

PRODUCT BRIEF – PORT PACKAGE INSURANCES

Port authorities and terminal operators face a combination of operational, commercial and environmental risks. The risks range from damage to vessels to potential loss caused by port blockage and environmental pollution as well as resultant liability caused by oil spills.

Port Package Policy is a comprehensive package of insurance products designed to cope with the combination of commercial and environmental business risks faced by port authorities and terminal operators. This policy(ies) are designed primarily to cover

- Port Authorities including but not limited to Port operator, harbour board, harbour authority and harbor operator;
- Port Authority acting as a landlord;
- Port Authority operating a port/ terminal;
- Terminal Operators;
- Marine Terminal Operator;
- Rail Freight Depot;
- Inland Container or Clearance Depot;
- Operator of handling equipment;
- Stevedores and other related services provider;
- Container Yards,
- Inland Clearance Centres;
- Transport Depots;
- Depots and warehouses;
- cargo handling operators;
- General Container and Bulk Trades.

The terms, conditions, warranties under the policy will be as provided by the reinsurers.

Though the insurance requirements may vary from one customer to another, broadly the following form/type of insurance covers are being proposed for filing:

1. Property Damage

This form of coverage generally includes physical loss or damage to Insured's property (onshore or offshore) on all risk basis arising out of including but not limited to fire and other natural perils like earthquake, storm, cyclone, tempest, hurricane, accident or from any fortuitous cause other than those specifically excluded.

2. Vessels / Floating Objects

This form of coverage generally includes damage to vessels and other floating objects including all risks involved with dredging operations.

3. Handling Equipments

This form of coverage generally includes physical loss or damage of handling equipments on all risk basis arising from an accident including but not limited to mechanical electrical break down or malfunction, fire and other natural perils like earthquake, storm, cyclone, tempest, hurricane or from any fortuitous cause other than those specifically excluded.

4. Business Interruption (Except Birth)

This form of coverage generally includes Insured's loss of profits, increased cost of working and cost arising out of an accident from insured operations.

5. Business Interruption (Berth) / Port and/or Berth Blockage

This cover if granted will cover Insured's loss of profits, increased cost of working and costs arising from a blockage arising out of sinking/stranding of a ship at the berth or an accident causing the blockage of the port or of a berth within the port, where such blockage results in Insured being wholly or partially unable to provide insured services.

6. Removal of Wreck

This form of coverage generally includes wreck removal, or removal of debris of property insured being destroyed or damaged by a peril insured against.

7. Clean up cost

This form of coverage generally includes disposal, quarantine and disinfection costs.

8. Operational Liability Cover

This form of coverage generally includes legal liability to third parties arising from an accident in the provision of port services (including towage, pilotage, lineboats, stevedoring, marshalling, storage and associated services or as a terminal operator)

9. Fines, Duties and Penalties Cover

This form of coverage generally includes

- i. Insured's legal liability to pay any fine, customs duty, sales tax, excise tax or other penalties or fiscal charge imposed by a government or authority, provided that such liability arises from an unintentional breach of the statute, law or regulation;
- ii. Insured's loss arising from confiscation by a government or authority of any property of any person, including Insured's equipment, as a consequence of Insured's breach of any statute, law or regulation in the circumstances described in paragraph (i.) above.

10. Pollution Liability Cover

This form of coverage generally includes Insured's legal liability arising in the course of insured's operations at insured locations for:

- i. any compensation to third Parties for personal injury or physical loss or damage to property arising from any pollution incident;
- ii. any expense or cost incurred in removing, preventing, mitigating or cleaning up any pollution following a pollution incident;
- iii. any fine or penalty that arises from any pollution incident

11. Errors and Omissions Cover

This form of coverage generally includes Insured's legal liability to third parties arising from an error or omission for financial loss, loss of use, consequential Loss, wrongful delivery of cargo, delay or Demurrage.

12. Defence and Costs Cover

This form of coverage generally includes

- i. approved legal costs and expenses incurred by Insured in the defence of any liability insured under the policy;
- ii. approved legal costs and expenses incurred by Insured with the reasonable expectation of avoiding or mitigating a potential liability insured under the policy including representation before any court, tribunal or investigative body;
- iii. approved costs and expenses incurred by the Insured in disposing of cargo or property other than wreck following an accident;
- iv. approved costs and expenses incurred voluntarily or in discharge of Insured's legal obligations to remove any wreck or debris following an accident that occurs during the policy period or for the purpose of avoiding or minimising a liability insured under this policy;
- v. approved costs and expenses incurred by the Insured in consequence of an occurrence and in discharging Insured's legal obligations in respect of quarantine, fumigation or disinfection of cargo, ships, containers or equipment.

13. Tenant's Legal Liability/Fire Extension

This cover if granted will cover Insured's legal liability to compensate third parties for physical loss or physical damage to premises leased or rented by the Insured as tenant where such physical loss or damage is caused following an accident for which Insured is legally liable.

14. Consultancy Services Liability/Advise and Information Extension

This cover if granted will cover Insured's contractual Liability to compensate third parties for losses, including financial loss or loss of income arising from the provision of any consultancy services relating to port management or port operations.

15. Infringement of Personal Rights Liability

This cover if granted will cover Insured's legal liability to compensate third parties for false arrest, detention or imprisonment, libel, slander, defamation, eviction, invasion of privacy or any public or private nuisance, arising out of insured's operations at insured locations.

16. Port Vessel - Hull including P&I

This cover if granted will cover, any hull loss or 'Protection & Indemnity' liability relating to Insured's declared port vessels.

17. Third Party Liability Cover

This form of coverage generally consist of insured's legal liability to third parties arising from an accident for

- i. property damage liability;
- ii. personal injury liability;
- iii. landlord liability(physical loss or Personal Injury suffered by Insured's tenant as a consequence of Insured failing to discharge his legal obligations as a landlord)
- iv. collision/impact liability;
- v. liabilities for loss or damage to cargo, customer's equipment and ships;
- vi. liability for seepage and pollution etc.

18. SRCC/ Terrorism

This form of coverage's generally includes Loss or damage to equipment including loss due to strikes, riots and terrorism.

19. Other Misc. coverage

- i. Electronic Data
- ii. Software Program
- iii. Discretionary insurance clause
- iv. Mechanical Breakdown
- v. Wrongful delivery of cargo etc.
- vi. Disruption of dredging channel
- vii. Navigational aids
- viii. Malicious damage
- ix. Re-dredging cost
- x. Automatic Increase or acquisition clause
- xi. Subsidence
- xii. Landslide

This cover is widely sold in the international market depending upon the coverage opted by the Insured and agreed by the Re-insurers under different nomenclature like Marine Property Damage and Business Interruption Insurance, Marine Liabilities Insurance, Ports and Terminals Package Insurance Policy etc. which substantial cover whole or part of the covers proposed to be offered above.