

CLASS II - GENERAL TRADE DISRUPTION INSURANCE

TDI can respond in three specific ways

- **Loss of earnings**

Each vessel may have a daily sum insured agreed when it is declared to the cover. This is similar to the concept of traditional loss of hire cover. Following the occurrence of an insured peril which delays a vessel this sum will be paid, after application of the agreed excess.

- **Additional Costs and Expenses**

Specific costs incurred to enable the insured vessel or cargo to proceed to its intended destination, following the occurrence of a peril, can be recovered.

- **Contractual Penalties**

Many operators may have contracts of affreightment binding them to providing good or services within a specific period. Failure to do so could result in heavy financial penalties. We can design a TDI cover to respond to these penalties if the delay was caused by a named insured peril.

- **What does Class II cover ?**

- ◆ **Fire or explosion on land**

A fire in a shore-side warehouse could prevent or delay a cargo being discharged. The costs of the delay or incurred diversion costs could be claimed.

- ◆ **Extraordinary weather**

Whilst anticipated heavy weather delays can be calculated into a vessels schedule the closure of a port due to extraordinary weather may not be, a vessel could be delayed for several days or have to divert to an alternative port to discharge. Additional costs incurred due to extraordinary weather conditions could be claimed from Transmarine.

- ◆ **Earthquake, heave, landslip, flood, subsidence or volcanic eruption**

Whilst a clear-up operation takes place in the aftermath of an earthquake, vessels may be forced to divert to alternative ports. Cargo en-route to the port may be routed by road or rail to an area which has not been disrupted, these additional diversion costs and costs incurred by the vessel could be recovered.

- ◆ **Contact with aircraft, helicopters or similar objects**

Many ports have airports located close by, an air disaster could affect shipping in the vicinity.

- ◆ **Capsize of Conveyance**

A conveyance is any vessel (for instance transshipment barge) or land conveyance bringing cargo to or from the vessel. An assured could suffer loss of earnings resulting from loss of a third parties cargo or additional expenses whilst awaiting replacement goods.



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◆ **Emergency port closure**

This peril is designed to be deliberately wide as there are many situations where an authorised body could close a port. This could be following an oil spillage, the port could be closed whilst the clean-up operation takes place or closure could occur due to heavy swells, or a dangerous structure could make operating the port hazardous.

◆ **Hulls perils - this can be substituted for Norwegian, Finnish or American hull plans depending on our client's requirement.**

This peril attracts the most interest from our clients. Physical damage to a vessel may result in immediate cancellation of a voyage or cancellation of future schedules whilst the vessel goes for repairs. Although many operators pride themselves on maintaining their vessels to a high standard, breakdowns to essential machinery do happen and can result in costly delays. Various excesses will be applied to these sorts of delays dependent upon the age and condition of the insured vessel.

◆ **Abnormal obstruction of a berth**

Some vessels require specific berths to load or discharge certain cargoes, an obstruction of such a berth, for instance a sunken vessel or part of a damaged crane, could prevent an insured vessel from berthing. The losses incurred due to these delays could be recovered by an assured.

◆ **Master's refusal**

The master of any vessel is in a highly responsible position and if he feels that he may endanger a vessel, its crew or cargo, by proceeding to a particular port, he is entitled to divert to a safe haven. By doing so he may well incur an owner or charterer with additional costs associated with transshipping the cargo to its intended destination, these costs could be claimed.

◆ **Delays following attacks by pirates**

Whilst physical damage caused by pirates would be covered under the hull and machinery section, if the vessel was not damaged, but trade was disrupted, TDI would respond.

◆ **Border closure**

◆ **Expropriation**

◆ **Embargo**

Many operators have long term contracts which could be severely damaged by a political event and could look to a TDI cover to protect their investment.

◆ **Arrest, restraint under quarantine regulations**

◆ **Infectious diseases or poisoning on board**

◆ **Illness, death or injury**

◆ **Discovery of stowaways, rescuing of refugees or life saving, salvage**

These are perils which relate to people and the delays that they can cause an insured vessel, whether they be on board the vessel or in some circumstances when an insured vessel has to divert to assist those in peril.

◆ **Detention following actual or alleged pollution**

A vessel may be detained following an alleged or actual pollution incident, whilst the authorities investigate the vessel may be unable to continue trading and losses would soon mount up.

◆ ***Drug delay***

If a vessel is detained as a result of the infringement of any customs laws, arising out of the discovery or suspicion of the presence on board of illegal narcotics, the daily loss of revenue due to these delays could be recovered.

◆ ***Chemical pollution***

In the event of the insured vessel being delayed as a result of a chemical pollution incident, not emanating from the insured vessel, then the losses due to this delay could be recovered.

◆ ***Blockage of waterways***

Following the theme of a traditional “blocking and trapping” wording TDI will respond to the assured’s loss of revenue if they are unable to trade their vessel because it is prevented from sailing to the open sea due to a warlike act.

TRADE DISRUPTION INSURANCE

Confidential Proposal Form



TRANSMARINE

Name of Assured:

Contact:

Address:

Telephone number:

Facsimile number:

Web site:

E-mail:

Name of Broker:

Contact:

Address:

Telephone number:

Fax number:

Please provide details of vessel or vessels to be insured and include Age / Gt / Dwt / Flag / Class / engine type.

Also state daily insured amount (daily earnings) US\$: please give details of seasonal fluctuations

Please advise number of days cover required (usually 60 or 90):

Are you currently insured?

Name of provider:

Expiry date of existing cover: / /

Are there any other specific circumstances for which you require cover ?

Please provide brief details of previous incidents which would have given rise to a claim (use separate sheets), including but not limited to Hull and Machinery perils. This information should include amount of claim and number of days off hire.

Signed:

Name:

Position:

Date:

Return your completed proposal form to:

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