

**WEST.**



**CHARTERERS**

# Introduction

Charterers operate in an ever-increasing litigious environment where the liability exposure has become more burdensome. The West of England's Charterers Comprehensive Cover (CCC) has been continually developed to meet the demands of this changing environment.



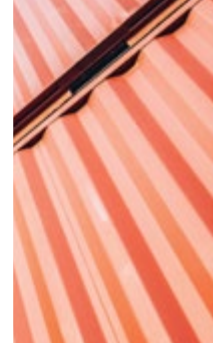
The West of England was one of the first P&I Clubs to offer a tailor-made liability insurance product for Charterers, which has continually been improved and adapted over the years to meet the requirements of Charterers and offers a wide scope of cover, whilst at the same time maintaining the high-level service capability for which the West of England is renowned.

In addition to P&I liabilities and Defence risks traditionally covered by the Club, our CCC product can be tailored to include;

- Loss or damage to hull, including liability to pay freight and hire arising out of such loss or damage
- The Charterer's contributions to general average, salvage and special charges
- Loss or damage to fuel stores and supplies
- Cargo owner's cover for pollution and/or legal liabilities
- War and strikes risks
- Costs of removing off-specification bunkers likely to cause damage to the vessel's engines and machinery

These additional risks have been incorporated directly into the Club's Rules (Rule 3b) so that they are fully integrated with P&I cover. The risk of there being a gap in the cover is, therefore, reduced.

- Cover placed as a single package with one policy
- Single aggregate limit per incident. No need to declare hull values
- Variable limits of liability available
- Unified claims handling strategy for all the above heads of cover. Members can be assured of a rapid response to any incident
- Ability to tailor the product to specific heads of cover which best accommodate a Member's needs



# Scope of cover

The cover is provided to the Member in their capacity as Charterer of the insured vessel and the details of the heads of cover are as follows:

## Liability Risks

### 1. P&I risks

The Charterer Member is insured in their capacity as Charterer for the same P&I risks as a shipowner and, furthermore, is also insured for his liabilities as Charterer to indemnify the Owner or Disponent Owner of the insured vessel in respect of such P&I risks.

In addition to the above risks, cover can be tailored to include any of the following additional risks and liabilities:

### 2. Damage to hull

The cover offered essentially reincorporates risks excluded under Rule 16 of the Club Rules so that a Charterer is covered for his liability to pay damages to the Owner or Disponent Owner of the insured vessel in respect of loss of or damage to the vessel and/or loss of use of the vessel arising from such damage. The cover under this section has been extended to include a Charterer's liability for the payment of freight or charter hire as a result of such a loss of or damage to the vessel.

### 3. Contribution to general average, salvage and special charges

This head of cover is not normally available under conventional Charterers liability policies. It protects the Charterer against the risk of having to contribute to general average, salvage and special charges in respect of the Charterer's own property at risk in the maritime venture. That property would include, for example, bunkers, containers and any other material or equipment (other than cargo) which the Charterer has placed on board the insured vessel.

### 4. Fuel stores and supplies

This head of cover is principally designed to cover Charterers against the risk of loss of or damage to their bunkers placed on board the insured vessel. Unlike many conventional policies which provide bunkers cover on terms which are similar to restricted forms of cargo insurance, the Club cover is essentially an all-risk cover with limited exclusions of: ordinary loss in weight or volume, natural degradation, inherent vice, delay and politically motivated or terrorist acts.

### 5. Cargo owner's pollution and/or legal liability

This extension allows the Charterer to be covered for any pollution or other liability within the Rules of the Association they may incur at a time when they and/or an associated company owned all or part of the cargo carried on board the insured vessel. This head of cover may be of particular interest to Charterers in the oil trade.

### 6. War and strikes cover

This separate extension of cover essentially reincorporates the war risks excluded under Rule 14 of the Club's Rules, although it remains subject to the usual exclusions such as, for example, liabilities arising out of an outbreak of war between any of the five historic nuclear powers and capture or arrest by the Government or any authority in the country in which the vessel is registered.

### 7. Extraordinary costs incurred in the removal and replacement of bunkers

This extension is designed to cover Charterers for the extraordinary costs incurred in removing and replacing off-spec bunkers supplied by the Charterer which potentially could be harmful to the vessel's machinery. Cover may also extend to the cleaning of the vessel's engines, tanks or pipelines and disposal of the off-spec bunkers. It should be noted that this cover does not extend to the value of the off-spec bunkers or the replacement costs and is only engaged where bunkers create a risk of machinery damage and not merely a risk of regulatory non-compliance.

### P&I Limit of Liability

The standard limit of cover provided in respect of P&I risks is US\$ 500 million in the aggregate in respect of any one incident any one vessel. However, War Risks, if purchased, has a sub-limit of \$100 million dollars in respect of any one incident. The additional cover for "Fuel Stores and Supplies" is also subject to a separate sub-limit, to be agreed, depending on the tonnage and type of vessels chartered. Lower or higher overall limits of cover of up to US\$ 1 billion are also available if required. This can be discussed with the Underwriter at the time of commencing cover.





## Other extended liability covers for Charterers

The Club also offers a wide range of additional non-Rules covers, which can be integrated with the Charterers Comprehensive Cover to provide an extensive and seamless insurance product.

### These include:

- Extended contractual liability cover
- Extended cargo cover – extending the rights of the cargo interests beyond those found in the Hague-Visby Rules
- Specialist Operations – such as construction vessels or oil pollution response vessels
- Defence traders extension – Defence-type risks arising under a sales form in relation to an entered vessel
- Charterer’s loss of freight – where the vessel is a total loss

## Who can be insured?

CCC covers any NVOCC activities undertaken by a Charterer.

### It is suitable for:

- Time Charterers
- Voyage Charterers
- Charterers under contract of affreightment
- Space or Slot Charterers

The product is suitable for most types of trade, whether it be liner operations, oil or other bulk products trading or conventional tramp market chartering.

Charterers need not purchase all the heads of cover offered but can select those heads of cover which best accommodate their needs.

Charterers by demise or bareboat Charterers, whose risks are more closely aligned with those of shipowners, would be best advised to insure their risks under a conventional Owners P&I entry, rather than under the Charterers Comprehensive Cover, since an Owner’s P&I entry will more closely suit their needs.



## Why West of England?

The West of England is a leading insurance provider to the global shipping industry, combining financial strength with outstanding service to help its Members meet the continually evolving liability environment in which shipowners, operators and charterers operate.

We also safeguard and promote our Members' interests in many other areas of their business. We believe that protection for our Members is as important as the indemnity insurance we offer. To provide both we are responsive to our Members' needs and proactive in looking after their interests, enabling them to more easily achieve their business goals.

### Our strengths

- An international Club with a global membership
- A worldwide office network providing dedicated underwriting, claims and loss prevention service to our Members
- Rated A- by Standard & Poor's
- A Member of the International Group of P&I Clubs



# Global Coverage

Providing localised services to the world-wide membership.



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## 5. Singapore

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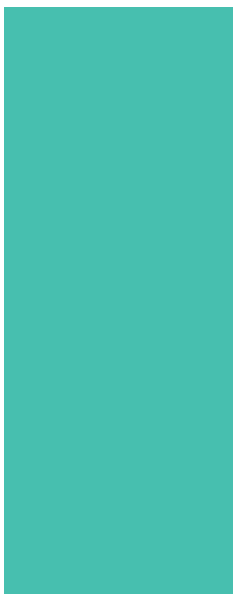
## 6. USA (New York)

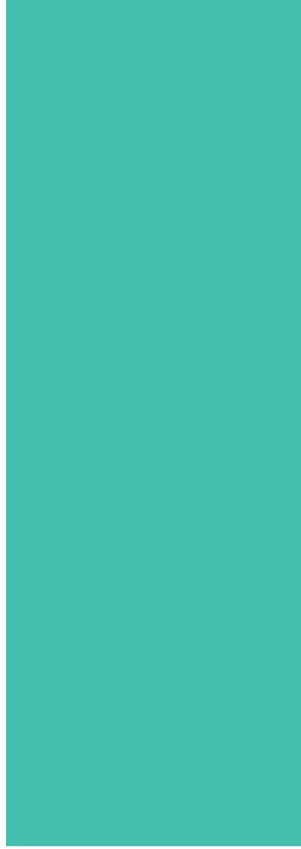
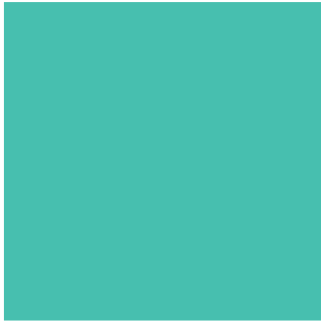
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## Contacts

Full contact details for the relevant underwriting teams can be found on the corresponding product page of our website at [www.westpandi.com](http://www.westpandi.com)

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