

Ship manager liability insurance

Risk solutions covering ship managers' liabilities



Providing the widest range of risk solutions

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In a world of increasing complexity, Gard's objective is to help our Members and clients manage the totality of their exposures – both to existing and developing risks.

As a multi-line insurer – with the strongest rating in the marine market – Gard is uniquely positioned to understand how risks fit together, and identify the best choice of products, ensuring seamless coverage and service.

Innovation has always been a cornerstone of Gard's business model and, over the years, we have refined and extended our standard products and introduced a range of additional products, responding to special needs and requirements from different parts of the marine industry.

Gard's ship manager liability insurance responds to the ship manager's liabilities arising from his negligence in performing the duties under the contract between the owner and the ship manager. The cover provides financial protection for ship managers, as well as claims handling and legal assistance from Gard.

Further information can be found on our webpage (www.gard.no) under "Covering risks", or from your usual contact.

Scope of cover



The ship manager liability insurance responds to the ship manager's liabilities arising from his negligence in performing the duties under the contract between the owner and the ship manager

Coverage



- Liabilities, losses, damage, costs or expenses incurred by the assured arising out of the activities and/or operations performed by or at the risk and responsibility of the assured in his capacity as a ship manager performing ship management functions as an agent of the owner, under a standard BIMCO SHIPMAN or CREWMAN.

Amounts recoverable



- Financial protection for liabilities incurred in connection with the ship manager's performance of the services set out in the ship management contract.
- Legal and other costs incurred to avert or minimise liabilities.

Special exclusions

- Cover is not available unless the liabilities arise under a contract pre-approved by Gard.

Limit and deductible

- Limit up to USD 20 million per event.
- Deductible: USD 50,000 per event or other deductible by agreement.

Who can be covered

Gard clients with underlying P&I cover when acting as ship managers, performing ship management functions (including but not limited to full management, operational, commercial, technical and crew management functions, on behalf of an owner).

Case studies



The ship manager liability insurance responds to a wide range of risks.

Failure to maintain the ship

The manager may be deemed to have failed to maintain the ship properly in accordance with the ship management contract. As a result, extra costs may be incurred to bring the ship back to an acceptable standard. The failure to properly maintain the ship may also lead to Port State detentions, with consequent off-hire losses incurred by owner. The ship manager may be liable to compensate the owner accordingly.

The Gard solution

If the ship manager is found liable, the policy will fully respond to the liability to compensate the ship owner for any extra costs incurred as a result of the manager's failure.

Acceptance of cargo in breach of the charterparty

A ship manager who is in charge of the commercial and technical operation of a vessel will usually be responsible for assessing the feasibility of carrying different types of cargo. A manager is called by a charterer to discuss the possibility of loading a very dangerous chemical cargo, which is specifically excluded under the terms of the charterparty.

Despite this the manager approves the cargo, and the charterer then arranges to have it loaded. Four days prior to loading the owner becomes aware of the situation and that the cargo is likely to damage the ship and rejects the load. Since the charterer has already made contractual commitments to load and carry the cargo, they have to compensate its contractual party for their financial losses. The charterer then turns to the shipowner for an indemnity, and the owner in turn passes that to the ship manager.

The Gard solution

The policy will fully respond to the ship manager's liability to the ship owner for the losses incurred to compensate the charterer.

Supply of crew not certified to perform the job

When a ship is about to leave port it turns out that one of the crew members, employed by a crew manager, is not certified to perform the job for which he is hired.

As a consequence, the ship is detained and delayed for a considerable length of time, pending arrival of the replacement crew.

The Gard solution

The policy will respond to negligence arising from the crew manager's ability to perform his duties under contract with the owner. Costs caused by the delay would be covered in full.

Why choose Gard?



Everything we do is about managing risk and its consequences.

Market leading expertise



Our focus is entirely on the maritime industries – we understand where you have come from, and the dynamics of your businesses. This provides real depth to the contribution we make, and our highly experienced staff of claims handlers and underwriters can share their experience and expertise.

With a network of 13 offices and teams of in-house claims specialists, we can deliver the right skill set to the right place at the right time. By ensuring that we also focus on risk assessment and loss prevention – as well as how we handle all aspects of casualties and crises – we can offer support every step of the way.

Claims handling



Ship manager liability insurance is a cover designed to ensure that, in the event of a mishap or a dispute, the insured has financial protection, as well as claims handling and legal assistance from Gard. Claims handling and contract reviews of non-standard management contracts would be performed by our Defence lawyers and underwriters.

The Gard group

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