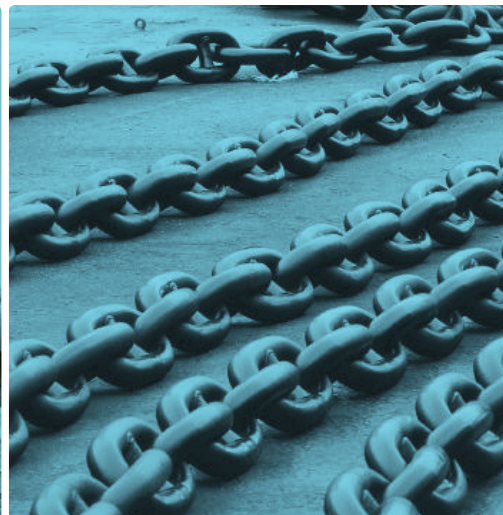


Bunkers' Cover

Risk solution and property protection for time charterers' interest in the bunkers carried on chartered vessels



Providing the widest range of risk solutions

02

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.

Our bunkers' cover is a good example of how we have widened our product range, offering time charterers cover for the loss of bunkers as well as bunkers' contribution to general average. This cover minimises financial loss to the charterer and covers a wide range of risks, from total loss to crew negligence and collision.

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

Scope of cover

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Gard's objective is to provide the most comprehensive cover for time charterers, ensuring that they are protected for a range of risks.

Coverage

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 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. Higher limits are possible subject to prior approval of the Association and on terms and conditions to be agreed
- No deductible

Who can be covered?

- Gard Members with underlying Charterers P&I cover

Case studies



Gard's bunkers' cover protects Members from total loss of bunkers as a result of a vessel grounding, sinking or capsizing. The cover protects against financial loss attributable to the casualty.

Total loss of vessel



A chartered general cargo vessel was on a voyage from Germany to the USA. She encountered heavy weather off the coast of France. The cargo started to shift and the vessel listed, eventually 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 fuel prices, and it was estimated that approximately 2,000 tonnes of heavy fuel oil worth \$1.2 million was lost in the wreck.

The Gard solution

Gard's bunkers' cover offers protection against instances of total loss of bunkers resulting from events such as stranding, grounding, sinking or capsizing of the vessel. In this case, the charterer had a proprietary interest in the bunkers carried on board the chartered vessel. Since the charterer had bunkers' insurance their financial loss attributable to the casualty was covered.

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 she started to list and, in order to regain stability, several containers had to be jettisoned. Because of the proprietary interest in the bunkers on board the vessel, the time charterer had to contribute to the general average expenditure.

The Gard solution

In this situation, bunkers' insurance covers the time-charterer's contribution to the general average. As the charterer owned the bunkers on board, according to the York Antwerp rules, they had to contribute to the average. This is true of all parties with an interest in the common safety and benefit of the vessel and cargo.

Contamination of bunkers

A vessel had bunkered fuel oil at a port in South America. The Master and Chief Engineer continued the voyage using old bunkers, while awaiting the results of contamination tests on the new ones from a testing agency. 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 arrived in Rotterdam, she took on new bunker fuel. However, the first batch of the new bunker oil was mistakenly loaded into the contaminated tank and consequently it too was tainted.

The Gard solution

In this case, the contamination of the clean bunker fuel in Rotterdam was caused by crew members opening the wrong valves. Gard's bunkers' cover will respond to situations where the insured bunkers are contaminated due to negligence by the master or crew.

Important exclusions

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Gard's cover does make some necessary exclusions. These range from ordinary wear and tear to unseaworthiness and wilful misconduct on the part of the assured.

Gard's bunkers cover does not extend to



- 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

The Gard group

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