

Special Edition: New Covers

Club expands its range of covers

I am delighted to report that we are adding to the coverage available to members by offering three additional insurance products – Kidnap and Ransom (K&R), Traders' Transport Liability cover and Professional Liability cover. This follows feedback from members who are keen for the club to develop the range of services we provide.

Arising out of an on-going strategic review, it has become clear that members value both the close relationship that they have with the club and the quality of the club's service, and would value the club becoming involved in a wider range of insurance products. In response, we have developed these three new covers, which are available now.

The K&R policy is designed especially for shipowners whose ships frequently transit high-risk piracy areas. It extends to all associated expenses including loss of hire, loss of ransom in transit, crew liabilities arising from kidnap, legal expenses and the cost of crisis responders. The club will handle claims resulting from the piracy cover, with the assistance of Hiscox Syndicate 33 at Lloyd's. Ransom negotiations will be managed by Control Risks. Ransom payments and associated expenses cover will normally be limited to \$5m per insured event, \$2.5m for loss of hire, though higher limits can be arranged.

The Traders' Transport Liability policy covers time charterer's liability, including P&I and damage to hull, FD+D (Defence) and liabilities arising from trading operations. Separate limits can be provided up to \$500m each for chartering liabilities and trading operations.

The Professional Liability insurance is designed for shipowners who are responsible for ship agents' activities and for those who manage third party ships. It provides professional negligence cover for agents and managers in relation to a wide range of liabilities including those relating to cargo, property damage and personal injury up to a limit of \$10 million.

All three policies may be purchased in addition to existing P&I cover, and are supported by reinsurance purchased through Lloyd's and the London market. They are intended to provide additional cover to existing club members, but may be of interest to others who may consider becoming members of the Standard Club. Although the insurance is intended for ships entered in the Standard, members may apply on behalf of other ships if their fleets are shared between clubs. An explanation of the key features of each of the covers is set out on the following pages.

For further information about any of these new covers, please get in touch with your usual club contact or Robert Drummond, business development director, on +44 20 3320 8942 robert.drummond@ctplc.com

Setting the Standard for Service and Security

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New name and look for The Standard

The name change, approved by the members on 11 May, took effect on 17 July.

The parent company, located in Bermuda, is now called **The Standard Club Ltd**. The two operating insurance companies, located in the UK and Singapore respectively, are now **The Standard Club Europe Ltd** and **The Standard Club Asia Ltd**. They will also continue to be referred to as Standard Europe and Standard Asia, for short.

At the same time, we have refreshed the corporate style of the club, with a simplified logo, better suited to electronic communications and publishing. We will gradually roll out publications in the new style over the forthcoming months.

The Standard



Kidnap and Ransom Cover

The Standard Club has launched a kidnap and ransom cover as piracy remains a significant issue for shipowners whose ships transit high risk piracy areas.

What is this cover?

The cover provides protection for the cost of ransoms paid to free ships seized by pirates and associated losses.

Who is this cover designed for?

Members of the club, particularly those whose ships are frequently transiting high risk piracy areas.

Why has this cover been developed?

Piracy is a serious problem affecting the shipping industry. Clubs are owned by and for the benefit of shipowners and it is desirable that the club is centrally involved in protecting its members' interests in this area.

What is covered?

- Kidnap and ransom and associated expenses including loss of hire
- Loss of ransom in transit
- Liabilities to crew arising from piracy incidents
- Legal expenses and the costs of ransom negotiators are also covered

Why is this cover better than what is currently available?

Cover is provided by the Standard Club enabling the provision of club-style service at a time of crisis.

This new cover is designed to ensure that members of the club benefit from a more joined-up approach to the placing and servicing of this risk and the resolution of piracy incidents.

Ransom negotiations, a key dynamic in the successful resolution of piracy incidents, are handled by Control Risks and the club will coordinate support for the member with the usual claims philosophy of proactivity and close communications.

Features of the cover

The cover is provided by the Standard Club and is supported by reinsurance from Hiscox.

This cover is available to members of the Standard Club. However, if the member has an entry in the Standard Club and other ships insured elsewhere then we will consider providing this cover for those other ships.

In the event of a hijacking the member will notify Control Risks and the club. Control Risks are the most experienced crisis responders for kidnap and ransom incidents.

Professional Liability Cover

The Standard Club has launched a professional liability cover for shipowners who manage third party ships or are responsible for ship agents' activities.

What is this cover?

Professional negligence liability cover in respect of the liabilities of ship agents and ship managers.

Who is this cover designed for?

- Shipowners who are responsible for ship agents' activities
- Shipowners who manage third party ships

Why has this cover been developed?

Shipowner members of the club are seeking club-style cover for these operations.

Why is this cover better than what is currently available?

- This cover provides a seamless relationship with P&I cover

What is covered?

Agents' professional negligence, including liabilities, in relation to:

- Bills of lading
- Property damage
- Personal injury
- Fines
- Exceeding authority
- Cargo disposal costs

Managers' professional negligence, including liabilities, in relation to:

- Technical management
- Crew management
- Commercial management
- Property damage
- Personal injury
- Fines
- Exceeding authority

What limits are available?

Up to \$10m.

Traders' Transport Liability Cover

The Standard Club has launched a liability cover specially designed for commodity traders.

Who is this cover designed for?

Companies engaged in commodity trading where the majority of the cargo is transported by ship.

Why has this cover been developed?

The cover has been developed in response to concern expressed by commodity traders that the current insurance offerings involve multiple placements. This is a dedicated product to cover the third party liabilities arising out of commodity trading, including transportation.

Why is this cover better than what is currently available?

- One policy that has a tailored wording
- Worldwide cover with no trading restrictions
- Efficient use of premium, as all premiums benefit one policy record
- High limits for all lines of risks, including pollution
- Designed to blend with corporate excess policies and fronted primary policies
- Streamlined declaration process to one insurer which reduces administration time and costs
- Reporting of all claims to a single insurer
- Legally qualified claims team with experience in full claims management
- Catastrophe management expertise

What limits are available?

\$500m for chartering operations and \$500m for land-based/trading operations.

What is covered?

Liabilities arising from:

- Pollution liability incurred as charterer or cargo owner
- Personal injury
- Property damage, including damage to chartered ships
- Extended third party cargo liability on board chartered ships
- Products liability
- Loss of hire arising from lawful detention and piracy
- Including war and terrorism risks

During:

- Transporting, including use of pipelines
- Storing
- Mixing, blending

The Standard Club is rated A by Standard & Poor's and is a mutual insurance association, owned by its shipowner members and controlled by a board of directors drawn from the membership. The club insures shipowners, offshore oil and gas operators and charterers for their liabilities to third parties.

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