

Contract of Indemnity Insurance

INTRODUCTION

There may be occasions that ship operators are required to give an indemnity in connection with the operation of the vessel. As a general rule, the granting of an indemnity will prejudice the P&I cover.

WHAT IS COVERED?

Skuld's Contract of Indemnity Insurance provides tailor-made coverage for the specific indemnity in question. At its widest, the insurance would cover all claims brought under the indemnity.

Contracts of indemnity may include specific limits of liability, but typically they are 'open-ended'. The sum insured would be the limit member elects to purchase in respect of the perception of the exposure.

WHO CAN BE COVERED?

Any owners, operators or charterers who have a full P&I entry in the Association can apply for Skuld's Contract of Indemnity Insurance.

EXAMPLE

A member's vessel is due to call at a port, but the only available berth is too short. After due consideration, the member decides that he can satisfactorily discharge the vessel at the berth, but the port authorities require him to sign an indemnity for any and all consequences of entering the berth, discharging the cargo and leaving the berth.

As the vessel is leaving the berth, its stern strikes a jetty causing it to collapse. The port authorities claim under the indemnity. Skuld's Contract of Indemnity Insurance would respond.

