

The UK Club offers a dedicated team and specialist insurance cover for charterers and traders.

The UK P&I Club is one of the oldest P&I clubs in the world. It provides Protection and Indemnity insurance in respect of third party liabilities and expenses arising from owning ships or operating ships as principals. One of the largest mutual marine protection and indemnity organisations it insures over 200 million tonnes of owned and chartered ships from more than fifty countries across the globe.

UK P&I CLUB 

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IS MANAGED  
BY THOMAS  
MILLER

*UK P&I for Charterers*

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## Liabilities

Charterers face significant liabilities, even where shipowners have their own P&I covers.

Liabilities to shipowners, cargo owners and third parties may be contractual (e.g. breach of charterparty) or non-contractual (e.g. pollution).

Our charterers product responds to both, whether operational and catastrophe liabilities, with high levels of cover. It includes those risks specific to charterers as well as those covered by conventional P&I.

## Charterers Pollution Liability

Charterers are exposed to a variety of pollution liabilities.

Although the Civil Liability Convention may channel tanker pollution claims solely to the shipowner, not all jurisdictions recognise that convention. Furthermore, a shipowner may have recourse rights against the charterer.

Some countries, eg the USA and Japan, may impose direct, even strict liability for pollution caused by a ship upon the charterers.

The US Oil Pollution Act 1990 holds “any person owning, operating or demise chartering the vessel” may be liable. Individual states in (eg Alaska, California, Washington) have enacted their own legislation and most states target the “transporter of oil”, “person having control over oil”, and “person taking responsibility”.

## Charterers Liabilities to the Shipowner for Damage to Hull

**1** *Safe Port or Berth*  
Time charterparties warrant that charterers will only order the ship to call at safe ports or berths. Significant liabilities for loss or damage arise from breach of this warranty.

**2** *Damage by Cargo*  
Charterers frequently assume cargo responsibility. Claims can be made against charterers for ship damage caused by dangerous, noxious or corrosive cargoes such as calcium hypochlorite or direct reduced iron.

**3** *Charterers Servants*  
The charterer is often held responsible for the actions of contractors such as stevedores and other parties for operational services required by charterparties.

**4** *Bunkers*  
Most contracts require charterers to supply bunkers to agreed specifications. Charterers' liability for off-spec bunkers can be very large or involve complicated legal recovery actions against the bunker supplier. Even if the ship's machinery is not damaged the costs of removing, replacing, and disposing of the bunkers, cleaning the ship's tanks and engines, and off-hire costs is covered.

**5** *Operations*  
Hull or equipment claims for damages during ship-to-ship transfer and lighterage can fall upon the charterer if caused by a servant of the charterer, for example a mooring master.

**6** *Salvage Costs and General Average Contributions*  
Charterers' exposure is proportionate to the amount of freight at risk under a voyage charter, and the value of the bunkers on board under a timecharter.

## Charterers Liability to Cargo Interests

The most common basis for claims against charterers not transporting their own cargo, these claims are made in a variety of ways:

- Under Bills of Lading
- In Tort
- Under the Inter-Club Agreement

The Inter-Club Agreement passes or apportions certain cargo liabilities between the shipowner and the charterer. When carrying their own cargo, charterers are entitled to recover from the Club the same amount as would have been recoverable if the cargo had belonged to a third party and that third party had concluded a contract of carriage of the cargo on terms of the Club's recommended standard terms of carriage.

## Other Optional Covers for Additional Exposures

**1** *Cargo owners and traders liabilities*  
Our charterers product can extend to P&I and DTH liabilities incurred as owner of the cargo on board.

**2** *Charterers Bunkers*  
Your bunkers are a valuable property is at risk of loss in maritime accidents.

**3** *Charterers Freight*  
Cover can include freight or hire due from sub-charterers.

**4** *Blocking and Trapping*  
Our product can include daily time charter hire payments due despite a marine accident or obstruction.

**5** *Extended Cargo Cover*  
Cargo service contracts often need similarly tailored cover to match the onerous liabilities they impose.

**6** *Third Party Contracts*  
Sometimes charterers must enter into contracts that impose liability irrespective of fault, or which contain terms more onerous than “knock for knock”. Strict liability can be imposed by service contracts, or when contracting with stevedores, tugs, bunker suppliers or terminals.

## Why the UK Club?

The UK Club covers charterers of ships on both time and voyage basis. Cover extends beyond the claims themselves to include fines, associated costs and expenses including costs incurred to avoid and minimise claims.

- Competitive fixed premium
- Rating based on your contracted trade measures
- Comprehensive cover
- Worldwide office network & claims service
- Web and app based access –to latest documentation, claims and premium information
- Limit options structured for individual businesses
- Expertise & experience of a major marine insurer
- Leading insurer of banks, traders, operators and commodity houses

For free information on maritime liabilities & risk updates follow us on #ukpandi or subscribe to “Latest Updates” at [www.ukpandi.com](http://www.ukpandi.com).

More information at: [www.charterers.org.uk](http://www.charterers.org.uk)