

Offshore liability extension clause 2013

- Scope of cover** 1.1 Liabilities incurred by the member set out hereunder subject to the terms, conditions, limitations and exceptions of the Offshore P&I rules of the club to the extent that they are not inconsistent herewith and which have arisen by reason of the member's interest in the unit out of events occurring during the period of entry of the unit in the club.
- 1.2 The exclusions to rule 3.6 set out in paragraphs (2) a and c, to rule 3.8 set out in paragraph (4), and set out in rule 5.9 paragraphs (3) and (4) and rule 5.11 paragraph (3) shall not apply.

Risks covered 2

- Property** 2.1.1 Liabilities arising out of loss of or damage to any property not owned, chartered, hired or leased by the member or by any company affiliated to or associated with the member.

- 2.1.2 Liabilities incurred under indemnities given by the member in respect of property on board or being used from the unit.

- Personnel** 2.2.1 Liabilities arising out of the death or illness of or injury to any person employed by the member where such death, injury or illness occurs in the course of that person's work, including attendance on safety and other work-related courses, visits or temporary assignment to other offshore installations, ships and units, and travel and rest periods necessary to perform such work.

- 2.2.2 Liabilities arising out of the death or illness of or injury to any other person.

- Chartered ships** 2.3.1 Liabilities arising out of operations carried out on behalf of the member or an associated or affiliated company as charterer or hirer of ships to support the operations of the unit;

- 2.3.2 Liabilities incurred by the member in his capacity as charterer or hirer of ships to support the operations of the unit.

Exclusions to paragraph 2.3

There shall be no recovery under paragraph 2.3:

- (1) for liabilities which do not fall within the standard risks set out in rule 3 of the P&I rules of the club, including liabilities which arise under the terms of an indemnity or contract falling outside the standard rule 3 cover;
- (2) in respect of liabilities which would have been recoverable under the chartered or hired ship's P&I entry had it been fully entered for standard P&I risks with a member of the International Group of P&I clubs;
- (3) if the relevant charterparty or contract of hire does not contain a knock-for-knock provision as defined in Section N of the P&I rules of the club, unless otherwise agreed by the managers.

- Pollution** **2.4.1** Liabilities under the terms of any contract in respect of remedial measures and/or personal injury and/or death and/or loss of, damage to or loss of use of property, caused directly by seepage, pollution or contamination from any hole or well in respect of which the unit is employed or utilised.
- 2.4.2** Liabilities in respect of removing, nullifying, or cleaning up seeping, polluting, or contaminating substances emanating from any hole or well in respect of which the unit is employed or utilised, including the cost of containing and/or diverting the substances and/or preventing the substances reaching the shore, provided always that liability for such seepage, pollution or contamination is incurred by the member by reason of his fault or negligence and results from an event taking place during the period of cover under this clause.
- Clean-up costs** **2.5** Liabilities in connection with the clean-up of debris, tools, machinery or equipment lost or deposited on the sea-bed as a result of a casualty.
- Sue and labour** **2.6** Extraordinary costs and expenses reasonably incurred on or after the occurrence of any event liable to give rise to a claim upon the club and incurred solely for the purpose of avoiding or minimising any liability against which the member is insured by the club, but only to the extent that those costs and expenses have been incurred with the prior agreement of the managers, or to the extent that the board determines.

Exclusion to paragraph 2.6

Unless the managers or the board otherwise decide, there shall be deducted from such costs and expenses the deductible which would have been applicable had the liability or expenditure against which the member is insured by the club been incurred.

- Legal costs** **2.7** Legal costs and expenses relating to any liabilities which in the opinion of the managers are likely to result in a claim covered by this extension, but only to the extent that such legal costs and expenses have been incurred with the agreement of the managers.
- Exclusions** **3** There shall be no recovery for liabilities:
- (1)** for which the member would be covered if the unit were entered in the club for standard risks under the Offshore P&I rules;
 - (2)** which do not arise out of operations or activities for which the member is legally liable either as owner, operator or charterer of the unit or as employer of personnel performing operations or activities relating to the unit, unless otherwise agreed by the managers;
 - (3)** which could reasonably have been avoided or minimized by the use of the unit, or of the member's own equipment or personnel;
 - (4)** relating to the loss of or damage to or replacement, recovery, removal or clean-up of any tool, machinery or equipment or part thereof whilst below the surface of the seabed in any hole or well in respect of which the unit is employed or utilised;

- (5) arising out of wear and tear, gradual deterioration, latent defect, mechanical or electrical breakdown or failure, corrosion or other atmospheric damage, or extremes of temperature;
- (6) arising out of loss of or damage to any ship chartered or hired by the member or an associated or affiliated company to support the operations of the unit;
- (7) arising out of the use, ownership or possession of motor vehicles on public highways compulsorily insurable by legislation or for which the government or other authority has accepted responsibility;
- (8) arising out of the death or illness of or injury to any person recoverable under any applicable state scheme or collective agreement, including such liabilities which are not recoverable under such scheme or agreement by reason of a breach of the relevant terms or conditions;
- (9) arising out of an interest as owner, operator or charterer, or by reason of an agreement for the lease, rental or hire, of any aircraft and/or helicopter.

Scope of recovery

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If a member incurs any of the liabilities set out in paragraph 2, he is entitled to recover the net amount of such liabilities, after deduction of any costs and expenses which would have been incurred in any event together with any savings accruing to him and any recoveries made or additional revenue earned by him, unless otherwise agreed by the managers.

Deductible and limit of cover

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The applicable deductible and limit of club cover shall be that set out in the member's certificate of entry.