Congratulations on Your New Build

Building a custom yacht can be both exciting and complex. While your yacht builder’s focus is on quality craftsmanship, our team’s expertise lies in our ability to identify exposures and help you minimize your risks associated with every stage of the new build process.

Whether you have already signed your New Build contract or are in the planning stage, in most cases the New Build contract and Builders Risk insurance do not adequately protect you or your investment.

Are You Protected?

1. **Does the Builders Risk insurance cover more than one vessel under construction?**
   It is preferable that each vessel have its own separate limit, that way one limit is not shared among multiple vessels if all are damaged during a single event.

2. **Does the New Build contract impose liability upon you?**
   New Build contracts typically contain language which makes you responsible to pay damages for certain events or losses. For example: Hold Harmless, Indemnify, Defend, Waive Rights of Subrogation. These can be related to the activities of you, your Project Manager, Captain, crew, subcontractors and invitees. You may need your own liability insurance to protect you from this contractual obligation.

3. **Does the yard’s insurance cover personnel you may employ during the project; Project Manager to oversee the build, Captain and/or crew during sea trials?**
   Typically, the owner is not covered by the yard’s insurance, or the yard’s limits are very low. You should have your own protection for these employees and independent contractors.

4. **Will your Project Manager / Captain / crew rent cars while they are overseeing the new build?**
   These people will need transportation and it is common for them to rent autos or motorcycles. Are you covered for their negligence while they are driving on behalf of your new build? There are several ways to handle this depending on the country of rental and your individual circumstances.

5. **Does the yard’s Builders Risk insurance cover items supplied by you, the vessel owner, such as fine art, china, linens and audio-visual equipment?**
   These items are not always included in the yard’s Builders Risk insurance. It is important to identify where these items are properly insured before a loss occurs.

See the New Build Checklist for additional possible exposures

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Please contact us for a complimentary consultation without obligation
Superyacht
New Build Checklist

If you, the vessel owner, answer “YES” to any of the following, you may be at risk:

- Will you hire contractors directly, outside the scope of the build contract with the yard?
- Does the country of build have compulsory employer’s liability / worker’s compensation insurance requirements?
- Will you / your Project Manager / Captain / crew purchase, lease or rent housing?

If you, the vessel owner, answer “NO” to any of the following, you may be at risk:

- Does the yard’s insurance cover you and your representatives for liability to third parties?
- Have you reviewed the yard’s entire Builders Risk insurance program, including all policy forms and endorsements?
- Does the Builders Risk policy properly name you as Loss Payee?
- Does the Builders Risk policy properly name you as Additional Insured?
- Does the Builders Risk policy cover “all risks” of physical loss or damage unless otherwise excluded?
- Does the yard’s insurance cover your liability for using an office, trailer and/or shed at the shipyard during construction?
- When the Captain and crew are hired, are you covered for employer’s liability?
- Do Captain and crew carry Crew Medical Insurance?
- Do Captain and crew sign Employment Contracts?
- Is the New Build contract written in a language common to all parties involved, including you, your Project Manager, Captain, yard, and subcontractors?

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