

Rights of Recourse

FAQs

1. What constitutes a waiver of rights of recourse?

For the purposes of club cover, a waiver will be broadly interpreted, and will include a waiver, a limitation of or a failure to incorporate rights of recourse for the carriage of dangerous goods.

2. To which contracts does the requirement to uphold rights of recourse apply?

The requirement applies to all contracts for carriage, including, but not limited, to bills of lading, charterparties, service contracts, and shippers' terms and conditions.

It is recognised that the rights of recourse available under Article IV, Rule 6 of the Hague or Hague Visby Rules do not apply as a matter of statute/law to all contracts for carriage, in the same way as to bills of lading. However, the Rules are often contractually incorporated into other contracts for carriage, for example by way of a clause paramount, which would also incorporate rights of recourse. Additionally, equivalent rights may be available to the carrier under other applicable laws – for example, by operation of national legislation which enacts equivalent provisions, by way of the Hamburg Rules, or under the law of the contract for carriage.

The requirement is therefore to be applied to all contracts for carriage, as if a Member had entered into a bill of lading contract incorporating Article IV Rule 6 of the Hague or Hague Visby Rules, or any equivalent provision under other applicable law.

3. What is the position if a waiver is contained in an ancillary contract?

For the avoidance of doubt, any waiver will be subject to the requirement whether it is contained in the relevant contract for carriage itself, or in an ancillary or related contract having the effect of overriding the relevant terms of the contract for carriage. An example might be where a bill of lading does not contain a waiver but a set of shipper's terms is incorporated into the bill of lading and those terms do include such a waiver. In such an example, the waiver would be caught by the requirement.



4. Which losses are caught by this requirement?

All losses arising in respect of contracts for carriage by sea are caught by this requirement, not just loss or damage to cargo. For example, to the extent that an explosion of dangerous goods on board an insured vessel leads to personal

injury, death, pollution, and wreck removal of the vessel, then cover for such losses is prejudiced if they would have been recoverable but for the waiver.

5. What is the effect on cover where the carrier has waived rights of recourse in the contract for carriage?

In such circumstances, to the extent that any liability is attributable to the waiver of rights of recourse, cover is not available as of right, but only at the discretion of a Club Board/Committee. Any obligation arising under a blue card will be met but the relevant club may thereafter seek a recovery for the liability incurred from the Member in question.

6. How is the requirement to be applied if a Member is prevented by law from relying on rights of recourse?

If it is possible for a Member to conclude a contract for carriage which incorporates these rights of recourse, then a Member should do so. If, however, a Member can demonstrate that it is prevented from relying on such rights of recourse due to mandatorily applicable law, then the requirement will not apply.

7. When will the change in cover come into effect?

The change will come into effect at noon GMT on 20 February 2026.

8. How will the requirement work for new contracts or for existing contracts where a Member's obligations extend beyond 20 February 2026 ?

The Group Clubs recognise that for existing contracts for carriage which extend beyond 20 February 2026, Members will need to make arrangements for the purchase of additional cover. For new contracts entered into on or after 20 February 2026, additional cover will also be required for such liabilities. This additional insurance can be arranged by contacting your usual club underwriting contact.