

## ALANDIA'S P&I TERMS AND CONDITIONS FOR OWNERS HAVE BEEN REVISED

Alandia's revised conditions enter into force 1 January 2020. The updated conditions apply to all P&I insurances issued by Alandia if nothing else is stated in the Letter of Insurance or otherwise has been agreed.

The revision has focused on making the conditions even more user friendly and clear. The wording has been adjusted in certain clauses without that having effect on the overall insurance coverage. The Alandia P&I insurance continues to be compliant with the requirements placed on the owner by the international shipping regulations.

Alandia's P&I conditions are also available in Swedish and Finnish, and the Swedish version of the conditions has the preferential right of interpretation.

**We would like to ask our customers to particularly note the following changes in the conditions:**

### Clause 3.1 (g) and 3.4

The condition regarding liability in respect of the 2006 Maritime Labour convention (MLC) in clause 3.1 (g) and 3.4 has been moved to a revised MLC-clause. This is merely a clarification and Alandia continues to offer coverage in respect of the MLC with an additional clause to Owners requiring the coverage

As proof for the coverage the Owner will receive an MLC-certificate and the conditions for the coverage will be evident from an MLC-clause in the Letter of Insurance.

The need for a separate MLC-clause has its background in that some of the liability under the MLC (repatriation and unpaid wages at abandonment) is far from the traditional P&I-coverage.

This is compliant with the practise on the international P&I-market.

### Clause 9.1

The policyholder's duty of disclosure, being fundamental for the insurer's risk analysis and for the granting of an insurance, has been clarified in clause 9.1. The policyholder shall prior to entering into the insurance agreement submit full information including but not limited to the complete data regarding the insured vessel and requested by the insurer as well as all other information that is of significance in assessing the insured risk.

### Clause 9.5

Clause 9.5 in the conditions deals with the seaworthiness of the vessel. The insurance does not cover liability caused by the vessel's lack of seaworthiness. A clarification as to the fact that the insurance does not cover liability, costs or expenses caused by poor maintenance and lack of care of the insured vessel has been included in the revised conditions.

### Clause 12.3

Certain risks for specific vessels are excluded under the standard P&I coverage according to clause 12.3. A new clause has been added 12.3 (f) which clarifies that liability from operations of vessels used in subsurface employment, such as submarines, mini submarines, ROVs, diving-bells and operations performed by professional or commercial divers, is excluded under the insurance. A special insurance may be customized according to need (Specialist operations-extension).

### Clause 15

A new clause 15 (d) has been added in order to be compliant with the 2006 Maritime Labour Convention. The insurer shall, regardless of what is stated in clause 12.5 (War risks) and 12.6 (Nuclear risks) state, complete his undertaking according to the certificates issued and based on Regulation 2.5.2, Standard A2.5.2, Regulation 4.2 and Standard A4.2.1 (b) in the 2006 Maritime Labour Convention and every amendment thereto (MLC 2006) or equivalent legislation which aim is to implement MLC 2006.

### Clause 21

According to Finnish law, a dispute regarding marine insurance indemnification shall be submitted to the Finnish Average Adjuster. It has been clarified in clause 21 that the party who submits the dispute to the Average Adjuster shall also be liable for the adjuster's fees and expenses.

### Clause 23

The conditions under clause 23 regarding the period of insurance have been revised. The insurance will henceforth automatically continue to be in effect as follows:

The insurance shall take effect at 00.00 UTC on the agreed day of commencement and terminate at 24.00 UTC on the agreed last day, and thereafter one period of insurance at a time if it has not been cancelled or ceased according to these insurance conditions or other agreed conditions.

### Clause 29

Clause 29 deals with the cesser of the insurance. A new clause 29 (h) has been added and according to that, the insurance will immediately be ceased when the policy holder has been declared bankrupt or is otherwise insolvent. This has previously been grounds for termination under point 28 but has now been removed from there.

Feel free to contact us at Alandia if you have any questions.