

# NDT an Insurers View

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## ABOUT HISCOX MGA

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- The Underwriting Agency was purchased by Hiscox Group and named Hiscox MGA in March 2015.
- Our product range includes Yachtsure24 (Superyachts), Yachtsure, Racecover and Marine Trades with capacity to write values up to EUR 250,000,000.
- At the centre of our business are our underwriters; each with a proven track record and significant expertise in their respective fields. The MGA platform, which provides capacity, claims, regulatory, compliance and operational support allows them to concentrate on what they do best; getting out into the markets and building a profitable book of business.
- Under our Racecover facility we insure both inshore and offshore racing yachts and aim at the difficult to place higher risk racing yachts that are participating in specific campaigns, regattas, transatlantic or global events. This is a tailored facility for racing yachts with no minimum value requirements.
- We provide coverage for the physical damage, liability and war with extensions for loss of mast, spars and rigging, two handed or single handed sailing.

## THE CURRENT SITUATION

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- Several classification societies provide a certification process, this involves re-checking the FEA data but does not include a detailed physical inspection of the structure. This is often mistaken for full classification.
- RCD (recreational craft directive) is a safety standard for production boats under 24m which does not include the mast.
- No NDT survey standard or industry agreement on acceptable defect size.
- Yachting industry is still not embracing the benefits of NDT in the manufacture of carbon / composite structures.
- IMOCA (Open 60) now require an NDT inspection for all new masts but with no standards in terms of scope, quality, breadth, operator qualifications or equipment calibration.

## THE CURRENT SITUATION

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- Yachting has taken a huge leap forwards with foiling and boat speeds on foiling multihulls are reaching impact speeds of 60+ knots.
- The quest for lighter structures has led to a number of dramatic failures.
- TPT (thin ply technology) is untested in our view.
- The cost of new racing yachts is rapidly accelerating and becoming potentially uninsurable without minimum build / classification / survey standards.

## WHAT DO WE WANT FROM AN NDT INSPECTION?

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- Independent review of the structure
- Quality Control
- Comfort
- Ability to create a Record Log that will track anomalies through the life of the structure.

## WHY DO WE WANT AN ISO NDT SURVEY STANDARD?

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- Classification societies will not take the task on (too small, too costly, not in their interests)
- Too many unqualified surveyors offering cheap and ineffective NDT services
- NDT seen as an unnecessary evil imposed by Insurers
- Owners attracted to cheapest price/lowest standard

## OUR EXPERIENCE

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- We have insured in excess of 1,000 high risk racing yachts since 2007
- 130 claims within that period
- Claims frequency is double that of a normal yacht book
- 27 claims identified as due to carbon failure
- Of which 7 had NDT inspections

## OUR EXPERIENCE

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- 69 risks had NDT Inspections – primarily VOR 65, Open 60
- 62 (90%) have had no claims
- We introduced NDT Inspections for Class 40 yachts in 2016 following a number of claims
- Approximately one third of all class 40 claims are mast failures
- In 2017 we introduced a Class 40 NDT schedule.



# CLASS 40 NDT SCHEDULE

**Class 40 NDT Schedule**  
**(Excluding Fast 40 / Fast 40+)**

	Racing	
	Europe < 3,000 miles	Europe > 3,000 miles & Transatlantic
Inception	Full	Full
12 Months	Partial	Full
24 Months	Partial	Partial
36 Months	Partial	Full
48 Months	Partial	Partial
60 Months	Full	Full

**NDT Description:**

**Full:** Complete NDT of Mast / Boom using Phased Array

**Partial:** NDT of high stress areas and any previously identified anomalies

**Notes:**

- All NDT inspections must be completed by a qualified surveyor approved by Underwriters.
- From 12 months NDT is determined by the proposed race schedule.
- If a yacht opts for European racing and then decides to do a Transatlantic race, then a full NDT report will be requested at Underwriters discretion.

## CONCLUSION

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- It is still a cottage industry yet to embrace the benefits of NDT.
- The introduction of an ISO Survey Standard will in our view be a benchmark in raising the professionalism of the industry.
- Education, Education, Education!

## A CHALLENGE TO THE NDT INDUSTRY

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Carbon Rigging is also a major issue for insurers and there is currently, to our knowledge, no way of testing the rigging following an incident.

We have had several incidents where we have had to write off carbon rigging where it only seems to have suffered superficial damage.

CAN YOU DELIVER A SOLUTION?

Thank you