



Defence cover for Legal Costs

Having trouble with your contractual party in the execution of your charter agreement? Not getting paid or paying too much? Experiencing excessive delays caused to your vessel? Not sure if the terms of your contracts are protecting you sufficiently? If you've answered 'yes' to any of these questions, then this is the cover for you.

MS Amlin's Defence Cover for Legal Costs ("Class 2"), traditionally known as Freight, Demurrage and Defence ("FD&D"), protects shipowners' and charterers' interests and supports them in pursuing or defending claims in relation to the operation of the insured vessel, arising out of events occurring during the period of insurance. Legal costs and other expenses incurred during legal disputes are covered, hence the name Defence.

Given the (often) very high costs involved in arbitration or litigation, the Defence cover is a popular choice for shipowners and charterers. The Defence cover is not offered as a stand-alone policy, but is available as an add-on with the Protection and Indemnity (P&I) or Charterers' Liability cover.

Scope of cover provided

Our comprehensive Defence cover offers protection against the legal costs and expenses incurred when establishing or resisting claims and disputes affecting our assured in its capacity of shipowner or charterer resulting from, amongst others:

- payment or non-payment of hire or freight;
- off-hire, demurrage or despatch disputes;
- claims or disputes relating to the charter party, the bill of lading (such as, for instance, issuance, interpretation, remarks to be incorporated as well as the production of this document upon delivery) or other contract of carriage or transport documents;
- cancellation or termination of the charter party;
- re-delivery of the vessel under the charter party;
- supplies to the insured vessel;
- bunker quality disputes;
- arrest of the insured vessel.

Please note that under the Defence insurance cover, the assured is indemnified by MS Amlin against the reasonable and necessary legal costs and expenses; the principal sum in dispute is not insured. Furthermore, legal defence for claims that fall under the cover of any H&M insurance or other P&I or Charterers' Liability classes are also not covered.

Quick and efficient claims handling

Our Defence cover provides advice and assistance to recover and handle our assured's respective (contractual) losses following their charter party agreements and related employment of the insured vessel. Claims handlers are based in our offices in Rotterdam, Paris and Singapore, which means we can offer 24/7 help and assistance across different time-zones.

Most Defence matters are handled in-house by our experienced team of claims handlers, without the need to appoint external lawyers. From the initial review of the contractual position, through to the final conclusion, our in-house team of specialists will manage the claim and be in complete control of the process. This not only ensures cost-effectiveness, but also safeguards that our high standards for claims handling are being met.

We have a worldwide network of lawyers, surveyors and maritime experts available at short notice and as required. For example:

- a surveyor is needed for consultation in the case of a bunker dispute; or
- a local lawyer needs to be appointed once proceedings become necessary or have been commenced by opponents.

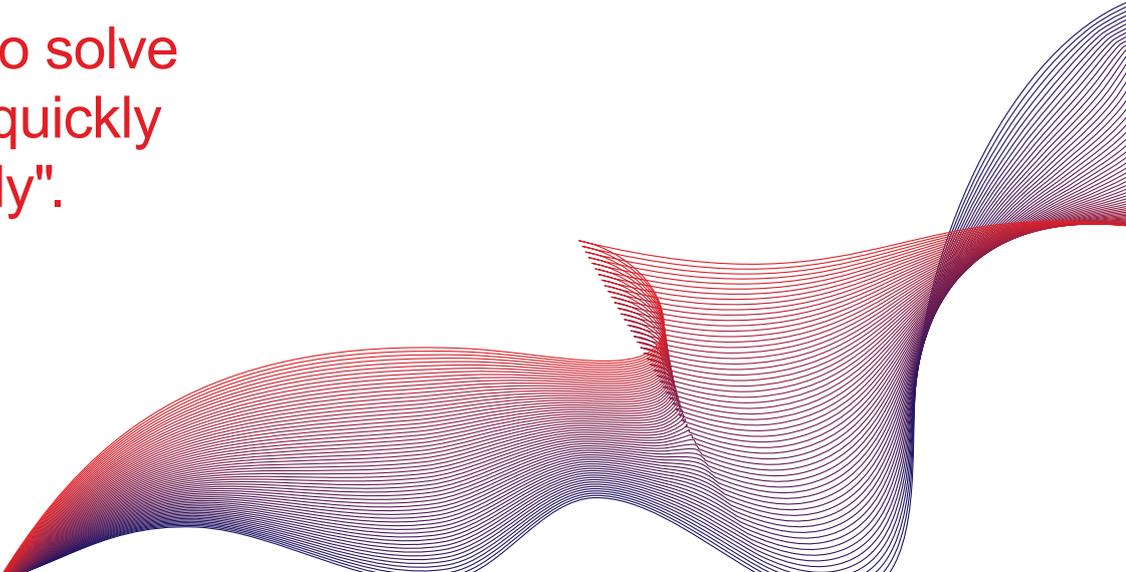
Our dedicated claims team is ready to manage everything in a way that works best for the assured and will liaise directly with lawyers and experts to instruct them accordingly. In all circumstances, the claims handler will remain in control of the claim. All steps in the legal proceedings, such as arbitral or judicial proceedings, are closely followed in active consultation with the assured who is regularly updated throughout the process. Our clear ambition is to get the right outcome for the assured and we will work hard to achieve this swiftly in the event of a claim.

Legal loss prevention

Our unique Client Services Desk provides a commercially focused in-house legal advisory service to shipowners and charterers on potentially problematic contracts and charter party clauses, even if no dispute has arisen. Through contract reviews and advice on specific contractual clauses we aim to prevent claims under both Class 1 and Class 2 in order for the assured to maintain a clean loss record.

If you anticipate issues or have any questions, you are always welcome to approach our [Client Services Desk](#) team.

"Our goal is to solve the problem quickly and effectively".



Would you like to learn more about our Defence cover?

The policy wordings can be found on our website and via the below links:

- [Shipowners P&I wording \(page 16\)](#)
- [Charterers' Liability wording \(page 12\)](#)

Should you have any specific questions regarding the scope of cover kindly direct these to your usual contact person at MS Amlin or to ClientServicesDesk@msamlin.com.

This circular is meant for guidance purposes only. Should you require more information or assistance, please feel free to contact us.



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