

▶ SPECIALIST OFFSHORE PACKAGE 2021 – ENHANCED

The protection we provide

This package of cover insures *You* against liability claims which may be made against *You* as a result of owning or operating a vessel. It provides cover additional to *Our* Club Rules and incorporates all of the terms and conditions of those Rules, unless they cease to apply because *We* have given *You* this additional cover.

Any limitations, amendments or endorsements which form part of *Your* Certificate of Insurance also apply to this additional cover.

Additional cover

We agree to extend the cover *We* provide to *You* to include liabilities, costs and expenses arising from any of the following:

1.0 Liability arising under indemnities and contracts

You are covered for ~~contractual~~ indemnities and other contractual liabilities [arising under the terms of a contract](#) *You* ~~agree~~ [have entered into relating to facilities or services provided to or in connection with *Your* vessel, including](#) when *You* charter ~~or hire~~ *Your* vessel to others and claims are made against *You* due to any of the following:

Explanation

This section has been amended to make clear that indemnities arising under contracts for normal services to the vessel, such as shipyard contracts, can also be covered by this contractual cover extension, as well as those arising under contracts for services by the vessel.

1. Loss of life, personal injury or illness.
2. Loss or damage to cargo or property, including property in *Your* care, custody or control.
3. Pollution.
4. Waiver of right to limit liability.

5. Removal of [the wreck of any of the following: *your* vessel or parts of *your* vessel, or of property debris of equipment lost from *your* vessel arising from a Casualty.](#)

Explanation

The amendments to this section reflect the general practice of responding to liabilities to remove anchors or other equipment lost overboard, as well as the wreck of the vessel. The requirement for a casualty to have occurred has also been removed, as the liability for wreck removal is usually triggered by the fact of the wreck regardless of the cause. Please note the specific exclusions now noted under ‘What is not covered’, below.

You have the additional benefit of the following:

Naming of Co-assureds

If *We* agree to name a *Co-assured*, in accordance with Rule 41 2 (c) then that *Co-assured* shall be entitled only to recover for liabilities costs and expenses which are *Your* responsibility and would , if borne by *You*, be recoverable by *You* from *Us*. If *You* have a contract, then *Your* responsibility is *Your* responsibility under the terms of the contract.

2.0 Marine Employers Liability Cover

2.1 Seafarers and other persons

You are insured for *Your* liability to seafarers, or other persons for whom *You* have a responsibility, where they are working;

- a) on board vessels which *You* do not own, providing such work is of a temporary nature:.
- b) on or from offshore structures which *You do not own, for periods not exceeding 48 hours.*

We will also cover liability claims made against *You* as a result of their presence of these personnel aboard these vessels or structures, providing *We* have been notified in advance and *We* have seen and approved any related contracts or indemnities.

Seafarers' Detention Response

In the event that a seafarer is detained by the authorities whilst in service to the entered vessel, *We* will arrange for *Our* nearest representative to assist. This service is available worldwide, 24 hours a day and 7 days a week and is provided regardless of the reported grounds for detention.

3.0 Specialist operations and incidental salvage

You are insured for claims arising from specialist operations which would otherwise be excluded by Club Rules, Rule 28.3 A.

Insured activities include amongst other things: dredging, blasting, pile-driving, well-intervention, cable or pipe laying, construction, installation, decommissioning and maintenance work, core sampling and depositing of spoil. This includes claims made by the party who engaged *You* to do the work as well as any other person. *You* are also insured for liabilities, costs and expenses arising from salvage operations *You* undertake as part of contractually agreed services or scope of works, when these activities are considered to be incidental to the main scope of works described in the contract.

[The exclusions under Rule 28.3 B and 28.3 C still apply, as listed below under 'What is not Covered'.](#)

~~Claims under this section 3, arising in respect of the following, are excluded:~~

- ~~3.1 Loss of or damage to or the removal of any contract works or any pollution arising therefrom.~~
- ~~3.2 Your failure to perform specialist operations.~~
- ~~3.3 The fitness for purpose and quality of Your work, products or services.~~

Explanation

The exclusions under this section have been relocated to the 'What is not covered' section.

4.0 Unmanned Underwater Vehicles (UUVs) including Remotely Operated Vehicles (ROVs)

You are insured for liabilities and related costs and expenses which would otherwise be excluded by Club Rules, Rule 28(6).

~~Any loss of, damage to, and cost of raising or removing of a UUV itself (or any part of it or any equipment on it), is excluded unless caused by a Casualty.~~

Explanation

This exclusion is now caught by the exclusion 5 under 'What is not covered'.

5.0 War risks

In respect of the risks contained in this additional cover, *You* are insured for liabilities, costs and expenses arising out of war risks which would otherwise be excluded by Club Rules, Rule 25.

If *You* have no other war risks policy, then *Your* deductible for war risks P&I claims under this section is the deductible shown on *Your* Certificate of Insurance.

If *You* have purchased a war risks P&I policy from another insurer, *Your* deductible shall be the amount *You* can recover under *Your* war risks P&I policy with another insurer.

There is no cover for war risks liabilities arising directly or indirectly from any of the following: chemical, biological, bio-chemical or electromagnetic weapon;

the use or operation, as a means of inflicting harm, of any computer virus except that this exclusion shall not operate to exclude losses (which would otherwise be covered under the terms of this cover) arising from the use of any computer, computer system or computer software programme or any other electronic system in the launch and/or guidance system and/or firing mechanism of any weapon or missile; or

requisition for title or use.

We may cancel the War Risks Cover by giving 7 days' notice of cancellation at any time.

War risks cover 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. No claims are payable arising out of such outbreak of war.

6.0 Extended towage

You are covered for liabilities, costs and expenses arising out of towage by *Your* insured vessel of another vessel or object and loss of, damage to and wreck removal of the tow and any object or cargo or property on it, when the towage takes place under a written contract which is not approved under Club Rules, Rule 2 section 10C ii and D, or where there is no written contract.

Special condition regarding offshore drilling rigs

You are also insured for liabilities, costs and expenses arising out of towage by *Your* insured vessel of an offshore drilling rig, oil platform or other offshore structure, including loss of, damage to and wreck removal of the offshore drilling rig, oil platform or other offshore structure and any object or cargo or property on it, providing *You* are towing within an oil field and the time and duration of the tow does not exceed 48 hours from inception or 200 nautical miles in distance whichever occurs first.

7.0 Diving risks cover

You are insured for liabilities, costs and expenses arising from the activities of professional or commercial divers, when You are responsible for their activities. As such You are covered for liability claims made against You as an employer of professional or commercial divers or other divers for whom You have a responsibility, as a result of incidents occurring whilst diving is taking place from Your vessel or a non-entered vessel.

What is not covered

This package of cover is subject to certain exclusions. We do not pay claims for or arising from the following:

1. Those which can be recovered under Club Rules.
2. [Liabilities and expenses that arise out of or during drilling or production operations as described under Club Rules, Rule 28.2.](#)
3. [Claims under Section 3 above, in so far as liabilities and expenses arise as a result of;](#)
 - [Your failure to perform specialist operations or the fitness for purpose and quality of Your work, products or services\(Rule 28 3 B\).](#)
 - [Loss of or damage to or the removal of any contract works or any pollution arising therefrom \(Rule 28 3 C\).](#)

Explanation

These exclusions have been moved from section 3, above.

4. [Any liabilities whatsoever in respect of loss of or damage to, recovery or removal of any downhole equipment, drilling or coring equipment once deployed from or below the vessel, including any liabilities arising from such equipment being left in any location. Such equipment includes but is not limited to drill strings and bottom hole assemblies.](#)

Explanation

This specific exclusion has been added, given the widening of cover for wreck and debris removal. Such equipment can be susceptible to operational breakdown, which is not a P&I type liability and this exclusion makes clear that liabilities arising from the operation of such equipment is not covered.

5. [Liability for the recovery or removal of sub-sea equipment including ROVs, UUVs etc. which would have been subject to salvage if properly insured, or which arise from dereliction or neglect, wear and tear, deterioration, mechanical or electrical breakdown or malfunction.](#)

Explanation

This exclusion limits liabilities covered to those arising from true fortuities, rather than from maintenance or insurance issues.

6. [Liability for the removal, raising, marking or destruction of the wreck of your vessel or parts of your](#)

[vessel arising from dereliction or neglect.](#)

Explanation

Following the removal of the requirement for a casualty to occur and the removal of that definition, this exclusion has been lifted from the previous definition of a casualty to make clear that cover will not respond where a wreck has arisen out of a failure to properly maintain a vessel.

~~2-7.~~ Waste incineration or waste disposal operations.

~~3-8.~~ Liability for death or bodily injury of a commercial diver who is under a contract of employment with *You*, which arises from diving activities.

~~4-9.~~ Loss of or damage to diving equipment, which *You* own or for which *You* have a responsibility under contract, or any liability from their use.

~~5-10.~~ Liability arising from loss of or damage to or wreck removal of a vessel *You* are towing intended for scrap or break-up, or any vessel that is owned or demise chartered by *You*, or by one of *Your* affiliated companies or any cargo or property onboard such a towed vessel.

~~7-11.~~ Liabilities arising where subsea operations are sub-contracted by *You* to another party, unless the terms of that subcontract are approved by Managers in advance in writing or are on identical terms to those upon which *You* are yourself contracted.

Explanation

[Legal Costs Cover](#)

[Subject to agreement by the Managers in Writing](#)

[The following is relevant to you, to the extent only that we have agreed in writing that you have Legal Costs Cover, further to Club Rules Part 3, Rule 6 \(1\).](#)

[Notwithstanding Club Rule 6 \(5\), Legal Costs cover is not subject to the following specialist operations exclusions contained in the Club Rules: Rules 28 \(3\), 28 \(4\) and 28 \(6\).](#)

[All other limitations and exclusions, including all those within Parts 4 and 5 of the Rules, continue to apply to Legal Costs Cover.](#)

Explanation

We have added this new section to highlight that where a Member has purchased Legal Costs Cover, the exclusions under that cover in respect of specialist operations, as detailed, will not apply and that their cover will respond to disputes arising under those contracts, subject to the remainder of the LCC Rules.

Definitions

Please note that the use of italic text in this policy indicates that for the purposes of this additional cover the word or phrase has a defined meaning, which is shown below.

~~Casualty~~

~~For the purpose of this Specialist Offshore Package means a fortuitous incident caused by collision, standing explosion, fire or similar cause but excludes any wreck caused by dereliction or neglect.~~

Explanation

This definition has been removed as it is no longer required.

Contract works means the material, plant or equipment which *You* are contracted to construct or work upon. It does **not** include property belonging to others which may be adjacent or connected to the *contract works*.

For the purposes of well intervention and the deployment of downhole equipment, **Contract works** includes the well, hole or reservoir in respect of which the vessel is engaged.

Explanation

This additional wording has been included to clarify the previously established position.

Co-assured means a named person or entity whom *We* cover in accordance with Club Rule 41 2 (c) and the terms and conditions of *Your* Certificate of Insurance.

Offshore drilling rig means a mobile offshore unit that is not intended to be placed permanently or long term on an *oil field*, but is designed to be moved from location to location whether or not it has a means of propulsion or of lowering legs to the seafloor. Examples include self-elevating drilling units, such as jack ups and surface type drilling units such as drill ships. It does **not** include floating units intended for production such as FPSOs (Floating Production, Storage and Offloading installations).

Oil field means an area with an industry recognised name in which oil exploration is taking place and to which *You* are engaged to provide marine services.

We or **our** or **us** means The Shipowners' Mutual Protection and Indemnity Association (Luxembourg), the insurer.

You or **your** means the persons named as the Assured in the Certificate of Insurance.

Words in the singular shall include the plural and vice versa.