



SPECIALIST
PROFESSIONAL
INDEMNITY
INSURANCE

Superyacht Professionals

Specialist professional indemnity insurance

ITIC
IS MANAGED
BY **THOMAS
MILLER**

Professional indemnity insurance for superyacht professionals

Expert View

ITIC is the leading provider of professional indemnity insurance to superyacht professionals, insuring more than 100 companies worldwide. The team at ITIC has a complete understanding of the risks, combined with a high degree of claims experience.

Should your clients ever feel that they have a valid claim you will find that they have deep pockets. Yacht brokers, designers and managers invariably deliver services to affluent clients who will pursue any claim vigorously, no matter how insignificant or small the error may have been.

- **Yacht manager's failure to maintain yacht** – when engines or equipment fail on a yacht, an owner may turn to the manager to recover their losses.
- **Yacht broker's misdescription** – if a yacht is not what the buyer thought they were buying, they often seek to blame their broker for misrepresenting the sale.
- **Naval architect's negligence** – superyachts are complex structures. Errors in the design can lead to very expensive losses.
- **Crew manager's failure to appoint suitable crew** – if the crew are not certified to perform the jobs for which they are hired, the owner will be in breach of the terms of their insurances and the yacht manager will be liable.

Why choose **ITIC**?

ITIC provides professional indemnity insurance at cost	ITIC is the mutual insurer of the transport industry with no external shareholders to take a profit from the business.
ITIC will provide a sympathetic approach	ITIC understands that you will often have commercial relationships which will need preserving if a claim arises and we will work with you to allow that business association to continue. ITIC's unique insurance cover allows some discretion and could support a claim which may not normally be paid by another professional indemnity insurer.
ITIC understands your business	ITIC's specialist knowledge of your business will make it quicker and easier for you to obtain advice and support on a claim under your professional indemnity insurance.
ITIC is more than just insurance	As an assured at ITIC you will receive support from a team who understand the unique situations and liabilities that your business faces.
ITIC pays dividends annually	Surplus funds have been paid out to the members in the form of continuity credit since 1994.

ITIC's extensive experience in your sector drives our pro-active service. We help you foresee potential problems; thus avoiding them. Should mistakes ever become critical issues, professional indemnity cover from ITIC gives you the peace of mind that you have experts on your side.

Don't rock the boat

A yacht broker incorrectly marketed a yacht as having zero speed stabilisers, which it in fact did not have. The owners of the yacht brought a claim against the broker alleging that this misdescription in the run up to the summer season had cost them lost chartering income of €500,000.

ITIC analysed the claim from the owners and discovered that only one single week's lost charter had resulted from this error. The yacht broker had been able to find charters that season regardless of the misdescription.

Furthermore, the owners had not complied with the broker's request to keep the yacht fully available for charter, instead putting it into the yard for repair work during this period.

Faced with these arguments, the yacht owner reduced his claim to €30,000. ITIC continued to assist the yacht broker in defending the claim from the yacht owner, until the yacht owner decided to withdraw his claim.

Incorrect calculations

A naval architect was appointed to re-design and certify part of a mast support structure on a large sailing yacht. The naval architect had no involvement in the original design of the yacht. As the refit neared completion, the architect realised that the calculations he was using in relation to the strength of the plate on which the mast was to sit were incorrect. This could have resulted in the mast pushing through the plate when the vessel was operated. Significant work (including stripping out part of the accommodation and fuel tanks) was required to install a thicker plate.

When this additional work was completed, the architect was presented with an invoice for €200,000 which his clients alleged represented the additional costs incurred by them as a result of the architect's late discovery of the incorrect calculations.

The architect sought advice from ITIC as to how to respond to this. ITIC instructed an independent expert to provide an opinion as to the alleged costs. ITIC then negotiated a reduced settlement of €125,000 with the claimants, based on the opinion obtained.

A very taxing matter

A yacht manager arranged on behalf of the owner to store a helicopter ashore whilst not in use. During a routine inspection by customs, it was found that the helicopter had stayed in the country for more than six months and was therefore now liable for payment of VAT in the amount of €150,000.

Prior to arranging the storage, the manager had a meeting with the storage company. The manager had believed that an agreement had been reached where the company would be responsible for tax matters. However, the meeting was not followed up with written instructions. The company alleged that although the matter had been discussed, nothing had been agreed.

The owner was scheduled to board their yacht and required the helicopter to be delivered. The helicopter had since been seized by customs, and in order to release it, the manager had to pay the full amount of the VAT. The storage company rejected any liability for the failure to warn the manager that the helicopter had to be taken out of the country before VAT was payable.

Lawyers were instructed to consider a recovery action against the storage company. However, due to a lack of written evidence, there was less than a 50% chance of recovery. The manager was reimbursed by ITIC in full for the VAT of €150,000.



ITIC facts & figures at a glance

All figures US\$
All facts and figures correct as of 31st January 2024

Fact Sheet Series

Superyacht professionals

Gross premium

\$69m

for the year

Claims paid

\$465m

since 1992

Members

3,616

Security rating

Backed by at least "A-" rated reinsurance programme



Worldwide insurance cover

ITIC is able to provide professional indemnity insurance, without restrictions, worldwide. An ITIC account executive is responsible for each country and will be your first point of contact. The ITIC team speaks French, German, Greek, Japanese, Mandarin and Spanish.

Credits paid

\$189m

surplus funds have been paid out to the members in the form of continuity credit since 1994

Disbursements & commissions

\$240m

of disbursements and commissions collected for members since 1992

Free reserves

\$243m

for ITIC and TIMIA combined

Annual premium

from **\$1,500**  **\$1.8m** or more

ITIC is committed to consistently providing competitively priced professional indemnity insurance (and related insurance covers) with valuable and high quality loss prevention advice to businesses servicing the marine, aviation, rail and general transport industry. The ITIC team have a wealth of experience and knowledge.

24

Staff

A full time team to provide you with the best service possible.

19

Years

Average staff member's experience in the insurance/transport industry.

12

Years

Average staff member's time with ITIC. Several staff have over 25 years of service.

6

Lawyers

6 lawyers and a dedicated claims team.

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For further information on any of the products, services or cover provided by ITIC contact Charlotte Kirk at: International Transport Intermediaries Club Ltd, 90 Fenchurch Street, London EC3M 4ST.

tel +44 (0)20 7204 2928 email ITIC@thomasmiller.com web itic-insure.com

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itic-insure.com



+44 (0)20
7204 2928



@ITICLondon



@ITIC insurance