



## **Newsletter 3 - March 2009**

### **ABC of Charterers Liability**

In our previous newsletters we explained that we are offering Charterers liability and Defence cover exclusively for charterers. That Charterers Liability is our only business. And that we have long term commitment from our A rated security providers REAAL and that reinsurance is placed with the best available markets Munich Re and Lloyds.

Our target clients will be all kind of chartering companies like commodity traders, ship operators, liner services etc. We have no restrictions on company size, ship size or type (except passenger ships) or trading area. Our distribution will be exclusively through the worldwide broking network.

Our specialist industry experience makes us understand the clients business and needs and we have translated this in a comprehensive policy wording. A straight forward wording for a straight forward company. We see taking a cover with us as a joint enterprise with our clients. And we are there to protect our clients in an environment with extreme volatile freight markets fuelling an already litigious industry.

### **Our ABC of Charterers Liability**

#### **CLASS A – Charterers Liability**

Maximum limit: US\$ 50,000,000

Both on voyage charter and on time charter, charterers assume in their charter contracts contractual and legal liabilities which could seriously affect their financial stability.

Charterers Liability protects against liability claims arising from:

- **Damage to hull**

e.g. stevedore damage, damage to the vessel in (the approach of) a port, damage to hull caused by the cargo or by charterers bunkers.

- **Cargo liability**

Charterers can be held liable for shortage or damage to cargo by e.g. pilferage, stowage or mishandling.

- **P&I**

- Third party property
- Personal injury
- Wreck removal
- General average
- Fines

In many occasions the charterer is in the middle of a string of contracts which means that there is a liability exposure both ways. **Charterers Liability** cover protects against these liabilities.

### **CLASS B – Cargo Owners Legal Liability**

Maximum Limit US\$ 50,000,000 (combined single limit with Class A)

For some charterers, carrying their own goods, there is the potential risk that the goods itself are reason for a liability claim and brought to charterers in their identity as Cargo Owner. E.g. pollution. **Cargo Owners Legal Liability** cover protects cargo Owners against these exposures.

### **CLASS C – Defence (FDD)**

Maximum limit US\$ 2,000,000

For Legal advice and Disputes under the Charter-Party, your legal expenses can be covered under our **Defence (FDD)** cover. You are not only covered against the expensive legal fees but this cover also gives access to our legal expertise in providing all kinds of advice.

Typical disputes concern:

- Hire/off-hire, freight and deadfreight
- Demurrage and dispatch
- Detention
- Breach of contract / Charter Party
- Speedcon claims

It goes without saying that we can also offer cover for:

War incl. Terrorism

Bunkers

Freight/Detention

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**MORE TO FOLLOW SOON**