



H&M vs Loss of Hire

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Harvey Ashby Limited

*Fellow of the Association of Average
Adjusters*

6 PERILS



6.1 This insurance covers loss of or damage to the subject-matter insured caused by

6.1.1 perils of the seas rivers lakes or other navigable waters

6.1.2 fire, explosion

6.1.3 violent theft by persons from outside the Vessel

6.1.4 jettison

6.1.5 piracy

6.1.6 contact with land conveyance, dock or harbour equipment or installation

6.1.7 earthquake volcanic eruption or lightning

6.1.8 accidents in loading discharging or shifting cargo or fuel.

6.2 This insurance covers loss of or damage to the subject-matter insured caused by

6.2.1 bursting of boilers breakage of shafts or any latent defect in the machinery or hull

6.2.2 negligence of Master Officers Crew or Pilots

6.2.3 negligence of repairers or charterers provided such repairers or charterers are not an Assured hereunder

6.2.4 barratry of Master Officers or Crew

6.2.5 contact with aircraft, helicopters or similar objects, or objects falling therefrom

provided that such loss or damage has not resulted from want of due diligence by the Assured, Owners, Managers or Superintendants or any of their onshore management.

6.3 Masters Officers Crew or Pilots not to be considered Owners within the meaning of this Clause 6 should they hold shares in the Vessel.

M.I.A. 1906 section. 69

"Where a ship is damaged, but is not totally lost, the measure of indemnity, subject to any express provision in the policy, is as follows:-

(1) Where the ship has been repaired, the assured is entitled to the reasonable cost of the repairs, less the customary deductions, but not exceeding the sum insured in respect of any one casualty:

10 NOTICE OF CLAIM AND TENDERS

- *10.2 The Underwriters shall be entitled to decide the port to which the Vessel shall proceed for docking or repair (the actual additional expense of the voyage arising from compliance with the Underwriters requirements being refunded to the Assured) and shall have a right of veto concerning a place of repair or a repairing firm.*
- *10.4 In the event of failure to comply with the conditions of this Clause 10 a deduction of 15% shall be made from the amount of the ascertained claim.*

AB Stewart Form 1/10/83



"If in consequence of any of the following events:

a) loss, damage or occurrence covered by Institute Time Clauses-Hulls (1/10/83) or Norwegian Hull Form or American Institute Hull Clauses (2nd June 1977), (Option of clause to be exercised at inception)

b. breakdown of machinery, including electrical machinery or boilers, provided that such breakdown has not resulted from wear and tear or want of due diligence by the assured,

occurring during the period of this insurance the vessel is prevented from earning hire for a period in excess of days in respect of any accident, then this insurance shall pay of the sum hereby insured for each 24hours —"

Clause 12



"The assured shall effect, or cause to be effected, all repairs (temporary or permanent.) with due diligence and dispatch. Underwriters to have the right to require the assured to incur any expense which would reduce underwriters liability under this insurance provided such expense is for underwriters account."

Loss of Hire



- Insurable Interest
- Proof of Loss
- The insured "events" giving rise to a claim
- The calculation of the indemnity
- Cover of part days
- The method of applying the excess
- Common time/simultaneous repairs
- Slow steaming
- Extra cost of overtime and other expenses incurred to save time

Repair tenders



Yard	A	B	C
Repair / Removal Cost	\$1.8M	\$1.2M	\$1.0M
Loss of Time @ \$10,000/day	\$0.3M	\$0.45M	\$0.75M
Total	\$2.1M	\$1.65M	\$1.75M

Clause 12



The assured shall effect, or cause to be effected, all repairs (temporary or permanent.) with due diligence and dispatch. Underwriters to have the right to require the assured to incur any expense which would reduce underwriters liability under this insurance provided such expense is for underwriters account."