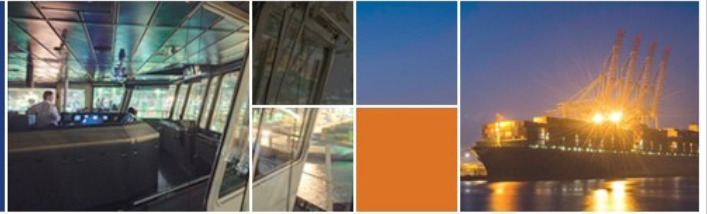




STEAMSHIP MUTUAL

Comprehensive Cover. Exceptional Service.



COVID-19 - Club cover – some basics

April 2020

In these difficult and uncertain times we appreciate that Members will have many questions concerning club cover. Whilst every case will depend upon its own facts, we attempt below to identify Rules which might apply in the present circumstances and to set out in general terms how those Rules operate.

Club cover extends to the following:

Quarantine (Rule 25 xii *)

The cost/ expense of:

- » Disinfection of the entered ship or persons on board (including the cost of taking in fuel in quarantine, loading and discharging cargo, and victualling passengers and crew)
- » Fuel consumed or towage in proceeding to and from and lying at any place solely in accordance with quarantine or public health order ("PHO")
- » Expenses (including additional wages eg overtime, and port charges etc) directly consequent upon deviating to a port or place of refuge (which includes eg a berth or anchorage within a port) and resuming the voyage thereafter.



However:

Note that such quarantine cover applies only to additional expenses (ie that would not have been incurred in any event), and only where the vessel is under, or the expenses are consequent upon quarantine or a public health order.

We construe "quarantine" in this context widely enough to include a requirement of the port that the vessel isolate before it will be allowed to proceed to berth/ disembark crew etc, provided that requirement is directly related to Covid-19. However, where there are general restrictions a member should, as a matter of prudence, confirm with the relevant authority that they apply to its vessel.

Furthermore, if the vessel proceeds to a port where it was known, or ought reasonably to have been known, that the vessel would be subject to quarantine, then there is no cover under this Rule (unless the vessel was already contractually obliged to do so).

Repatriation (Rule 25 ii c)

- » Repatriation expenses of persons on board consequent on illness or injury to such persons (which expenses could include periods of quarantine or isolation if they are an integral and necessary part of the repatriation process and could not reasonably be avoided)
- » Other repatriation expenses, or expenses incurred to avoid repatriation, which are reasonably and necessarily incurred, at the discretion of the managers.

Deviation (Rule 25 ii g)

Additional port and certain deviation expenses (over and above ordinary running costs) where these are solely incurred:

- » To secure necessary treatment for sick or injured person being carried on an entered ship
- » While awaiting a substitute for a deceased, injured or sick crew member provided they have been reasonably incurred.

The additional deviation expenses covered are fuel, insurance, crew wages, stores and provisions, less any savings.

Compensation for illness, injury or death (Rule 25 ii a)

Damages or compensation in respect of injury, illness or death to crew, passengers, supernumeraries or third parties for which the Member is liable.

Medical costs (Rule 25 ii b)

Reasonable hospital and medical costs in relation to injury, illness or death of any person on board, or any seaman whilst engaged as crew.

This could include cost of testing for Covid-19 if this is a part of the medical treatment.

Compensation to passengers for breach of the passage contract (the "Casualty Rule" – 25 ii f)

Damages or compensation for which the Member is liable, under a passage contract, to passengers on board in consequence of a casualty - for these purposes, "casualty" requires that there be an actual threat to the health, life or safety of passengers on the vessel.

Cover includes any liability for the cost of forwarding passengers to destination or returning them to the port of embarkation.

The most typical type of claim here would be for early curtailment of the cruise, or compensation to ferry passengers for delay.

Note the requirement that passengers be on board – we do not cover such liability to passengers prior to boarding, for instance where a cruise sailing or ferry crossing is cancelled.

Loss of baggage and effects (Rule 25 ii h)

Where passenger baggage, or personal property (excluding cash etc) of crew is lost.

Crew substitutes (Rule 25 ii d)

Certain expenses reasonably and necessarily incurred in sending crew substitutes to replace a crew member who has died or been disembarked due to illness.

Cargo liabilities (Rule 25 xiii)

Usual Club cover in respect of cargo extends to:

- » Liability of the Member for loss, shortage, damage or other responsibility arising out of any breach by the Member of its obligations under the contract of carriage
- » Additional handling costs (restowing, discharging, or disposing) of damaged or worthless cargo (less any proceeds of sale)
- » Liability of the Member for extra costs and liabilities arising directly out of the failure of cargo interests to collect or remove cargo from the place of discharge or delivery (to the extent those costs exceed the proceeds of sale of the cargo).

However, certain provisos to cover may apply to the above, including deviation in relation to cargo, delivery without presentation of the original bill of lading, and delivery at a port or place other than that permitted by the contract of carriage. If these situations arise, it is recommended that you get in touch with your usual contact at the Club.

* Rule citations refer to the Owned Rules. For chartered entries, the relevant Rule is 21 (not 25), but otherwise the numberings are the same