

CIRCULAR – Terms and Conditions – Edition 4

June 2019

Lodestar Marine has made some changes to its Protection & Indemnity Terms & Conditions which will be reflected in Edition 4 (June 2019). All amendments are shown in red below.

SECTION II

1.3 – “Liability for the repatriation of a Seaman *on board an insured Ship consequent upon injury or illness*” To clarify the scope of the cover and to exclude, for example, obligations to repatriate a seaman for commercial reasons.

4. Diversion Expenses

4.3 “Landing stowaways or refugees or Persons rescued at sea *or attempting to save or saving life at sea*” To expand the cover to search and rescue activity even where no Persons are in fact rescued.

4A “Proviso – Cover is only available for the Assured’s extra expenses over and above the expense which would have been incurred but for the diversion *and provided that such expenses have in the opinion of the Insurer been reasonably incurred*” To clarify that any expenses must always be reasonable, for example the duration of any search and rescue activity.

SECTION III

28 Wilful Misconduct *and Prudent Uninsured*

28.1 “There is no cover under this insurance for Liability which has been incurred by reason of the wilful misconduct of the Assured. *Further, the Assured shall take such prudent steps to protect its interests as it would have done if not covered by this insurance.*” To include an obligation upon Assureds to always act prudently as if uninsured.

29 Double Insurance

29.1 “There is no right of recovery under this insurance in respect of any Liability or expense recoverable under any other insurance, *including in respect of ~~but for~~ any excess or deductible applicable to the recovery under that other insurance.*”

29.2 “There is no right of recovery under this insurance in respect of any Liability or expense recoverable under any other insurance *as a result of ~~but for~~ any terms in that other insurance which seek to exclude or limit Liability on the basis of double insurance.*”

To clarify that the exclusion from cover applies to any underlying deductible in the other insurance and regardless of a double insurance exclusion in the other insurance.

SECTION IV

34.1 “The insurer may *at its sole discretion* make payments in respect of Liability or expense covered under sub-clause 1.1 directly to a Seaman or on his behalf to a third party.” To clarify that dispensing with the ‘pay to be paid’ provision in respect of illness, injury or death of a Seaman will only be considered in circumstances where the Seaman cannot recover from any other party, including the Assured.

38 Policy Limit and Deductibles

38.1 “The Policy Limit applies to all Assureds and any affiliate or associate of the Assureds collectively. Deductibles apply to any one event *or as may otherwise be agreed by the Insurer. The amount recoverable under this insurance up to the Policy Limit shall be reduced by the amount of the deductible.*” To allow flexibility in how deductibles are agreed, and to clarify that deductibles erode policy limits.

SECTION V

40 Notification by the Assured

The Assured is required to notify the Insurer in writing the following:

- 40.1 Any event; or
- 40.2 Any claim, notice of or any legal proceedings against the Assured or in respect of the Insured Ship

which may lead to a claim under this insurance, either at the time it happens or as soon as reasonably possible after it happens.

To clarify the necessity of advising of a claim in relation to both clause 40.1 and 40.2

Edition 4 of the Terms & Conditions are available on our website www.lodestar-marine.com/news/Terms and Conditions – Edition 4

No hard copies will be distributed.

