

Comprehensive cover for Standard Club members

Setting the standard
for service and security

The Standard



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For more information, please visit
www.standard-club.com

Comprehensive cover for Standard Club members

Our aim is not just to provide good-value P&I insurance, but also to provide members with a complete range of insurance covers, backed by the club's high standards of professional service.

Comprehensive cover – outstanding service

The Standard Club's core P&I cover provides our members with high-limit insurance against all normal liabilities arising from shipowning and ship operating. This core cover is backed by the International Group's pooling and reinsurance arrangements.

However, nearly all members have insurance needs beyond core P&I, both for additional liabilities in their particular trades and for property risks. We can provide cover for virtually all of these needs – backed by outstanding professional and personalised service, recognised financial strength and the club's own extensive reinsurance programmes. We can provide high limits of cover – up to \$1bn for some covers – with lower limits more typical for many covers.

A summary of these additional covers is set out in this brochure. As with all commercial insurance some exclusions may apply. To find out more, please speak to your usual club contact or visit our website at www.standard-club.com/what-we-do/tailored-covers

Charterers

- **P&I cover.** The club provides cover for the P&I liabilities of charterers, whether time, voyage, slot or space. Charterers can find themselves with a liability for many P&I risks, but cargo claims are the most common area of exposure.
- **Cargo owners' legal liability extension.** This covers a member for legal liabilities, including pollution, as an owner of cargo carried on board any ship, typically (but not necessarily) where the member is also the charterer.
- **Damage to Hull cover** for charterers responds to liabilities arising from a marine casualty, including physical damage to the chartered ship, loss of hire arising from damage claims, and loss of or damage to charterers' bunkers.
- **Consortium DTH extension.** This covers the member's liabilities for physical damage to the carrying ship and loss of hire arising from damage, when cargo is carried under a reciprocal consortium service.
- **Non-Vessel Operating Common Carrier extension.** This covers the member's P&I liabilities where the member is contracting as a carrier, but is neither the shipowner, nor charterer, nor a consortium partner.

Salvage



- **Professional Salvors' cover.** This is a package of extensions to the normal P&I cover for salvors undertaking salvage services, whether operating from their own ships or not. Various limits are available for the different elements of this cover.
- **Salvors' Oil Pollution cover** for pollution liabilities from salvage operations away from the entered ship.

Cargo covers

- **Through Transport extension.** This covers third-party liabilities arising from the carriage of cargo before or after ocean transportation, usually under a through transport or multi-modal bill of lading. The risks of cargo loss and damage are covered under the core P&I cover. Other risks, such as liabilities for personal injury and property damage on the land legs of the transportation, can be covered under an extension cover. There must be at least one leg of the carriage on board an entered ship.
- **Deviation extension.** This covers liabilities towards cargo owners arising out of deviations, geographical or legal, from the contractually agreed voyage. Examples include geographical route changes, delay or failure to load cargo, discharge at a port other than that stipulated in the bill of lading, delivery of cargo without bill of lading, post/ante-dated bills of lading, carriage of cargo on deck or issuance of ad valorem bills of lading.
- **General Average extension.** This covers cargo's general average contributions (including salvage and other costs) where an owner agrees by contract or decides not to seek GA recoveries from cargo interests in whole or in part.

- **Contractual cover.** This responds to P&I-type liabilities assumed under contract that are more onerous for the member than their liabilities 'at law' and more onerous than can be accepted under normal core P&I cover. These will typically be contractual indemnities or other unbalanced assumptions of risk. Examples include:
 - towage contracts
 - port indemnities
 - offshore contracting.

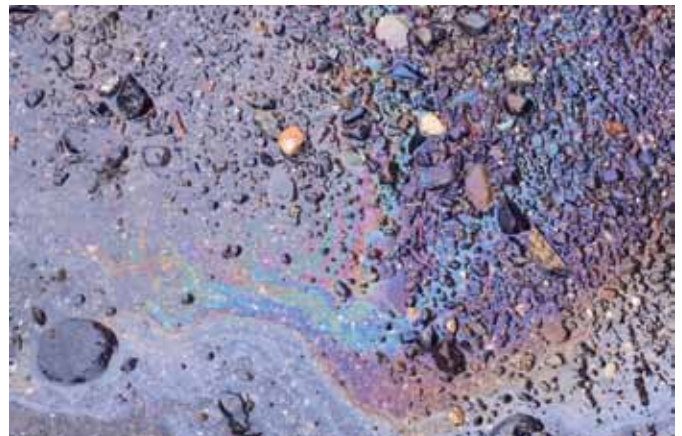
This cover can be provided for individual contracts or on an annual basis.

Contractual liabilities



Pollution

- **Oil Spill Response Organisation extension.** This provides cover for contracts where the liability regime is more onerous than permitted under the International Group guidelines. The contractual P&I risks from non-IG approved OSRO contracts can be accommodated.
- **Pollution GA cover.** Some charterparties include an amended general average clause, such as in the Exxonvoy 90, where preventive pollution costs cannot be passed on to charterers or cargo owners and so remain the responsibility of the ship operator.



Commodity traders

- **Commodity Traders' cover** is a package of two distinct sections of liability cover that can be selected according to the member's requirements:
 - **The core cover** addresses the needs of traders where they are acting as a charterer and provides normal charterers' P&I and Defence cover as well as liability for damage to hull, extended cargo liability, loss of hire arising from physical damage, piracy or lawful detention and liabilities arising from indemnities for mixing and blending.
 - **An additional section of cover** is available for insureds for non-ship based liabilities and includes cover for personal injury, property damage, products liability and pollution arising from storage, transportation and mixing/blending.

Crew

- **Pre/Post-Delivery Crew extension.** This covers the member for liabilities to third parties arising from the provision of crew prior to delivery of a ship to the member or after delivery by the member to a new operator. As the member does not have an interest in the ship at those times, additional cover is needed for this risk. (NB: liabilities for illness of or injury to pre/post-delivery crew can be covered as part of a member's normal P&I cover.)
- **New Building Supervisors' extension.** This covers the member for contractual liabilities to personnel appointed to supervise ships being built or undergoing refit or conversion work.
- **Crew Managers' extension.** This provides cover for crew managers, typically for their contractual obligations to meet liabilities for death, injury or illness of seafarers.

Professional liability



- **Ship Managers' Liability cover** responds to liabilities for property damage, personal injury or fines where a member is providing services as a technical, crew or commercial ship manager.
- **Ship Agents' Liability cover** responds to professional negligence liabilities, including liabilities arising from bills of lading, property damage, personal injury, fines, exceeding authority and cargo disposal.
- **New Building Supervision cover** responds to a member's professional liability arising from the act or default arising from the negligent performance of their personnel involved in supervision of construction or conversion work, including liabilities arising from personal injury or third-party property damage.

Kidnap and ransom

- **K&R cover** pays for the cost of negotiation, legal expenses, the ransom itself, loss of the ransom in transit and crew liabilities arising from a maritime piracy incident.
- **Loss of hire cover** relating to a piracy incident is also available.

Defence

Defence class cover (also known as FD&D) provides a member with cover for his legal and other expenses incurred in defending or pursuing legal proceedings in relation to the operation of their entered ships.

These will typically arise out of disputes under charterparties, bills of lading and other operational agreements. The club can also provide cover for new building and conversion disputes.

Cover is by its nature discretionary in that the club must be satisfied as to the merits and quantum of the case and that the expenditure will have a beneficial result. Cover is limited to \$5m.



Obstruction of waterways



Obstruction of Waterways cover is available to operators of inland tonnage. It provides compensation to a member for their financial loss in the event that their ship is unable to proceed with a voyage due to the closure or obstruction of a waterway, lock or port due to a casualty involving another ship. Typical limits of cover are formulated on the basis of a number of days on risk, with a day rate per cargo ton at risk.

The club provides all members with excess P&I war risks cover of \$500m excess of the ship's value (deemed not to exceed \$100m).

In addition, the club can provide full primary hull and P&I war risks cover under the club's **War Risks class**. The Standard War Risks class is a member of the Combined Group of War Risks Clubs and benefits from extensive reinsurance providing members with comprehensive and high-limit cover. The class benefits from an 'Omnibus' Rule, not found in commercial covers. The class's membership comprises predominantly British commonwealth flag or owned ships but is open to all nationalities of ship/operator.

War risks

- **War Hull cover** insures physical loss or damage, loss of hire, and detention and diversion expenses caused by war, civil war, revolution, rebellion, insurrection, or civil strife arising therefrom, or any hostile act by or against a belligerent power. Rates are annual and not subject to seven days' notice of cancellation and the limit is hull value. APs for excluded areas are very competitive.
- **War P&I cover** provides primary P&I cover for liabilities arising from war and the limit is \$500m irrespective of hull value.

Offshore energy risks – P&I cover under the Standard Offshore Rules (SOR)

This is a standalone P&I cover on a fixed premium basis provided to offshore unit owners and/or operators that are not eligible for pooling any of their liabilities within the IG system: drillships, drilling rigs, FPSOs etc., which are constructed or adapted to carry out oil/gas drilling or production operations.

The SOR cover is also designed for accommodation units moored or positioned on site as an integral part of such operations. SOR cover includes a built-in contractual extension that responds to P&I liabilities assumed under contract (but cargo liabilities and liability for control of well/subsea pollution are excluded).

Offshore Liability Extension (OLE)

- This complements the SOR cover as it reinstates P&I cover for some risks excluded under the SOR. It is broad in scope as it covers:
 - contractual liability for loss/damage to third-party property on board the entered unit or being used from the unit
 - death, illness or injury of employees whilst not working on board the unit
 - clean-up of pollution from the well caused by negligence and contractual liability for damage caused by pollution from the well
 - clean-up of debris or equipment deposited on the seabed as a result of a casualty.

Offshore P&I War Risks cover responds to P&I liabilities arising that are excluded under the SOR by virtue of the war risks exclusion clause.

Offshore biochemical risks cover responds to P&I liabilities for crew death, injury or illness arising from biochemical risks, which are otherwise excluded under the offshore war risks cover.



Offshore extension

This extension, for those members covered under the normal club P&I rules (not the SOR) who operate a variety of ships in the offshore sector, including AHTSs, PSVs, DSVs and barges, cable pipe laying ships etc., reinstates cover for a number of risks that are excluded from poolable P&I cover. It is a flexible cover that allows members to choose the risks they wish to reinstate, and different limits of cover can be purchased:

- **Specialist Operations cover** responds to P&I liabilities arising during the course of performing specialist operations, e.g. dredging, cable/pipe laying, construction/installation/maintenance work, depositing of spoil etc., which arise from the specialist nature of the operations. The cover excludes liabilities for failure to perform, fitness for purpose, quality of the work or loss/damage to the contract work.
- **Underwater Vehicles cover** responds to P&I liabilities arising out of the operation of underwater vehicles, including remotely operated vehicles (ROVs), submarines, mini-submarines, sea ploughs, scarabs and diving bells (but excluding loss/damage to the vehicles).
- **Divers' cover** responds to P&I liabilities arising out of the activities of professional or commercial divers where the member is responsible for such activities (excluding contractual liability for death, illness or injury of the divers).
- **Property on Board cover** the extension responds to P&I liabilities assumed under contract in respect of loss/damage to property (other than cargo, stores or fuel) on board the entered ship or being used from the ship.



Passengers

- **Passenger extension.** This covers liabilities to passengers whilst not on board the ship, including travel to or from the ship, and during separately arranged shore excursions and off-ship activities.
- **Off-ship Activities cover.** This covers the member's liabilities to passengers whilst they are taking part in off-ship recreational activities such as motorised water sports.
- **Catering Crew/Concessionaires' extension.** This provides cover for the ship operator's liabilities for injury, illness and death arising under service agreements with catering contractors or providers of other on-board services ('concessionaires').
- **Social Responsibility cover.** This is an extension for liabilities that would normally be covered under the club rules but where the amount of the liability is in excess of the shipowner's legal liability under international conventions such as the 1976 Convention on Limitation of Liability for Maritime Claims or under local law.
- **On-board Revenue cover.** This responds in agreed circumstances to loss of revenue that would otherwise be earned on board the ship.
- **War PLR Blue cards.** The club can issue the necessary evidence of financial responsibility ('blue card') for liabilities otherwise excluded by the war risks exclusion under the European Passenger Liability Regulation.



Insurance covers provided by Charles Taylor

The following covers and services are arranged by Charles Taylor Group companies. The insurance cover is provided by commercial underwriters and not by The Standard Club itself.

Hull

Standard Club Hull is a facility, arranged by Charles Taylor Services Ltd for members of the club and insured by Swiss Re and various syndicates at Lloyd's. The facility benefits from 'club style' claims service supported by Charles Taylor's extensive marine market and technical expertise.

- **The Hull and Machinery cover** is flexible on wordings and can accommodate all market forms. The cover can include Increased Value, Loss of Hire and War. The maximum line is usually 45% of combined limits of \$100m for Hull and Machinery and Increased Value (subject to sub limits of \$100m and \$30m respectively), \$10m in respect of Loss of Hire and \$100m in respect of War.



Directors' and Officers' cover

Charles Taylor Services Ltd has developed D&O cover specially tailored for the marine industry. This cover is insured by various syndicates at Lloyd's.

– **Directors' and Officers' cover** protects directors and senior employees against claims arising from decisions and actions taken whilst managing their business. It responds to liabilities for financial loss arising from acts, errors and omissions, protects directors' and officers' personal assets and covers the cost of defending such claims. The cover includes pollution claims and automatic indemnification of a ship's master as an insured person. Limits are available up to \$100m.

– **Side A Excess Directors' and Officers' Difference in Condition cover** sits above and alongside an underlying D&O cover (whether a Charles Taylor facility or not) and extends limits to indemnify the director and covers risks excluded. Limits are available up to \$25m.

Captive management services

Charles Taylor provides a complete captive management service from initial feasibility studies to the establishment and management of captive insurance companies. We set up and manage traditional single-parent captives, group captives and also provide turnkey segregated cell companies offering ease of implementation and exit to our clients. We currently manage more than 100 segregated cell and 40 single parent, group and agency programmes.

We provide end-to-end captive management services and/or bespoke services that can be accessed by captives on a stand-alone basis.

Our captive management services are delivered from Bermuda, Delaware, Isle of Man and Dublin.

The Standard Club – setting the standard for service and security

The Standard Club 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, operators and charterers for their liabilities to third parties arising out of ship operations.

The Standard Club prides itself on the quality of its service to its members, and sets great store on its responsiveness and support at all times, especially in times of crisis. Just as important is the emphasis on financial strength and stability through the club's strong balance sheet and financial resilience.

The managers are members of the Charles Taylor Group. Charles Taylor is a leading international provider of professional services to clients in the global insurance market.

Charles Taylor's services include mutual management, loss adjusting, insurance support services, captive management, risk management, insurance run-off, underwriting facilities, technical and surveying consultancy and investment management.



Charles Taylor carries out P&I management and support operations from seven locations in major maritime centres. The Charles Taylor Group has an additional 43 offices around the world providing an extensive range of insurance services.

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The Standard Club Ltd is regulated by the Bermuda Monetary Authority. The Standard Club Ltd is the holding company of the Standard Club Europe Ltd and the Standard Club Asia Ltd. The Standard Club Europe Ltd is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Standard Club Asia Ltd is regulated by the Monetary Authority of Singapore.

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Charles Taylor Services Limited (CTS) is authorised and regulated by the UK Financial Conduct Authority (FRN 520262) to carry out general insurance mediation activities for commercial clients. For more details please see www.fsa.gov.uk/register/home.do or call the FCA on 0845 606 1234.

CTS is a wholly owned subsidiary of Charles Taylor Holdings Limited. The ultimate parent and controlling company is Charles Taylor plc.