

Standard Bulletin

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The Standard
for service and security

The Standard



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This special edition of the Standard Bulletin updates members on the progress of The Standard Syndicate since its launch in April 2015. It sets out the full range of insurance provided by the syndicate, which can be bought as stand-alone covers or combined with the club's P&I cover to provide a comprehensive package of insurance to members.

The Standard Syndicate – a cornerstone of the club's strategy

The Standard Club's strategic objectives are: to offer a broad range of P&I insurance and other marine and energy covers that represent excellent and sustainable value; to be recognised as providing excellent service through solving members' problems; to provide first-class financial security; and to achieve selective growth, consistent with the other objectives.

The launch of The Standard Syndicate at Lloyd's, which started underwriting on 1 April 2015, is one of the many initiatives we have undertaken to meet these objectives. The club provides 40% of the syndicate's underwriting capital. In turn, the syndicate offers members a wide range of additional covers. The syndicate aims to underwrite for profit and, if it achieves its targets, we believe it will become a valuable source of income to support the club's core mutual P&I business.

The Standard Syndicate – meeting members' insurance needs

I am delighted that the syndicate has had excellent support from members, with many of you already buying additional covers. I have also been pleased that the teams at the club and the syndicate have had the opportunity to work together to provide tailored packages for members that combine P&I with other insurance.

The syndicate has now extended its range of covers, with the addition of Political Risk, Political Violence & Terrorism and Fine Art & Specie classes. With these additional covers, I hope that together, the club and the syndicate will be able to meet more of your insurance needs.

What follows is a series of articles from the class underwriters and underwriters of the syndicate to explain each of their covers.

If you have any queries about the syndicate or the insurance covers available, please either contact the author of each article directly, get in touch with your usual club contact or speak to your broker.

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Active Underwriter

Building a new marine and energy insurance provider at Lloyd's



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The Standard Syndicate shares the following Insurer Financial Strength ratings with Lloyd's:

A+ (strong) Standard and Poors,
AA- (very strong) Fitch,
A (excellent) A.M. Best.

The Standard Syndicate has grown in a number of ways since it was launched in April 2015. We have added new covers, increased our line sizes so that we can insure larger risks and welcomed new faces to the team. This is despite tough market conditions.

Understanding your insurance needs

We are working hard to build our reputation as a dedicated marine and energy insurance provider in the Lloyd's market.

From my years of working at The Standard Club and my ongoing discussions with my colleagues, I hope I have gained an understanding of the insurance requirements of the shipping and energy industries and all their associated risks, which has been at the heart of our thinking as we have developed the syndicate's strategy. This strategy has evolved as we have learned more about the appetite of our assureds along the way.

We have now launched new classes to build our diverse marine and energy portfolio with the addition of Political Risk, Political Violence & Terrorism and Fine Art & Specie classes. These are complementary to the covers already available. The articles in this bulletin give more information about each of the classes and how the covers now available could benefit you and your business.

Delivering a flexible and responsive claims service

Our claims service is based on our experience of working with members of The Standard Club to provide a flexible

service, tailored to the needs of the assured. Our claims team provides an update on its approach on page 23.

Available locally where we are needed

Our innovative distribution model allows us to provide a local service to assureds in key maritime hubs. Our main underwriting base is in the London market, and we have opened service offices in the North American, Asian and European insurance markets. This distribution option is particularly suited to business not currently placed in the Lloyd's market.

The future

We are grateful for the support of club members and their brokers in choosing us to place their business. We plan to continue to find further opportunities to work with members of The Standard Club, by developing the products within each class to offer higher limits and more comprehensive cover.

If you have any queries about the syndicate or the insurance covers available, please contact me or another member of The Standard Syndicate team, the full details for whom can be found on the following page.



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Fine Art & Specie



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Cargo Insurance

Global protection for cargo in an ever-changing environment



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With an underwriting team with many years of experience, we routinely insure cargo and equipment risks of every type and nature, both complex and straightforward. Combined with a commercial approach, our coverage is contemporary, responsive and always competitively priced.

Cargo insurance is an integral part of global trade and commerce, and supports exporters and importers across the globe. Whether trading with developed markets or exploring new opportunities, cargo insurance provides valuable protection for mobile cargo assets.

About Nick

I have over 25 years of cargo experience in underwriting and broking roles. Prior to joining The Standard Syndicate, I held positions in F M Global and Marsh, dealing with corporate clients whose cargo exposures ranged from bulk oil to satellites in transit. Whether working on new opportunities, providing underwriting solutions or servicing clients, I favour a partnership approach that supports long-term relationships.

The cover

Whether you own cargo or are transporting a customer's goods, the risks inherent within the global logistics chain can be significant. Aside from the cost of replacing damaged cargo, an organisation's reputation can be compromised if products do not arrive at their destination at the right time and in optimal condition.

You may be a cargo owner, a logistics provider looking to offer a value-adding service to a customer or have risk of loss in the transportation of your own spares and equipment. For all of these, The Standard Syndicate offers the full range of cargo insurance and loss prevention services. We insure all types of cargo and equipment from bulk commodities to specialist project cargo, with cover available throughout

the entire transport chain. We can insure your spares and equipment inventory whether warehoused or in transit globally to the fleet.

Your equipment may be deployed in offshore operations – we have coverage tailored to the unique exposures of your topside and subsea operations. Our responsive coverage is tailored to your specific requirements and is based on globally recognised clauses.

Our loss prevention services are designed to work alongside initiatives already in place to ensure cargoes and assets are stored, transported or deployed in optimal condition.

All of our insurance products and services are delivered with:

- a consistent, service-focused approach
- a bespoke, responsive coverage at attractive pricing
- a thorough understanding of our customers' operations and exposure profile
- a supportive and engaged approach to claims handling and settlement
- risk management initiatives and services designed to help our customers reduce their exposure to loss and mitigate premium cost.



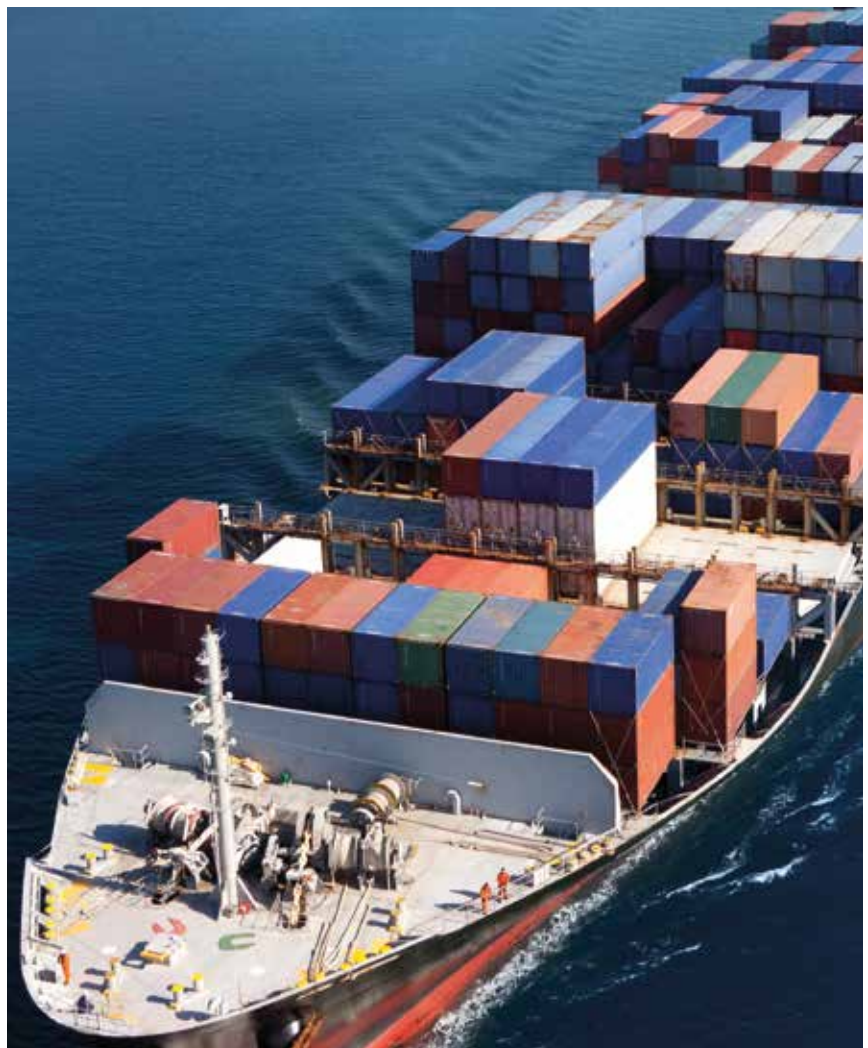
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Case study

The value of The Standard Syndicate's cargo insurance was illustrated in a recent situation in which a customer suffered both physical damage to cargo and also a demand for General Average contribution arising out of the same event. Our claims professionals immediately provided the necessary General Average guarantee to allow the remaining cargo to continue to destination, and then quickly and efficiently settled the damage loss to the customer's great satisfaction.

Summary

Cargo is exposed to varied and numerous risks throughout the logistics process, whether it's a local delivery or a long ocean voyage. Despite best efforts, loss or damage to cargo can occur at any stage. Cargo insurance gives you the peace of mind that the costs associated with lost, damaged or delayed cargo can be recovered.



D&O Insurance

Peace of mind for directors and cash flow protection for companies – a win-win with D&O insurance



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Be wise before the event: D&O insurance offers cost-effective protection for directors, officers and principals, for decisions made in the course of their work.

About Sarah

I have acted as a wholesale and retail broker in both England and Canada for over 15 years. I have acted for clients in a variety of industries including marine, oil and gas, travel and tourism, and commercial risks. Prior to joining The Standard Syndicate, I was an underwriter of D&O insurance for five years with a major multinational insurer.

The cover

Business leaders should be aware of their personal culpability for business decisions and the protection available to them for this risk.

Aside from daily operations, directors and officers face an increasing range of obligations to the wider world, including being held accountable for fraud, breach of international sanctions, misrepresenting financial circumstances, bribery and corruption, anti-competitive behaviour/antitrust matters, health and safety, pollution, tax and money laundering. Such responsibilities grow in complexity wherever international commerce is involved – an everyday feature in the marine industry.

Directors and officers of shipping companies are typically aware of operational and regulatory risks, and take their responsibilities in these areas very seriously. However, in the current industry climate, with

increased pressure on a company's decision-makers to ensure financial stability and the continuity of their company, maintaining profitability can supersede other obligations. In challenging economic times, there may be reduced numbers of managers, fewer crew, lower investment into maintenance, etc, and all of these combine to enhance the risk of personal culpability to directors and officers if things go wrong.

The Standard Syndicate is committed to raising awareness among shipping company leaders regarding their personal culpability and to offer protection against the cost of defending potential claims arising from such operations through Directors' and Officers' (D&O) insurance.

In addition to international regulators, environment agencies, classification societies and so on, directors and officers are accountable to shareholders and investors to oversee an organisation responsibly. They will be judged on their 'awareness' of any potential misconduct and their actions to identify, remedy and monitor the risks that may have contributed to the alleged misconduct. Consequently, they have increased obligations and responsibilities, and must respond proactively to 'red flags' and address concerns and allegations that could arise.



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Training, monitoring and regular oversight are essential to providing a defence, but issues can still arise, which is where a D&O policy would respond, covering the cost of lawyers and protecting cash flow for the company throughout the investigation.

Case study

One recent incident, reported in August 2016, involved prosecutions of the chief engineer and the first assistant engineer of a vessel. Each individual faces a fine of up to \$250,000 and up to five years' imprisonment under the US Act to Prevent Pollution from Ships. Crucially, the cost of defending crew or management for MARPOL breaches is discretionary under P&I cover, but in the event that they are not paid by a P&I club, they would be covered by our D&O policy.

Summary

Although a D&O insurance policy cannot protect against all risks to a director or officer, a comprehensive D&O policy can help in the event of a claim brought against them and significantly reduce the chance that a director's or officer's personal wealth is jeopardised to defend an unforeseen event.

The Standard Syndicate's policy wording is deliberately drafted to dovetail into P&I cover and provide as comprehensive cover as possible, while providing the comfort that the same quality of service will be given to resolve claim situations promptly and effectively as members would expect from The Standard Club.

In the US, the recent Yates Memorandum issued by the Department of Justice (DoJ) is placing greater emphasis on ensuring that directors and officers are held personally liable for corporate misconduct. The policy is clear – prosecutors should build the strongest possible case against individuals in corporate investigations and provide deterrence against future wrongdoing. The DoJ can also claim jurisdiction to investigate alleged bribery in any country. There is no necessity for a connection to a US entity or US citizen. The UK's Anti-Bribery Act has similar cross-border provisions.



E&O Insurance

High standards that need protecting



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Errors & Omissions Liability insurance provides reassurance for your professionals against the cost of investigating alleged wrongdoing, defending litigation and paying compensation in the event that fault is found, be it a mistake or a failure to exercise the correct amount of skill in providing the professional service.

About Sajjad

I have 35 years' experience in the London marine insurance market with broking and underwriting establishments, including two other Lloyd's syndicates.

The cover

E&O cover protects professionals in the marine and energy industry from the risk of human error made during the course of their employment. The types of claims that may be brought against the insured include:

- Breach of Warranty of Authority
- Physical loss of/damage to third-party property
- Death, bodily injury
- Breach of confidentiality
- Infringement of copyright
- Breach of contract entered into by the insured on behalf of a third party.

Coverage includes defence costs.

Extensions to cover are also available, including:

- Court attendance compensation
- Loss mitigation costs
- Replacement costs for loss or damage to documents.

Ship manager cover

- Failure to maintain the ship in accordance with the management agreement, which gives rise to engine damage
- Cost of delay to the ship because of failure to ensure appropriate visa arrangements for the crew
- Failure to comply with flag state requirements/International Safety Management Code/International Ship and Port Facility Security Code, which gives rise to a fine or delay
- Failure to arrange necessary insurances

Ship agent cover

- Issuing a bill of lading with incorrect information, which leads to a cargo claim
- Release of cargo without appropriate documentation
- Failure to arrange necessary port services, which delays the ship
- Incorrect declaration to customs and immigration authorities, which leads to a fine

Summary

The syndicate can provide bespoke E&O coverage to complement the cover provided by the other classes of the syndicate, and your P&I cover.



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Energy Insurance

Energy cover for every stage of exploration and production



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This article provides a basic example of what can go wrong and how our insurance policies can respond. We provide a range of different coverages that can give members/clients comprehensive coverage throughout all stages of oil and gas exploration and production. These also include risk mitigation such as Marine Warranty Surveys and other surveys.

With so many risks involved in the process of exploring for and producing hydrocarbons, it is important for those involved to partner with insurers that can understand and provide cover for every stage of the process to ensure there are as few gaps in cover as possible.

About the team

The Energy team comprises three underwriters with a combined experience of over 30 years. This experience is mostly in underwriting within Lloyd's of London; however, we also have experience working for insurers and syndicates within the Middle East and Singapore, as well as for major global brokers.

The cover

- Operator's Extra Expense/Well Control/Pollution – all well types from exploration to producing wells
- Physical Damage cover for mobile offshore and onshore drilling units, including associated equipment plus Loss of Hire
- Offshore construction and installation projects (from procurement to commissioning), including the building of drilling units, offshore platforms, subsea infrastructure and FPSOs
- Physical Damage cover for operating FPSOs, platforms, pipelines, subsea infrastructure, including Loss of Production Income/Business Interruption

Case study

A drilling contractor engages an operator to drill a production oil well through the operator's well head platform. The operator is responsible for the well in the event of a blowout, including pollution, but is not responsible for the contractor's equipment, including its jack-up rig.

During drilling operations, very high pressures are encountered within the well and after failings in well control, a surface blowout occurs. All crew on the rig are safely evacuated, after which the blowout ignites and sets fire to the rig. The fire then spreads to the platform that the jack-up was cantilevered over. The fire is eventually extinguished and the blowout controlled by a combination of specialist crews.

In this example, the drilling contractor could have taken out an all risks policy, which would have covered the contractor for the cost of repairing or replacing the rig/equipment. This policy could have been extended to include Loss of Hire for agreed daily amounts (typically covering periods of 6 to 12 months). The operator could have taken out an Operator's Extra Expense policy, which would have covered the costs (up to a pre-agreed limit) incurred in regaining control of the well and redrilling the well, as well as the costs for seepage and pollution, clean-up and contamination. The operator could have also taken out an all risks policy, which would have indemnified it for the damage caused to the well head platform by the fire. A Loss of Production Income extension could have been purchased if the loss of the well head platform would have affected production from other wells.

The policies we provide can cover the above risks.



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Fine Art & Specie Insurance

When ordinary is just not good enough



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We understand the need for discretion regarding the identity of our assureds, so our information is not shared with anyone outside this class. All information received is kept absolutely private and confidential.

Fine Art & Specie insurance covers assureds for the augmented risks of unique and valuable items. The market for art and other collectibles has never been more global, valuable or sophisticated than today. Collectors are well advised, therefore, to consult carefully about how to insure those items with experts that possess the right know-how.

About Joshila

I have been an underwriter at Lloyd's of London and in the company market for the past 17 years, and am a recognised leader in this class of business. My expertise is in Fine Art, various general specie risks such as metals and mining, and bank note insurance and cash in transit.

The cover

The Fine Art & Specie class covers:

- private and corporate collections of any kind, including but not limited to art, classic cars, wines, stamps, coins, musical instruments and books
- private jewellery and watch collections, including whilst being worn worldwide
- art on board yachts
- mining risks, including precious metals and stones
- precious metal refiners
- bullion
- contents of safety deposit boxes.

We understand the unusual nature of rare objects, the sensitivities behind collections assembled over decades and projects that simply do not fit the mould of a mainstream insurance policy. We are here to provide tailored solutions that are as unique as the items in question.

We also understand the need for discretion regarding the identity of our assureds, so our information is not shared with anyone outside this class. All information received is kept absolutely private and confidential. As a result, our advice is always impartial.

At The Standard Syndicate, we pride ourselves in being able to provide immediate hands-on support if something should ever go wrong. We provide first-class risk management advice, collaborate with a tight network of experienced claims adjusters worldwide and have access to quality restorers and specialists in the event of a loss. We always operate to the highest standards and apply best practices throughout, matching the ethos of The Standard Club.

Case study

A great example of why our specialist knowledge and wide network of expert contacts is so vital for the assured is the recent case of a collector client who owns one of Jeff Koons' mirror-polished stainless steel sculptures, called *Elephant*. These sought-after works, inspired by inflatable toys, are quite large in scale and this particular piece was valued at €950,000.



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One day, the assured noticed a crack in the mirror veneer, which exposed the solid base structure of what is meant to look like an incredible lightweight, floating object. Working with a specialist loss adjuster, we noticed very quickly that nothing could be done in a traditional way to repair the work.

Understanding the idea behind the artwork and the damage this scratch had done to the very concept of it, this was classed as a total loss. However, Joshila instead contacted Jeff Koons' studio directly and organised for a replacement to be made by the artist, specifically designed for our client.

The client was naturally incredibly pleased to have received a bespoke artwork from the famous artist himself, rather than buying a similar one from the secondary market. There was no loss of value, the collection of our client was in the end enhanced and the costs to the insurers were below the total loss value, so it was a win-win for everybody.

Summary

Our understanding of the items insured means that we are able to offer tailored solutions and risk management services to suit the needs of each individual.

Hull & Machinery Insurance

Physical damage cover for quality operators



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Marine hull insurance provides protection against the physical damage to the hull and machinery of a ship. This class has been well supported by the membership and we are looking to develop the class by building long-term relationships with quality operators.

About the team

Our team of underwriters has years of experience and can provide insurance tailored to your requirements. I have over 15 years of experience in marine hull underwriting, working at another syndicate in Lloyd's of London.

The cover

The Standard Syndicate offers insurance coverage for those responsible for or financially interested in a ship. This could be the owner, manager or bareboat charterer. The syndicate offers a full range of insurance coverage to provide protection against the risks inherent in operating a ship, such as perils of the sea, machinery damage and piracy. This includes:

- Marine Hull and Machinery on an all risk or named peril basis
- Increased Value, which covers additional indemnity over and above what is covered under the Hull and Machinery policy
- Marine War, which provides cover for damage to the vessel and certain liabilities that have resulted from an act of war
- Builders Risks, which covers the construction or conversion of a vessel
- Mortgagees' Interest insurance, which covers the lenders' outstanding loan amount against the risk of claims under the Hull and Machinery/ War/P&I policies being rejected, usually due to a breach of warranty.

As we are a commercial operation, we can be flexible enough to tailor our coverages to our assured's needs. However, we also maintain our link to The Standard Club's mutual ethos through our engaged approach to claims handling and our aim to help reduce exposure to losses through risk management initiatives and an understanding of our assureds' operations.

Summary

Members of The Standard Club will be familiar with cover for Hull and Machinery risks. What we hope sets The Standard Syndicate apart from other providers is the understanding of your business and the ability to tailor our underwriting and claims service to your needs.

Marine and Energy Liability Insurance

Expertise that raises standards



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The liabilities class covers risks that are additional and complementary to P&I cover. This includes Marine & Energy liabilities for different types of operators.

About Sajjad

As well as underwriting our E&O class, I am also the class underwriter for marine liability, supported by Hannah Day as energy liability underwriter. Hannah has been working at the Syndicate since its inception, having been transferred from The Standard Club, where she had worked since 2011.

The cover

For all risks, worldwide coverage is available (excluding sanctioned areas). The main types of cover we underwrite are:

Marine liabilities:

- Shipowners' Liabilities (as deviation and specialist to a P&I entry)
- Responsibility for Stevedores' Liability
- Container Liability
- Terminal and Port Liability
- Shipyard and Associated Liability
- Marine General Liability
- Excess P&I/Pollution
- Energy Third Party Liabilities
- Cargo Owners' Legal Liability

Energy liabilities:

Offshore:

- Upstream
- Drilling contractors
- E&P companies
- Fixed or mobile operations
- Pollution/OPOL
- Construction All Risks and Decommissioning All Risks

Onshore:

- Tank farms
- Storage operators
- Drilling contractors
- Construction All Risks (CAR) and Decommissioning All Risks (DAR)

Case study

E&P company (company A) operates an oil and gas field, but it is coming to the end of production and the facilities on the field need to be dismantled – in this instance, a platform (fixed structure with a topside sitting above sea level which could include accommodation blocks and drilling equipment). Company A takes out DAR coverage – decommissioning coverage for this project which will not only cover the dismantling but also the loading/unloading and transportation by land, sea or air (including call(s) at port(s) or place(s) as may be required).

Marine and Energy Liability Insurance continued

Company A subcontracts the decommissioning work to a specialist subcontractor (company B) which has specialist equipment and vessels for cutting and lifting the topside from the legs and loading it onto barges/ semi-submersible vessels (which might be owned by company B as part of its marine spread or be chartered in).

During the decommissioning process (and coverage period), some objects fall and damage some third-party wells in the area as well as injuring one of company B's divers.

How will the cover respond?

Company A will be liable for the third-party property damage caused (which will normally be scheduled as 'existing property' in the area). Company A could also be liable for the bodily injury caused to the diver (dependent upon the contract terms with company B). The costs associated with recovering the dropped object will be covered.

Cover would also respond to damage to third parties arising from the sudden and accidental pollution arising from the event. Energy liabilities are a very complicated area where clear understanding of the contracting matrix and of the scope of operations are key to defining the most appropriate terms of cover.

Summary

The syndicate can provide bespoke liabilities covers which dovetail with existing P&I cover ensuring a comprehensive solution for shipowners, contractors and oil companies.

[Read more: Standard Bulletin, Offshore Special Edition on decommissioning.](#)



Marine Property Insurance

All Risks cover for Marine Property and Equipment



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The ports and terminals industry is one of a complex number of links in the international logistics chain. The increased sophistication of port loading and management systems and just-in-time delivery contracts means that the traditional ports and terminals insurance policy is no longer adequate to meet the needs of the industry.

About Tom

I have been underwriting Ports and Terminals property insurance since 2008. I joined The Standard Syndicate in April 2015 from Skuld Syndicate 1897, where I was the Property Underwriter for Ports and Terminals. Previously, I worked at Insure London LLP specialising in Ports and Terminals property insurance.

The cover

The main type of Ports and Terminals risks we underwrite are:

- container terminals
- dry bulk terminals
- wet/liquid bulk terminals
- ship build/repair docks
- tank farm storage facilities (including loading/unloading pipelines)
- roll-on/roll-off terminals (automobiles).

The cover we offer includes:

- Physical Damage to property (buildings, quays/docks, hardstand)
- Physical Damage to equipment (cranes, port vehicles)
- Business Interruption
- Port Blockage
- Vessel Impact.

With an appetite for attracting quality, well risk-managed operations, we aim to work closely with port owners and operators, and offer a comprehensive All Risks cover.

Case studies

What happens when a vessel damages my property?

We understand how important it is to keep operations running within the shipping world as delays will inevitably cost shipowners and port operators money.

As a marine property specialist, our main aim is to restore any damage to property on the waterfront as quickly and effectively as possible; however, we also take into consideration the perspective of the shipowner in what can be a very delicate situation by trying to get the vessel underway as soon as possible. Our strong relationships with marine lawyers and loss adjusters can facilitate the speed and manner in which a claim is handled.

What happens if a vessel sinks in port?

In the event of port blockage or a vessel obstructing access to the terminal, The Standard Syndicate will cover Business Interruption for loss of revenue to the port even though there has been no actual physical damage to the facility – this is not covered under regular Fire Risk insurance policies.



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Marine Property Insurance continued

We use our specialist marine property knowledge to assist in maintaining the level of revenue required for operating a terminal, but will also cover any increased costs of working if necessary. This gives the operator or port owner comfort knowing that profits will be maintained even though activity levels have decreased.

Summary

As the team is part of a specialist marine and energy syndicate, we understand the risks faced in a marine environment and how these can be mitigated. The marine property class can also work with other classes in the syndicate to provide a multi-line package that suits you.



Non-Marine Property Insurance

Venturing inland...



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Working closely with the Marine Property team, the Non-Marine Property cover allows the syndicate the ability to cover multi-modal operations outside of the confines of a port or terminal. After a successful first year, coverage has been expanded and broadened to meet the needs of industrial commercial property interests.

About Ioanna

I joined the syndicate at its inception with over ten years of experience in property insurance. I hold chartered status on CII.

The cover

Today's businesses face numerous challenges. Outside the traditional property risks such as fire, machinery breakdown and natural catastrophes, there are a number of new and more complicated risks such as contingent business interruption and specialised industry-specific risks which businesses need to identify and be prepared for. All Risk property insurance policies offer protection against most property damage risks and associated business interruption and profit loss.

The Standard Syndicate's current book consists of a wide range of property risks in different industries, such as:

- heavy industrial and mining
- light industrial
- commercial/soft occupancies
- infrastructure.

This is in line with the Non-Marine Property team's strategy of developing a well-diversified book in terms of occupancies and geographical spread.

Case study

An employee at a distribution facility in Bedford, UK was using an arc welder to repair a steel pipe. The repair was taking place on the second floor. Sparks fell through a floor opening onto cardboard boxes, which ignited. As there was no fire watch on the first floor it took 10 minutes for the fire to be discovered and the employees' emergency team were unable to extinguish it. By the time the fire department arrived it was too late to save the two-story facility.

In this example, an **All Risks property insurance policy** could cover the reinstatement of the building to current building regulations, the stock destroyed by the fire and/or damaged by the smoke, and also the loss of profit and fixed costs that the company would continue incurring.

If **Extra Expenses** cover was included, it could cover the extra costs of temporarily using other premises. It could also cover the cost of purchasing finished goods from third parties to fulfil orders, if such orders could not be met due to the physical loss or damage, less payment received from the sale of such finished goods.



**The
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Non-Marine Property Insurance continued



If **Extended Period of Indemnity** is purchased, the policy could cover profit loss, even after the building had been reinstated, should sales not have fully recovered by then.

If the warehouse belonged to a key supplier or customer of the client and the fire affected the client's business, the insurance policy could cover the associated business

interruption loss under the **Contingent Business Interruption** cover.

Summary

The above is an example of a simple fire incident and some of the ways that the property insurance policy could respond.

We can support All Risk wording policies that offer clients/members comprehensive and tailored cover.

Political Risk Insurance

Uncertain world, certain cover



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In a constantly changing and unpredictable world, Political Risk insurance protects businesses from the unknown future risks of civil war, changes in leadership or financial crisis.

About Hubert

I have been an insurance underwriter for more than 30 years, helping businesses to face unpredictable risks. I have worked across a number of different countries and classes in this area, including D&O, Professional Liability, employee dishonesty and K&R. I have been focusing on Political Risk for the past 16 years.

The cover

The cover includes several different types of political risk, including:

- governmental expropriation or confiscation of assets
- governmental frustration or repudiation of contracts
- non-payment of contracts or other obligations by the government or a government entity
- wrongful calling of letters of credit or similar on-demand guarantees
- inconvertibility of foreign currency or the inability to repatriate funds.

For a shipowner, these risks may include:

- failure of a sovereign entity to honour payment obligations under a promissory note, bond, loan, guarantee or letter of credit
- non-honouring of shipbuilding refund guarantees
- financial loss caused by unilateral repudiation of a contract by a government buyer or supplier
- government buyer wrongfully calling

on a guarantee or bond provided by the company

- inability to repatriate equipment once a project or contract is completed
- seizure or confiscation of owned or leased assets
- politically motivated violence that results in property damage, or evacuation and repatriation of the local team, leaving valuable equipment behind.

Case studies

Having the proper Political Risk insurance could protect you in any of the following scenarios:

- You have already paid a \$5m advance for a new ship to be built. The state-owned shipyard is in trouble as it is running out of money, but it keeps promising to build your ship. It was supposed to start six months ago. What do you do?
- You have signed a contract to enlarge the entrance of a port in an African country. You have received your advance, brought the equipment on site and completed the work, when a civil war begins. Your government tells you to evacuate your employees. You have unpaid invoices and your equipment has been left unprotected. What do you do?
- You have signed a contract with a Russian entity to supply and deliver equipment against 50%



**The
Standard
Syndicate**

Political Risk Insurance continued

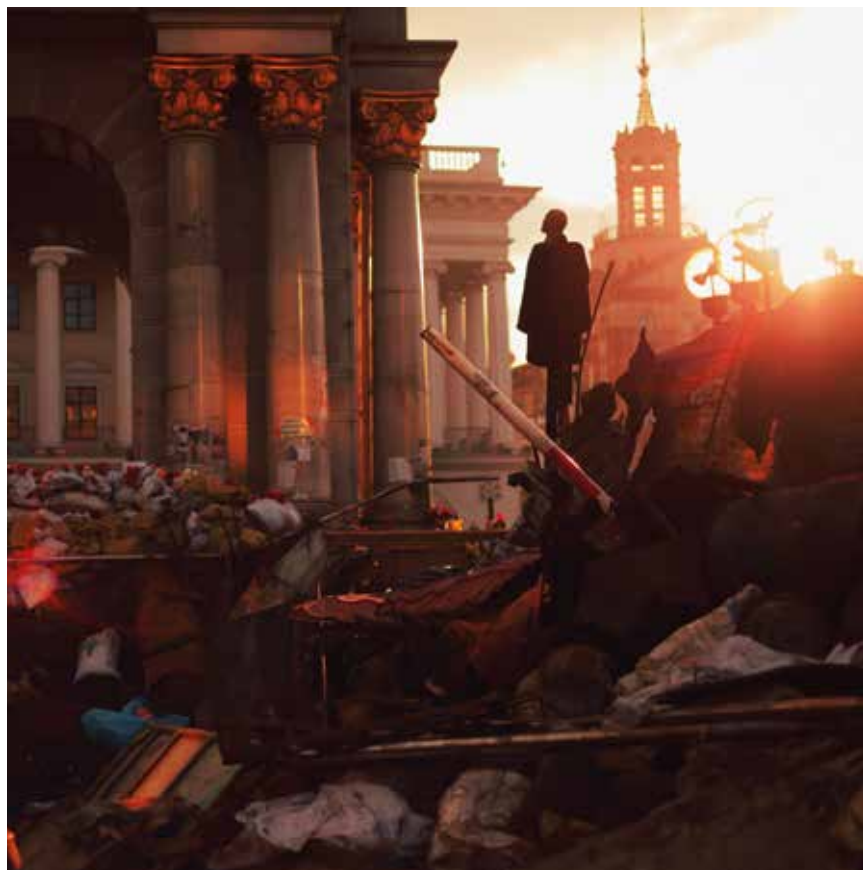
payment in advance and 50% at delivery. You are ready to deliver, but Russia has invaded Crimea and, as a result, the EU has imposed sanctions against your state-owned buyer. You have the equipment but cannot deliver it. What do you do?

- When working in the Niger Delta, civil unrest forces your employees to leave the area and abandon the equipment. You have outstanding invoices, but the buyer refuses to pay you as you have not completed the contract. When you return, the equipment has been badly damaged. What do you do?
- You are selling a commodity to an Asian country. Payment has been secured with documentary credit, with a Letter of Credit issued by a local state-owned bank. You

deliver the goods, but before you can draw down your money, the president is killed by the army and all payment of hard currency is blocked. What do you do?

Summary

Political Risk insurance is a discretionary cover which protects businesses from these types of unforeseen risks. In the scenarios above, once the event has occurred, or sanctions have been put in place, insurance cover cannot be retrospectively obtained to recover losses. It is not always possible to predict when or where disruption will occur, so Political Risk insurance gives assureds a way to share their risk and manage their exposure.



Political Violence Insurance

Global terrorism – are you covered?



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The world is an ever-changing environment and, since 9/11, the word terrorism has been on everyone's mind. However, the majority of companies still do not have coverage for Terrorism or Political Violence perils within their business insurance.

About Alexandra

I have been in the London Market for the past 25 years, with 23 years as a Lloyd's broker, working in a wide variety of classes ranging from Livestock/Bloodstock, Fine Art, Property, Liability and Latin American Property Catastrophe excess of loss reinsurance. For the last ten years, I have been concentrating on Political Violence & Terrorism coverage.

The cover

Political Violence & Terrorism insurance is a Physical Damage catastrophe risk and generally includes Business Interruption. This class is relatively new – it has only been around for the past 15 years and was developed as a result of 9/11, when it was no longer included for free in the property market.

Political Violence provides a broad range of coverage for countries experiencing high levels of unrest and demands for political change.

Terrorism cover is generally issued to insureds with commercial retail assets in developed countries such as Europe, the USA and Singapore, where terrorism is a global, non-domestic issue, and is reflected in the behaviour and objectives of such groups seeking to 'influence' the government and 'put the public in fear' in order to promote their ideological and religious beliefs.

Businesses are starting to buy this cover as a result of increased awareness of these risks and, as a result, it is often included in corporate contingency planning. It is also important to be aware that the majority of sovereign governments do not provide automatic coverage under a Terrorism 'Pool'.

The Standard Syndicate offers the following types of coverages:

- Sabotage and Terrorism
- Riots, Strikes and Civil Commotion
- Political Violence, including War
- Terrorism Liability
- Terrorism Contingency.

Case Studies

In Colombia, in 1994, an ongoing campaign by the FARC and ELN resulted in an attritional loss for Ecopetrol. During that year alone, there were 45 joint attacks or attempted attacks on Ecopetrol's pipelines. During the period of 1986 to 1994, the guerrillas attacked the pipelines 350 times, spilling 1.6 million barrels of crude oil. The cost of repair to the pipelines and environmental contamination during those eight years exceeded \$21m. The targeting of the pipelines during the period caused the loss in production of 67.6 million barrels of oil. Further attacks on the Ecopetrol pipelines have continued into 2015. The key assets had been insured in Lloyd's of London for over ten years.

Political Violence Insurance continued

The property insurance would only have covered the pipelines in the event of All Risks perils excluding terrorism. The Terrorism policy covered Ecopetrol for the terrorism losses to the pipelines after deductibles for the property damage and business interruption.

Readers may recall the series of attacks that took place in November 2008 in Mumbai, when ten members of an Islamic militant organisation carried out a series of 12 coordinated shooting and bombing attacks over four days in multiple locations. One of the targets was a high-profile hotel in the Indian commercial centre, which was held under siege for three days and nights. During the attack, 166 individuals were killed and hundreds were injured. The Terrorism cover in respect of the hotel covered the property for repairs to the physical damage caused outside and inside, such as plastering the bullet holes and replacing the shattered glass. In addition, coverage included the business interruption for the period that the hotel was partly closed to repair the damage.

Since then, security has been increased within the city, and the hotel now has airport-like scanners, car bomb checks for every vehicle and armed guards.

The city has also increased its security, with armoured vehicles mounted with machine guns, which now patrol the wealthy downtown heart of the city.

Summary

The list of recent terrorist events is numerous. In the past few months alone, there have been terrorist attacks in France, Belgium, Germany, Turkey, India, Indonesia, Saudi Arabia, Peru, Paraguay, Colombia, Philippines, Canada, Pakistan, Thailand, Israel, DRC, Nigeria, Venezuela, Somalia, Bahrain, Bangladesh, the USA and Russia.

Terrorism is now endemic, and it is difficult to predict the next target for a lone wolf or planned catastrophic attack.

Political Violence & Terrorism Insurance allows you to take control of an unpredictable event.



Claims

Can't live without them!



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Unfortunately, it is inevitable that claims arise in the insurance world. As a result, an excellent claims management function is a vital component of The Standard Syndicate. To achieve this, we have a claims team with a high level of experience in handling claims in both the P&I world and in the Lloyd's market.

About the team

My previous experience working on P&I claims with members of The Standard Club in various worldwide locations is invaluable in my role as Head of Claims for The Standard Syndicate.

Cecilia Stevens, Senior Claims Adjuster, joined the syndicate at the beginning of the year and brings over 13 years of experience working in the Lloyd's market. She also has a good knowledge of the maritime and P&I world, having previously worked as a legal and commercial P&I correspondent in Mexico.

In addition, the team is supported by expert claims adjusters from Charles Taylor Insurance Services, who between them have well over 40 years' experience working in both Lloyd's and the insurance market generally.

What we offer

In accordance with the service philosophy of the syndicate, the claims service is relationship driven, which means we offer efficient and professional claims management, which is flexible enough to take into account the needs of the syndicate's assureds. We do our best to make ourselves personally available to the various stakeholders in our business, whether to an assured or a broker, or indeed to any other party in the subscription market generally.

We always aim to provide full assistance to our assureds in all circumstances. Following a casualty, we offer a strong emergency response and, on a daily basis, we offer prompt and efficient claims adjusting for the claims that arise across all the syndicate's classes of business. Our aim is to replicate the high service standards provided by the club and this is reflected in the innovative approach to the provision of security for collision liabilities on a 24/7 basis when we are leading on a claim.

In our first 18 months' of operation we are successfully handling a number of significant claims each of which has its own unique characteristics and challenges. As well as ship collisions, groundings and related salvage, these include heavy property fire damage, dock damage, wreck removal and earthquake damage.

Summary

Assureds should feel comfortable that when the inevitable claims do occur, they will receive a high-quality service, focused on efficient and professional claims handling, tailored to their needs and the specific requirements of the case.



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