

January 2020

CIRCULAR TO ALL MEMBERS

## Skuld Charterers Terms and Conditions – Amendments for 2020/21 policy year

The following changes to Charterers' 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 Charterers' Terms and Conditions are published on our website.

New text appears in red and deletions are struck through.

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### 1. ADDITIONAL COVER

Additional covers, ~~as described in Appendix 4~~, are available for liabilities, losses, expenses and costs which are not covered in Part 2 or Part 3.

**Comment:** *Appendix 4 is removed from T&Cs - all Additional Covers offered by Skuld will be presented in separate "Optional Covers Terms& Conditions" published on the website.*

### 6. CARGO

#### 6.2. Exceptions

However the standard insurance shall not cover liabilities, costs and expenses arising out of

~~6.2.6: carriage of cargo on terms less favourable to the member than the Hague or Hague-Visby Rules, except insofar as the contract of carriage is on less favourable terms solely because of the compulsory application of the Hamburg Rules by virtue of the place of loading or discharge,~~

carriage of cargo which would not have been incurred by the Assured if the cargo had been carried on terms no less favourable to the Assured than those laid down in the Hague or Hague-Visby Rules, save where the contract of carriage is on terms less favourable to the Assured than those laid down in the Hague or Hague-Visby Rules solely because of the relevant terms of carriage being of mandatory application.

**Comment:** *this amendment incorporates current Skuld's practice of accepting application of other mandatory law provisions in addition to Hague (Hague-Visby) Rules. This change also aligns T&C with Skuld's Rules.*

## 8. EXTRA BUNKER HANDLING COSTS

### 8.1. COVER

Extra costs, and liability for extra costs, in connection with the removal, storage, processing and disposal of bunkers supplied for the Assured's account where such costs are necessarily, reasonably and solely incurred ~~as a direct result of such bunkers being defective, contaminated or unfit for use~~ **by the Assured in order to avoid or minimise the Assured's liability for physical damage to the entered vessel, its engines or other equipment.**

**Comment:** *This amendment is merely a clarification of the current interpretation and practice.*

## APPENDIX 1

### Definitions

#### **Drilling or production operations**

Drilling or production operations in connection with oil or gas exploration or production, ~~including any accommodation unit moored or positioned on site as an integral part of any such operations~~

**Comment:** *This amendment aligns the definition with that in the Rules.*

#### **Specialist operations**

~~Operations including and not limited to~~ **Performing** dredging, blasting, pile-driving, well-**intervention** stimulation, cable or pipelaying, construction, installation, ~~removal or maintenance work, core sampling, depositing of spoil,~~ **power generation and decommissioning.** ~~professional oil spill response or professional oil spill response training and tank cleaning (otherwise than on the entered vessel) but excluding fire fighting.~~

**Comment:** *This amendment aligns the definition with that in the Rules.*

## APPENDIX 3 Deductibles

### 1. DEDUCTIBLES – STANDARD INSURANCE

Unless otherwise agreed, compensation shall be subject to the following deductibles per category:

1.1. For insurances other than those referred to in paragraphs 1.2 to 1.9:

- USD **12,500** ~~40,000~~ any one event any one vessel any one category

1.2. Clause 6 (cargo liability), 7 (extra cargo handling costs), 16 (salvage & general average) and 17.1.2

(cargo fines) applicable per cargo voyage

- USD **17,500** ~~45,000~~ per cargo voyage

- USD **12,500** ~~40,000~~ per cargo voyage under 2,500 GT

The deductibles applicable to cargo claims under the Clauses referred to in this paragraph (whether for standard or separately agreed amounts) shall be doubled when the loss or liability is due to water damage resulting from leaky cargo hatches or tank hatches on account of inadequate maintenance.

1.3. Claims under Clause 9 (personal injury):

- USD ~~12,500~~ 40,000—any one event any one vessel any one category

1.4. Clauses 13 (pollution) and 17.1.3 (pollution fines)

- USD ~~12,500~~ 40,000—any one event any one vessel any one category

1.5. Clause 11 (collision and contact liability)

- USD ~~50,000~~ 45,000

1.6. Clause 12 (property liability):

- USD ~~17,500~~ 45,000—any one event any one vessel any one category<

1.7. Clauses 20 (legal and associated costs such as correspondents' fees) and 19 (mitigation costs)

shall be subject to the deductible applicable to the claim in respect of which the costs have been incurred.

1.8. Clause 5 (damage to or loss of Vessel)

- USD ~~25,000~~ 22,500—any one event any one vessel any one category

1.9. Clause 8 (extra bunker handling costs)

- USD ~~25,000~~ 22,500—any one event any one vessel any one category

## 2. DEDUCTIBLES – DEFENCE COVER

Unless otherwise agreed, cover under Clause 22 (Defence cover) shall be subject to the following deductible per dispute: 25 % of the total costs with a minimum of USD ~~12,500~~ 40,000 per dispute.

### APPENDIX 4 Additional Covers

~~If separately agreed, Skuld can arrange insurances for additional risks. The following is a brief description of some of the covers available. Full details of these additional insurances (including applicable limits) can be obtained from Skuld on request.~~

~~These insurances shall be subject to these T&Cs, unless otherwise agreed.~~

### CHARTERERS' BUNKERS

~~Insurance of charterers' bunkers carried on board the entered vessel.~~

### DEVIATION

~~Insurance to cover Assured's liability arising out of:-~~

- ~~• geographical deviation or other departure from the contractually agreed voyage (such as transshipment, dry docking with cargo on board, or lightering) which deprives the Assured of the right to rely on defences or rights of limitation which would otherwise be available, and~~
- ~~• carriage of cargo on deck on under deck bills of lading or similar documents which should have been, but were not, claused to show that the cargo was carried on deck.~~

~~The insurance is subject to conditions, including the following:~~

- ~~(a) the Assured must notify Skuld before the deviation takes place or as soon as he becomes (or should become) aware of it,~~
- ~~(b) Skuld must approve the deviation, and~~
- ~~(c) the Assured must pay any additional premium required.~~

### CHARTERERS' COMPREHENSIVE COVER (CCC)

~~Cover for through transport liabilities including warehousing and storage onboard of vessel and/or barge and for the Assured in his capacity as non-vessel operating common carrier NVOCC.~~

#### ~~STORAGE OF CARGO~~

~~Insurance to cover Assured's liability for cargo loss, damage or shortage occurring more than 21 days before loading or after discharge while the cargo is stored on a wharf or in a warehouse or lighter. The Assured must notify Skuld as soon as he becomes (or should become) aware that cargo is likely to be stored in the circumstances described above, and pay any additional premium required.~~

#### ~~THROUGH TRANSPORT~~

~~Insurance to cover the Assured liability for loss, shortage, damage or delay to cargo whilst in the custody of another carrier. Cover is limited to liabilities which arise under a contract which provides for carriage to be performed partly by the entered vessel, and has been approved by Skuld.~~

#### ~~SUPPLY AND DIVING SUPPORT VESSELS~~

~~Insurance to cover liabilities for supply, diving support and similar vessels.~~

#### ~~CONTAINER RISKS~~

~~Insurance for~~

- ~~• loss of or damage to containers owned or leased by the Assured, and~~
- ~~• the Assured's liability to third parties arising from an accident during use of the container.~~

#### ~~FREIGHT AND LOSS OF PROFIT INSURANCE~~

~~Cover for loss of freight or loss of profit following total loss of the vessel.~~

#### ~~KIDNAP & RANSOM~~

~~Kidnap and ransom insurance — including a loss of hire extension.~~

***Comment:*** All Additional Covers offered by Skuld will be presented in separate "Optional Covers Terms & Conditions" published on the website.