and assistance with all fishing vessel related matters, please contact one of our offices:

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These frequently asked question notes are subject to the terms and conditions of the policy wording which we recommend you read carefully and discuss with your broker. Additional terms and conditions may be contained in your Certificate of Insurance. You will find a copy of the Fishing Vessel Liability Insurance policy wording on [www.shipownersclub.com/our-services/cover-provided/fishing/](http://www.shipownersclub.com/our-services/cover-provided/fishing/)

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