

## Gard products

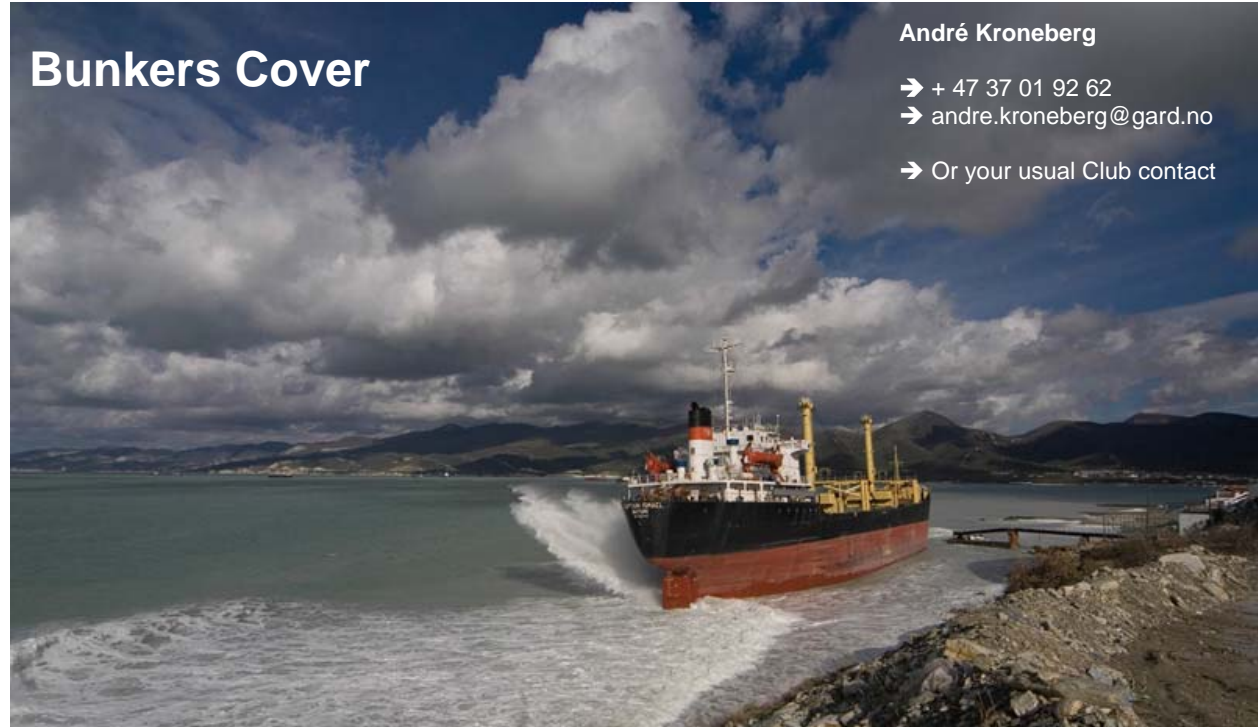
## Your contact

# Bunkers Cover

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→ Or your usual Club contact



**The Bunkers cover responds to the time charterer's interest in the bunkers carried on board a chartered vessel.**

The insurance is offered on standard terms based on the Institute Bulk Oil Clauses 1.2.83., Institute War Clauses (Cargo) and Institute Strike Clauses (Cargo) 1.1.82.

### **Loss of or contamination of bunkers caused by**

- Fire or explosion
- Stranding, grounding, sinking
- Collision or contact
- Discharge at port or place of distress
- Earthquake, volcanic eruption or lightning
- General Average sacrifice
- Jettison
- Leakage from connecting pipelines
- Negligence of Master, Officers or Crew in pumping cargo, ballast or fuel
- Stress of weather

### **Other risks covered**

- Contribution to General Average and Salvage award
- Proportional liability under the contract of affreightment "Both to Blame Collision" clause
- Strikes, lock-outs, labour disturbances, riots or civil commotions
- War or war like circumstances

### **Limit and deductible**

- Limited for any and all claims to the lesser of the replacement value of the bunkers and USD 2 million per event.
- No deductible.

### **Who can be covered?**

- Gard clients with underlying Charterers P&I cover

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## Practical examples where the cover will respond

### 1) Total loss of vessel

The chartered general cargo vessel was on a voyage from Germany to the USA, when the vessel encountered heavy weather off the coast of France. The cargo started to shift and the vessel listed, leading to the vessel capsizing and sinking. Fortunately, all crew members were rescued and no oil spill was reported. However, the charterer had recently bunkered the vessel to its full capacity due to the prevailing fuel prices. It was estimated that approximately 2,000 tonnes of heavy fuel oil at a value of USD 1,200,000 remained in the sunken wreck.

*In this case the charterer had the proprietary interest in the bunkers carried on board the chartered vessel. Since the charterer had Bunker insurance the financial loss attributable to the casualty was covered. The Bunker insurance covers any loss of bunkers caused by events such as stranding, grounding, sinking or capsizing of the vessel.*

### 2) General Average

A chartered container vessel was leaving the loading port on her voyage to Antwerp when she collided with a jetty. The impact of the collision created a breach in the vessel's shell plating and flooded a ballast tank. Consequently the vessel started to list and in order to regain the stability of the vessel several containers had to be jettisoned. Because of the proprietary interest in the bunkers on board the vessel the time charterer had to contribute in the general average expenditure.

*In the situation above the charterer, who was the owner of the bunkers on board, had to contribute to the general average. Subject to the applicable York Antwerp rules, all parties with an interest in the common safety and benefit of the vessel and cargo shall contribute to the allowed expenses occurred. The Bunkers insurance covers the time-charterer's contribution as owners of the bunkers in the general average.*

### 3) Contamination of Bunkers

A vessel had bunkered fuel oil at a port in South America. The Master and Chief Engineer were waiting for the results from the bunker testing agency before starting to use the new bunkers and continued the voyage only using old bunkers. When the results arrived, it was clear that the newly bunkered fuel was contaminated and would have to be discharged at the next port. When the vessel later arrived in Rotterdam the vessel took on board new bunker fuel. However, the first batch of the new bunker oil was mistakenly loaded into the bunker tank containing the contaminated bunkers and was consequently contaminated as well.

*In the given case, the mixing of the contaminated bunker fuel and the clean bunker fuel was caused by opening the wrong valves by the crew. The Bunkers cover will respond to situations where the insured bunkers are contaminated due to negligence by the master or crew.*

### Important exclusions

No cover for loss damage or expense attributable or caused by:

- Wilful misconduct of the Assured
- Ordinary leakage, ordinary loss in weight and volume, or wear and tear
- Inherent vice or nature of the subject-matter
- Delay
- Insolvency or financial default
- Use of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter
- Unseaworthiness of vessel
- Unfitness of vessel