

Specialist Operations Insurance

INTRODUCTION

Specialist Operations are defined as operations including and not limited to dredging, blasting, pile-driving, well-stimulation, cable or pipelaying, construction, installation or maintenance work, core sampling, depositing of spoil, professional oil spill response or professional oil spill response training and tank cleaning (otherwise than on the entered vessel) but excluding fire fighting.

Specialist Operations are excluded operations falling outside the standard scope of P&I (Skuld's Rule 30.3.3.). It is not the type of vessel that gives rise to the exclusion but the nature of the operation. If a vessel is engaged in an operation falling within the above definition, the member's cover will, with certain exceptions, automatically exclude liabilities, costs and expenses as a consequence of:

- claims brought by any party for whose benefit the work has been performed or by any third party (see Rule 30.3.3.(a))
- failure to perform such specialist operations (see Rule 30.3.3.(b))
- loss of or damage to the contract work (see Rule 30.3.3.(c))

WHAT IS COVERED?

Skuld's Specialist Operations Insurance can effectively reinstate the coverage excluded by Rule 30.3.3:

- Specialist operations – third party liabilities

Skuld recommends that liability for failure to perform and/or loss of or damage to the contract work should rest with the party on whose behalf the work is performed. Members can then buy back Specialist operations – third party liabilities on an annual basis and expand the cover to include failure to perform and/or damage to the contract work on a contract-by-contract basis where necessary. Skuld's Specialist Operations Insurance has been specially developed as a package solution, allowing members to select which risks are to be included for each particular contract. Skuld would be pleased to assist members in reviewing their contracts and advising on the cover options available.

The sum insured is the amount agreed between the member and Skuld on an annual basis and/or in respect of a particular operation or contract.



WHO CAN BE COVERED?

Any member of Skuld who has a full P&I entry in the Association can apply for Skuld's Specialist Operations Insurance.

EXAMPLE

A member enters into a contract to lay fibre optic cable from the United Kingdom to Belgium across the English Channel. While operating the plough to cut the trench for the new cable, cables belonging to another telecommunications company are severed, causing disruption to its network and reduction in its service to subscribers. The member is found liable. Skuld's Specialist Operations – third party insurance would respond and indemnify the member for the cost of repairing the severed cables and the consequential loss claim for loss of profits.