

# Information for CYCSA Discretionary Trust Members

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## Foreword by Dick Fidock re-establishment of the trust

Dear fellow CYCSA Senior Members,

I've been asked to say a few words about our Discretionary Insurance Trust with which I was involved in founding a few years ago - way back in 2003 from memory!

In an effort to lower our boat's ongoing insurance premiums, we cast our eyes around and came across a unique structure being used by the lobster fishing fleet in our South East. Administered by the Jardine Lloyd Thompson insurance group, its success lay upon the respect and trust that members of the fleet had for each other's maritime skills, integrity and honesty.

This meant that incidents were kept to a minimum, genuine accidents were soundly covered, premiums were competitive and surplus profits were returned to members by further reducing premiums.

It was felt that such a fund could also be replicated for similar minded Senior Members of the CYCSA and so the JLT (now Marsh) Discretionary Trust was established.

The Trustee considers advice on a range of matters from a committee of CYCSA members but at the end of the day, it is up to boat owner members to "do the right thing" in every way and ensure that the aim of lower premiums is achieved - just like the SE fisherman have done.

But it does rely on everyone "doing the right thing"!

Regards,  
Dick Fidock  
Life Member

### Overview

The Trust commenced in 2003 and was intended to be a unique insurance trust fund for CYCSA members. The intention for the fund was to be very competitive, particularly with the potential of annual surplus bonuses being paid back to members. This has run very well for many years.

The CYCSA Discretionary Trust Policies cover the insured members for incidents that are unforeseen or unintended. They do not provide cover for neglect or lack of reasonable care.

Three quarters of amounts claimed have been for damage due to incorrect operation (seamanship and maintenance). One third of claims have been for damage while boats have been stationary with half of these in storms.

The CYCSA Insurance Committee consists of CYCSA members and Marsh (formerly JLT) representatives. We have considered it timely to collate information to help reduce risk and damage to vessels. This will hopefully translate to less claims, lower premiums, and sustainability of the Trust as a desirable insurance option to boat owners.

We believe that by encouraging members to become more aware of the three main causes of claims, and the role members can take in preventing claims, we will be able to achieve this.

CYCSA - Marsh Discretionary Fund Committee



## Claims

Main areas of claims include:

1. Vessel Operation
2. Maintenance
3. Berthing

Modifications of behaviour and practice in these areas could reduce the number of incidents and claims and downtime of vessels.

## Vessel Operation

1. Understanding of the International Regulations for Preventing Collisions at Sea (COLREGs)  
Refer to:  
<http://www.imo.org/en/About/Conventions/ListOfConventions/Pages/COLREG.aspx>  
<https://www.amsa.gov.au/about/regulations-and-standards/reducing-risk-collisions-sea-marine-notice-142015>
2. Skippers to always make informed decisions (risk assess) from departure to return.  
Consider if the weather and crew are suitable for the proposed voyage.
3. Specific considerations
  - 3.1. A constant watch is a legal responsibility even when on Auto Pilot
  - 3.2. Passage planning essential for any voyage with consideration for weather conditions, navigation, crew confidence
  - 3.3. Anchoring – consideration for tide, weather, depth, amount of chain/rope, use of depth alarms, type of anchor required.
4. All boat manoeuvring including in racing situations must be in accordance to COLREGS and vessels in the vicinity should clearly know your intentions. It is everyone's responsibility to keep a look out and avoid a collision (COLREG Rule 5)

## Maintenance

'Lack of Maintenance' may affect an insurance claim.

Regular inspection and servicing of all machinery, electrical and plumbing is needed. This includes trailer boats and their trailers.

1. Recording and logging of all maintenance work for your reference and the Insurer
2. Regular check of engine and other system oil and fluid levels
3. Seacocks all open and closed regularly to ensure operation. It is good practice to leave all closed when leaving the boat.
4. All plumbing to be well clamped /secured and in good order
5. All Yachts to comply with the Insurance Fund Rigging requirements
6. Shore power must be in accordance to regulations and include shore isolation.
7. A clean bilge will assist with general maintenance inspections

## Berthing

1. Ensure all mooring lines are compliant with CYCSA regulations including specifications and placement of lines and remain in good condition.
2. Ensure all items are stowed securely at berth.
3. Ensure all covers and clears are secure and installed on the boat to reduce wind exposure.
4. In extreme weather conditions, utilise the CYCSA Warnings to inform your decisions to secure your boat



## Checklist

The following checklists may be helpful to reduce the risk prior to departing the marina and leaving the vessel after being at sea. They reflect an analysis of past insurance claims, therefore the lists are not exhaustive and include, but are not limited to the items noted.

Further information and assistance in regards to these items can be sought from fellow members, contractors, and the Marine Academy.

## Checklist prior to leaving vessel after berthing

### Engine

- Oil levels
- Coolant levels
- Close seacocks
- Visual on water hoses
- Visual on oil and fuel lines
- Prop shaft seals if fitted
- Visually check bilge for water and oil deposits that may indicate leaks
- Turn batteries off

### Vessel

- All mooring lines are secure
- Fenders are secure
- Bilge pump float switch operate
- Shore power is connected and battery chargers are operating
- All halyards are tied and away from the mast
- Furling line is secure with two rolls of sheet around the sail
- All covers and clears are secure
- Gas is off at bottle

## Checklist prior to departing marina

Consider an alternative berth to return to if a need arises.

### Engine

- Coolant level
- Open sea cocks
- Turn batteries on and check battery voltage
- Visual check on water hoses and fuel lines for leaks and US hose clamps
- Prop shaft seals if fitted
- Bilge under engine is clean

### Vessel

- All equipment below and on deck is secured
- Winches are working
- Sheets and halyards are in good condition
- Operation of steering mechanism
- All safety equipment is on board and serviceable
- Anchor and mechanism is serviceable
- Clears and covers are secure for vessel usage