

# P&I Circular

No. 2667/2021



Gothenburg : **9 February 2021**

**Charterer's Liability and  
Non-poolable insurances  
2021/2022**

## Charterer's Liability and Non-poolable Insurances 2021/2022

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**The terms for Charterers' Liability and Non-poolable Insurances for the 2021/2022 policy year are outlined in this circular. The Association will continue to make comprehensive insurance cover available to suit the needs of individual clients at rating and deductible levels reflecting exposure.**

### Update

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#### Market

After a long run soft cycle, the marine liability market is showing a sustainable drive to improve underwriting performance with a focus on rate increase and balance rather than premium growth. Over the last ten years a soft market has led to decreasing premiums despite a steady increase in claims cost and negative results. Poor underwriting performance is however not sustainable over time. A number of underwriters have therefore withdrawn from the market in recent years which has led to a reduction of capacity in the region of 1 Billion USD. As a reaction to the reduced capacity and a number of large claims in the market, we now see a hardening market which is expected to remain for the coming years.

#### Re-insurance

As the Association's reinsurance program for Charterers Liability and Non-poolable insurances is placed in the marine liability market, a hardening market means substantially increased cost also on the reinsurance side. An increase was therefore anticipated, and the reinsurance program was renewed in line with what could be expected. In terms of conditions there have been no major changes save for the introduction of a Corona Virus Exclusion clause. This, needless to say being a result of the on-going pandemic, has been introduced over the majority of lines of business in the marine insurance market, and excludes any liability, cost or expense caused by COVID-19 or SARS. The Association has decided to offer an extension to cover the excluded liabilities, see below under Corona Virus Extension Cover. In addition to this, the Marine Cyber Endorsement (LMA5403) has been introduced to replace the earlier Cyber Exclusion Clause (LSW380).

## Terms for Charterer's Liability and Non-poolable Insurances 2021/2022

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#### Renewals

The premium for 2021/2022 will be based on the Clients record for current and previous policies and will also reflect the Association's increased cost for reinsurance.

#### Payment of Premium

Premiums are to be paid in accordance with the enclosed "Procedures for Payment of Premium".

## Rules and Conditions

The Association's Rules for Charterers' Insurances for Policy Year 2021/2022 will be published before 20 February 2021 and will be available on the Association's website. Conditions for Non-poolable insurances will be tailor-made for the covered situation.

## Club Clauses

All Charterer's Liability and Non-poolable covers for the 2021/2022 policy year will be made subject to Club Clause C.10 Corona Virus Exclusion Clause (LMA5395) and C.1.3.2 Marine Cyber Endorsement, both as attached. Both clauses will be reflected in the Association's Rules for Charterers Insurances 2021/2022.

## Corona Virus Extension Cover

The Association will offer clients a special extension of cover, the "Corona Virus Extension Cover". The extension cover shall comprise liabilities, losses, costs and expenses falling within the scope of cover agreed but for the presence of Coronavirus Exclusion Clause (LMA 5395). The extension cover shall be subject to a sub-limit of USD 5 million per ship or vessel per event and will be made available through insertion of a clause in the insurance contracts at additional premium.

## Limit of Liability

The Association will tailor covers for Charterers Liability and Non-Poolable Insurances in terms of limits and deductibles based on the needs of the Members in each individual case.

## Lay-up Returns

No lay-up returns will be granted for Charterers Liability or Non-Poolable insurances.

## Special covers

For further information on special covers, re-insurance et cetera, please contact your local underwriting team.

Yours faithfully,



Lars Rhodin

## Enclosures:

- C.10 Corona Virus Exclusion Clause (LMA 5395)
- C.1.3.2 Marine Cyber Endorsement (LMA 5403)
- C.11 Corona Virus Extension Clause
- Procedures for payment of premium



## About The Swedish Club

The Swedish Club is a leading marine mutual insurer, headquartered in Gothenburg, Sweden, with offices in Piraeus, Hong Kong, Tokyo, Oslo and London.

The Club, established by shipowners in 1872, is owned, self-managed and under the direct control of its members. We are a true mutual organisation with a focus on marine safety and loss prevention, with a commitment to furthering an enhanced safety culture at sea.

### The All-in-One Club

#### Protection & Indemnity

The Swedish Club is a member of the International Group of P&I Clubs and offers full mutual cover on a Group basis. Having handled complex P&I matters for more than a century the Club has gained extensive experience in large casualty response.

#### Hull & Machinery

Offering good relationships and close cooperation with our members, we can provide on-site assistance from our in-house surveyors and technical experts. Our team of in-house adjusters offers time and cost benefits to both our members and the Club.

#### Other Insurance Products

The Swedish Club offers a full range of insurance solutions for every area of your business. These include Freight Demurrage & Defence and Energy & Offshore insurance, in addition to specialist products such as Kidnap & Ransom and War Risks.

#### Loss Prevention

Loss prevention is at the heart of everything we do. We deliver a wide range of loss prevention initiatives, training and information, including the Club's Emergency Response Training, Loss Prevention Guides, benchmarking and campaigns. More information can be found at [www.swedishclub.com/lossprevention](http://www.swedishclub.com/lossprevention).

#### The Swedish Club Academy

In conjunction with The Swedish Club Academy we offer our members the benefits of the Maritime Resource Management (MRM) course. Designed to minimise the risk of incidents by encouraging safe and responsible attitudes, the Academy specialises in human factors training and related services for those who have marine safety, efficiency and job satisfaction as their main priorities.

#### Marine Insurance Courses

Our popular Marine Insurance Course and Marine Insurance Seminars are offered yearly to members around the world and cover the essential aspects of marine insurance, ranging from terms and conditions to the practical handling of claims and loss prevention.

#### SCOL - Swedish Club OnLine

Supporting you 24 hours a day, SCOL is a modern intelligence platform which adapts to your needs and helps inform decision making. Your gateway to The Swedish Club, it provides a comprehensive overview of your insurances and claims records at the touch of a button.

[www.swedishclub.com](http://www.swedishclub.com)