



▶ **MARINE LEGAL COSTS COVER**

POLICY 2020



SHIPOWNERS

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This insurance will meet the costs and expenses incurred by *You* in pursuing or resisting claims disputes or proceedings which have arisen during the period that a vessel has been insured with *Us* for Legal Costs Cover and that are set out under 'Your Cover' below.

Should *You* become liable to pay opponents' costs then this Legal Costs Cover will respond to meet those costs.

Legal Costs Cover is an additional cover and is subject to the claims procedures, limitations, definitions and exclusions of *Your* liability insurance policy.

Your cover

The cover and limit *We* provide will be set out in *Your* Certificate of Insurance and shall apply to the following claims, disputes or proceedings:

1. Under any charter agreement or other contract, including claims and disputes concerning charter fees, liquidated damages, delay, set off, breakdown or disablement, speed, performance and description of *Your* vessel, port safety and orders to *Your* vessel.
2. Concerning the exercise or assertion of any rights arising under any charter agreement or other contract, including the right of withdrawal, or a right to keep property belonging to others until a debt is paid and claims arising from this action.
3. In respect of the cancellation of a charterparty or other contract.
4. In respect of the loss of, damage to or detention of *Your* vessel.
5. In respect of the supply of inferior, unsatisfactory or unsuitable fuel, materials or equipment, or other necessities.
6. For negligent or improper repair of or alteration to *Your* vessel.
7. In respect of and in connection with charges, *disbursements*, accounts received from agents, stevedores, chandlers, brokers, customs, harbour or other authorities, or others connected with the running, management and operation of *Your* vessel.
8. In respect of amounts due from or to insurers and any other persons and/or companies conducting the business of marine insurance, other than amounts due to or from *Us*.
9. By or against passengers, guests or others, intended to be being or having been carried on an insured vessel.
10. In respect of salvage or towage services provided by *Your* vessel.
11. By or against captains, crews, stowaways and other persons on or about *Your* vessel.
12. In connection with the sale or purchase of *Your* vessel.
13. In connection with the mortgage of *Your* vessel.
14. In connection with *Your* representation at official investigations, inquests, or other enquiries whatsoever in relation to *Your* vessel.

Period of Cover

For the purpose of this Legal Costs Cover, claims, disputes or proceedings are considered as having arisen:

When arising out of contract (other than a sale or purchase agreement), in tort or under statute, when the cause of action accrues;

In connection with the purchase or sale of a vessel on the date of the contract for its sale or purchase;

In claims for salvage or towage services, when the agreement for the services was concluded, or the services were concluded, whichever is the earlier.

Disputes in respect of loss of, damage to, or detention of your vessel

Any right of recovery under this cover relating to item 4, is allowed only to the extent that the amount in dispute is not covered by *Your* vessel's hull policy. If the amount in dispute is covered by *Your* vessel's hull policy, but falls below the deductible in that policy, then *Your* claims will be assessed on the basis that the deductible in that policy is deemed not to exceed 25% of *Your* vessel's insured value.

This cover is discretionary

Legal Costs Cover is a discretionary form of insurance which means that *We* look at the circumstances of the dispute and *We* have the option to decide whether or not to support *You*, or to continue to support *You* if the dispute has previously been accepted. *We* base *Our* decision upon a number of factors, such as the likelihood of a successful outcome, the likelihood of obtaining security for *Your* claim and costs, the prospect of enforcing an award or judgment in *Your* favour, and whether it is in the interests of the Club as a whole to proceed.

Legal Costs Cover does not respond to costs and expenses covered by *Your* hull and machinery policies or other insurances.

Disputes between joint Members and Co-assureds

This insurance may not be used to cover disputes between joint Members; neither is it available for disputes between Co-assureds.

With respect to disputes between joint Members and Co-assureds, the only circumstance in which *We* may approve use of the Legal Costs Cover is for the benefit of a Member in connection with their dispute with a Co-assured. It is not possible for a Co-assured to obtain *Our* support to pursue a Member.

Minimum amount in dispute

Unless *We* (at *Our* discretion) decide otherwise, there shall be no right of recovery under this additional cover if the principal amount involved in the claim, dispute or proceedings is less than US\$ 5,000 or its currency equivalent.

Costs and set offs

In assessing *Your* rights of recovery, *We* shall take into account any costs paid or set off by the other party to the claim, dispute or proceedings and *Your* right of recovery shall be limited to the net costs payable by *You*.

In the case of a settlement of a claim, dispute or proceedings in which the other party does not make any contribution to *Your* costs, *We* shall, at *Our* discretion, decide the sum to which *Your* right of recovery shall be restricted.

Immediate advice and local assistance is also available from the insurer's correspondents who are listed at: www.shipownersclub.com/correspondents

Claims handling procedure

For assistance with claims, please contact *Our* branches:

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10 Whitechapel High Street
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