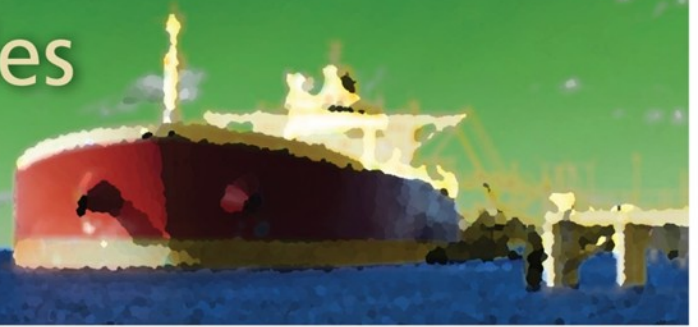




Underwriting Guides



Tanker “STS” Operations

OVERVIEW

In general, the Association will agree to cover STS operations under the Rules, given that the provisos below are complied with :

A. WHERE A CARGO IS DISCHARGED FROM A MEMBER'S VESSEL BY STS OPERATION

1. The Member's liability under the bill of lading is completed once the cargo is discharged at the vessel's manifolds. Thus the cargo is delivered by the Members against the production of the bill of lading.
2. A liberty clause exists under the bill of lading permitting the cargo to be transferred by such STS transhipments.
3. There is no geographical deviation.
4. When carried, the requirements of the vessel's STS Operations Plan are complied with, and that the STS operation follows usual industry practices - i.e. the latest edition of the OCIMF STS Transfer Guide. This includes the use of adequate fenders and equipment, and carried out under the supervision / guidance of a suitably qualified mooring master.
5. It takes place in safe and sheltered waters and not during bad weather.
6. If carried out in a nation's territorial waters or exclusive economic zone, that any and all local regulations are fully complied with, including notification to the coastal state.
7. There is no contract between the Member and the owners of the other tanker (i.e. the Member is offering no indemnity or hold harmless to the other vessel).
8. The Member must also ensure that he fully protects his rights, by taking ullage readings and samples prior to loading and upon discharge from vessel's manifolds.

B. WHERE A CARGO IS LOADED ONTO A MEMBER'S VESSEL VIA STS OPERATION

1. The Member is only responsible under the bill of lading issued by him for the period that the cargo is actually on board the vessel. Thus, Member's liability under the bill of lading commences only once the cargo is loaded through the manifolds onto the vessel.
2. There is no geographical deviation.
3. When carried, the requirements of the vessel's STS Operations Plan are complied with, and that the STS operation follows usual industry practices - i.e. the latest edition of the OCIMF STS Transfer Guide. This includes the use of adequate fenders and equipment, and carried out under the supervision / guidance of a suitably qualified mooring master.
4. It takes place in safe and sheltered waters and not during bad weather.

Tanker “STS” Operations

5. If carried out in a nation’s territorial waters or exclusive economic zone, that any and all local regulations are fully complied with, including notification to the coastal state.
6. There is no contract between the Member and the owners of the other tanker (i.e. the Member is offering no indemnity or hold harmless to the other vessel).
7. The Member must also ensure that he fully protects his rights, by taking ullage readings and samples prior to loading and upon discharge from vessel’s manifolds.

C. WHERE A CARGO IS DISCHARGED VIA STS OPERATION AND THE MEMBER’S B/L COVERS POST SHIPMENT

1. If the Member's bill of lading covers post shipment after the cargo is transferred by the STS operation, then apart from proviso number “1”, all of the other provisos in “**A**” above are still complied with.
2. The bill of lading also states the correct quantity and quality of cargo loaded, as measured by the ullage readings taken on board the vessel prior to discharge.
3. There is no contract signed between the Member and the lightering tanker / charterers regarding the discharge by barge, and that no indemnity is given by the Member to the lightering tanker / charterers.

D. WHERE A CARGO IS LOADED VIA STS OPERATION AND THE MEMBER’S B/L COVERS PRE-SHIPMENT

1. If the Member's bill of lading covers pre-shipment, then the bill of lading must mention the pre-shipment vessel. Furthermore, the bill of lading must state the correct quantity and quality of cargo loaded, as measured by the ullage readings taken on board the Member's vessel, rather than on the barge or the shore tank readings. The bill of lading must also contain a liberty clause permitting the cargo to be transferred by such STS transshipments.
2. There is no contract signed between the Member and lightering tanker / charterers regarding the loading by barge and no indemnity is given by the Member to the lightering tanker / charterers.
3. Apart from the proviso number “1”, all of the other provisos in “**B**” above must be complied with.