

SLM Insights

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Yacht insurance policy: does the cover only work when the sea waves floods the boat due to bad weather?

The Court of Appeal of Genova recently ruled a interesting case on a yacht insurance policy.

The event from which the dispute arose concerns the entry of sea water into the engine room during a transfer journey from Sardinia to Varazze (Savona) due to the unfastening of an engine hose during the trip.

The Genoa Court, confirming the first instance judgement, denied the defenses of the insurance company aimed to reject the operation of the policy.

The Insurance Company tried to exclude the compensation of damages suffered by the yacht arguing that, according to the general terms and conditions (cl. 10 lett. b), the flooding of the yacht would be only covered in the event of "swell of the sea caused by bad weather"; a fact which, in that case, did not occur.

On the contrary, starting from the consideration that no hole was found in the hull, the Court of Appeal confirmed that the entry of sea water

into the engine room could only be due to the unfastening of an engine hose.

Such event was caused to the vibrations of the engine due to the low speed and to the movements of the hull and the pressure of the waves.

The Court stated that the damages claimed by the insured owners were covered as they were due to "sinking, or flooding of the yacht caused by waves due to bad weather" .

According to the Court, lacking any contrary disposition, the sinking or flooding of the yacht is covered not only by the case in which the sea waves floods the boat directly but also in the other cases "in which the wave motion operates indirectly as the cause of the flooding, for example by opening a leak or, as in the present case, a suitable route to allow water to entry".

According to the Court, the flooding of the yacht caused by the wave motion must therefore be understood in a broad sense, so as to include all

the cases in which damage to the engine and electrical system is caused by the flow of water of the sea, even where they derive from the opening of leaks or any other case of entry of water, which in turn is caused by the swell.



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