



The London P&I Club

# COVER FOR Charterers

## Introduction

Charterers and Traders can face significant liabilities from a wide range of contractual and non-contractual risks. We assist in reducing your exposure through the insurances available under our comprehensive combined single limit (CSL) programme and extensions and additional covers.

Charterers' and Traders' risks include:

- Cargo claims
- Loss of or damage to ship
- Pollution
- Wreck removal
- Personal injury
- Loss of bunkers

Our CSL cover provides:

- A bespoke product to meet your particular needs.
- A single limit – you choose the coverage and we will provide one limit to cover all the components, typically up to US\$500m, or more if required.
- A tailored deductible structure to suit your risk profile.
- A fixed premium cover usually based on the chartered ship's tonnage or cargo volume. We also consider alternative rating structures.
- Additional covers complementing our CSL cover, to meet your needs.

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# Our Cover in Action

## Examples of cases where Charterers' and/or Traders' liabilities arise include:

### Wreck removal

A charterer orders a ship to a discharge port. The ship grounds and becomes a wreck. Depending on the charterparty terms, the charterer may face liability to the ship-owner for wreck removal, due to the un-safety of the port/berth. Our CSL P&I insurance would provide cover.

### Cargo

A charterer is responsible under a charterparty for the loading, stowing, lashing and securing of the cargo. The charterer will face liability for any damage or loss to the cargo due to the negligent performance of these operations. Our CSL P&I insurance would provide cover.

### Loss of or damage to the ship

The charterer may also face liability to the ship-owner for loss or damage to the ship, sustained as a result of the grounding referred to above. Our CSL liability to hull insurance would provide cover. Other examples of where this insurance provides protection include where a charterer is liable for damage to the ship caused by his stevedores, or by the provision of off-spec bunkers.

### Personal injury

Under a charterparty, a charterer is responsible for discharging a cargo of steel during which a coil drops, killing one seaman and injuring another. Our CSL P&I insurance would provide cover for liability for death and injury compensation claims (and our CSL liability to hull insurance would cover claims for any damage to the ship).

### Pollution

In addition to the exposure to claims for wreck removal and damage to ship referred to above, if the grounding incident were to cause the ship's cargo or bunkers to spill, the charterer may face liability for the resulting pollution. Our CSL P&I insurance would provide cover.

### Salvage & G.A.

A ship under time charter suffers main engine problems, loses power and starts drifting. Salvors are engaged, but she is caught in bad weather and grounds on a reef. Part of the cargo needs to be jettisoned to allow salvors to refloat the ship. GA is declared. The charterer will be required to contribute to GA in respect of his interest in the bunkers that are recovered/salved. Our CSL liability to hull insurance would meet these contributions.

### Traders

Liabilities can arise in your capacity as a cargo owner, as well as a charterer – e.g. you can be held responsible for clean-up costs or fines where your cargo causes pollution. Our CSL liability as cargo owner insurance would provide cover.

### Stowaways

Mainly seen as an owner's liability. But if stowaways (hidden in a cargo stack prior to loading) access the ship, the charterparty terms may mean that the charterer faces liability for expenses involved in landing and repatriating them. Our CSL P&I insurance would provide cover.



# Risks covered

**Our assureds can select the cover they require from the following:**

## **Charterers' P&I**

Cover for standard P&I risks – including pollution, wreck removal, cargo claims and personal injury.

## **Charterers' P&I War Risks**

Extends the cover for standard P&I risks to include war which would otherwise be excluded.

## **Charterers' Liability as Cargo Owner**

Cover for P&I liabilities that a charterer incurs where he is also the owner of cargo onboard the ship. Commonly of interest to traders who may face liabilities as cargo owners.

## **Additional cover**

We can also arrange covers against other risks, depending on your needs, including loss or damage to your bunkers, deviation under the contract of carriage and bailees liabilities.

## **Charterers' Liability to Hull**

Charterers can be exposed to charterparty claims for damage to the entered ship in a variety of ways – and can face significant liabilities as a result. This element of our cover provides protection against risks such as:

- Liability for physical damage to and/or loss of the ship.
- Demurrage and/or loss of use and/or hire of the ship arising out of an incident for which the charterer is liable (e.g. damage to the ship).
- War Risks
- Liability to owners for the ship's proportion of salvage and/or general average.
- Contributions to salvage and/or general average in respect of the charterers' interest in hire, freight and/or bunkers.
- Costs and expenses (e.g. surveyors, engineers or experts) which the charterer may incur or for which the charterer may become liable to owners.



# Working with The London P&I Club

## About us

The London P&I Club is one of the world's leading P&I insurers, underwriting P&I, FD&D and War Risks insurance for Charterers and Shipowners. We are a Member of the International Group of P&I Clubs, and have a total entered tonnage of over 50m gt.

### Legal expertise / FD&D

Prompt and practical legal advice is important for Charterers; and we aim to provide first-rate FD&D support and service.

We have a strong in-house legal team with more than 20 lawyers based across our three offices, including English solicitors and others, drawn from a range of jurisdictions.

We help deliver the maximum FD&D benefit for Charterers by providing swift and clear legal advice. In some cases, when it becomes necessary to engage external lawyers, we work effectively with our strong contacts at the major maritime law firms.

### Service and support

We have claims teams and underwriting resources in each of our offices in London, Hong Kong and Greece.

Our teams are drawn from commercial, legal, seafaring and other relevant backgrounds. This experience and specialist know-how mean that we work efficiently and understand the issues involved with Charterers' inquiries and claims. For example, we know the importance of quickly accessing reliable information 'on the ground' following an incident; as well as the collection of evidence for possible legal action later.



### Contact us

For further information on our cover for Charterers, please get in touch with your usual London P&I Club contact or our underwriting team at:  
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