

Clear Conditions

The guiding conditions of the Yacht-Pool FairCharter Contract have now been elevated by two important lobbying associations in the leisure boating sector to serve as a worldwide model for the charter industry.

For over a decade, YACHT-POOL has been working to make the charter industry more transparent, opposing the practice of including questionable clauses in the terms and conditions of charter contracts. Even our created skipper liability insurance, which brought about a fundamental improvement in yacht hull conditions and positively changed the entire market, was not immune to 'toxic' clauses. Various charter companies included special agreements that completely transferred the business risk of the charterer onto the skipper and sometimes even onto the entire crew. In such cases, the best skipper liability insurance was of no help, as it only protects against liabilities according to the legal regulations of the respective country and not against private agreements with the charterer. But how is a layperson supposed to understand that??

EVEN PROFESSIONALS FAIL

Incredible: Even skippers who worked as lawyers and dealt with contracts daily signed off on all sorts of risky nonsense. This sometimes happened because they couldn't find a proper point of contact at the fleet operator who was capable of discussing problematic clauses and had the authority to make changes.

Agreements like "Any costs not covered by the charterer's insurer (of which the charterer had no knowledge) are the responsibility of the charterer" were accepted without serious discussion.

The extent of the creative clauses in these sometimes more or less "homemade" contracts is a topic in itself. The clause that the boat must be returned in the same condition as it was received seemed understandable at first glance, but became problematic if lightning struck and the electronics were damaged. Often, the limitation of the charterer's liability for culpably caused damages was also forgotten.

It was not uncommon for the terms and conditions signed at the agency on behalf of the fleet operator to be required to be signed again on-site in the local language. This posed a significant problem when, as often practiced, one only saw this contract upon check-in. The contents were not always identical to what had been signed at the agency, and recognizing the issue was of little help. What should one do—even if one was proficient in the local language and disagreed with certain clauses? Should the entire crew just head home?

FAIR PLAY

To counter this problematic situation, we developed and introduced a model contract under the brand name FAIRCHARTER, based on the INTERNATIONAL YACHT-POOL TERMS & CONDITIONS. This contract is



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available in all relevant charter languages and can be downloaded for free by both charterers and charterers from the Yacht-Pool website. Given the clauses in charter contracts from various companies that even contradict the legally binding regulations of the European Union, we have gradually convinced more and more companies through numerous personal discussions of the advantages of fair contract conditions. An increasing number of them, who have committed to a transparent business policy, have adopted the CHARTER FAIRTRAG as their terms and conditions in recent years. Agencies and fleet operators working with these conditions receive a corresponding quality seal from Yacht-Pool.



Navigating the pitfalls of charter contracts has become a lot safer now.

Through a series of critical press releases regarding the unacceptable contract terms, the awareness among skippers slowly increased. To avoid dealing with the fine print in the contracts, it was very helpful for them that the terms and conditions of the Charter Fair Contract were recognizable by its clear logo. Since Yacht-Pool did not allow any changes to the content by charter companies, the logo provided customers with a guarantee.

A GLOBAL ROLE MODEL

Not only in German-speaking areas but also across Europe and even in a global context, there was a strong awareness of the issues surrounding unclear terms in charter contracts. ICMA, the world association of leisure boating in London, and the EBI, the European boating industry association in Brussels, recognized the impact of this issue on the desired conflict-free conduct of the charter business and, not least, on the reputation of the industry. In several meetings of the national associations of charterers and charter agencies, efforts were made to find fair general business conditions. The clear choice was the YACHT-POOL FAIRCHARTER CONTRACT, which was already available in all relevant languages and represented a fair balance of interests between charterers and charterers.

A company viewed this as excessive corporate advertising, which was incompatible with the self-understanding of internationally active associations. For us, it was, of course, an emotional matter to sacrifice our "baby," but it had now grown up. However, the title "International Yacht-Pool Terms and Conditions" will remain in the headline of these terms to reassure the many skippers who have relied on the Fair Contract internationally that their interests will continue to be protected.

FAIR MARKET REGULATION

This action also demonstrated that with goodwill and mutual understanding, a binding regulation can be established independently for an entire international industry, without the need for further legal regulation. The toxic clauses and their potentially fatal consequences have now been eliminated for skippers, clearing away legal pitfalls. This is a tremendous relief for the skipper community. Nevertheless, skippers are strongly advised to carefully read not only the individual agreements of the fleet operators but also the now mitigated terms and conditions, as they govern rights and obligations for both parties beyond the individual agreements. Contracts that do not carry the logo "International Yacht-Pool Terms and Conditions" should be read twice before signing them.



The Yacht-Pool label "FairCharter Contract" will be replaced in the future by the logos of ICMA and EBI. However, the content will