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MAKING CONNECTIONS

WHERE ARE THE RISKS AND HOW DO I KNOW I HAVE THE RIGHT COVER?

- The MFA is working closely with Insurance brokers and P&I clubs to create a basic guide to insurance and P&I policies.
- It is essential for buyers and suppliers of bunkers to understand fully their risk, the cover needed and to have these reviewed regularly to ensure they are fit for purpose

…connect with our Partners for help with your policy cover

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BUNKER BUYER VERSUS BUNKER SUPPLIER

THE BUYER

- Age of supply vessel
- Class of supply vessel
- P&I cover
- Hull & Machinery cover
- What actual levels of financial cover? – to be asked on Vendor-vetting questionnaire)

THE SUPPLIER

- Asset cover
- Terminal liability
- Cargo cover
- Liability cover
- What information am I obliged or required to give to a buyer?

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A BUYER NEEDS TO UNDERSTAND THE INSURANCES THAT THE PHYSICAL SUPPLIER HAS

Class of vessels

A simple sign of quality

IACS class as a minimum

Check local regulations

Age of the vessels

A great deal of global bunker fleet is “old”

Does buyer have age restrictions against use of any supply vessels?

P&I Club

Check that the supplier has full cover

While there is a threat of a pollution incident, Club Cover should be in place

Hull & Machinery

Shows that an owner “cares” for their asset

It is voluntary but P&I cover stipulates needs for H&M

Check where collision liability is placed between P&I and H&M!

Cargo

The main concern is contamination

Understanding where a supplier has liability insurance in the event of contamination is vital

In a de-bunker claim a supplier is likely to revert to T&Cs and decline assistance

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WHAT COVER SHOULD A PHYSICAL SUPPLIER HAVE?

Asset cover

Supply vehicles (tankers; barges; trucks)

Equipment (bowsers; fenders; hoses etc)

Vessel H&M

Terminal Liability

Do you own a terminal or quayside area?

Do you perform bunker operations in port?

Cargo cover

Problems for supplier:
Product often comingled; pipe network of supply; issues only arise post-supply to vessel

Liability cover for off-spec product

Treating / repairing off spec supplied bunkers (see cargo cover)

De-bunkering

Damage to machinery from use of off spec product

Loss of time

P&I

Does policy include liability to cargo specifically?

Does it include "4/4^{ths}" collision liability?

Is it with an established Club?

What are my main issues?

Cost for a bespoke policy

Insurers not attracted to small suppliers business

Risk in the event of any claim

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Questions suppliers must ask

- Are my policies fit for purpose?
- What are the policy triggers?
- What are the costs?
- What invalidates my policies?
- Can I get a bespoke policy for my business?

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