

January 2020

CIRCULAR TO ALL MEMBERS

Skuld Owners' Fixed P&I Defense Terms and Conditions – Amendments for 2020/21 policy year

The following changes to Owners' Fixed P&I Defense Terms and Conditions for 2020/21 policy year were approved by the Board of Directors of Assuranceforeningen Skuld (Gjensidig) at its Meeting in November 2019.

Skuld Owners' Fixed P&I Defense Terms and Conditions are published on our website.

New text appears in red and deletions are struck through.

2. EXCEPTIONS

However, Skuld shall be under no liability to reimburse the Assured for costs:

2.5 where the dispute arises out of damage to the vessel, to the extent that the cost of repairs exceeds the deductible ~~or one per cent of the insured value of the vessel under the hull policies,~~

Comment: This amendment clarifies the amount excluded under the defence cover.

3. MISCELLANEOUS

3.7. Where a separate agreement has been reached in respect of disputes arising out of the repair, alteration, conversion, building, purchase or sale of the entered vessel (pursuant to 2.8 of these Defence Terms and Conditions), any limit agreed shall apply in the aggregate to all disputes arising out of one contract or series of contracts.

For all disputes arising pursuant to 2.8 of these Defence Terms and Conditions, it shall be a condition of cover that, upon delivery of the vessel to the owners, that vessel shall be entered for P&I risks with Skuld.

Comment: This amendment clarifies that FDD disputes arising out of pre-delivery issues are only covered if the vessel is to be insured with Skuld. This change also aligns Owners Fixed Defence T&Cs with Skuld's Rules.

5. DEDUCTIBLE

Unless otherwise agreed, cover under these Defence Terms and Conditions shall be subject to the following deductible per dispute:

25 % of the total costs with a minimum of USD ~~12,500~~10,000 per dispute.