

# CHARTERSEACURE Risk Transfer Illustration

**CHARTERSEACURE indemnifies the Policyholder against the financial loss that might occur if the charterer is unable to pay as a result of insolvency or protracted default.**

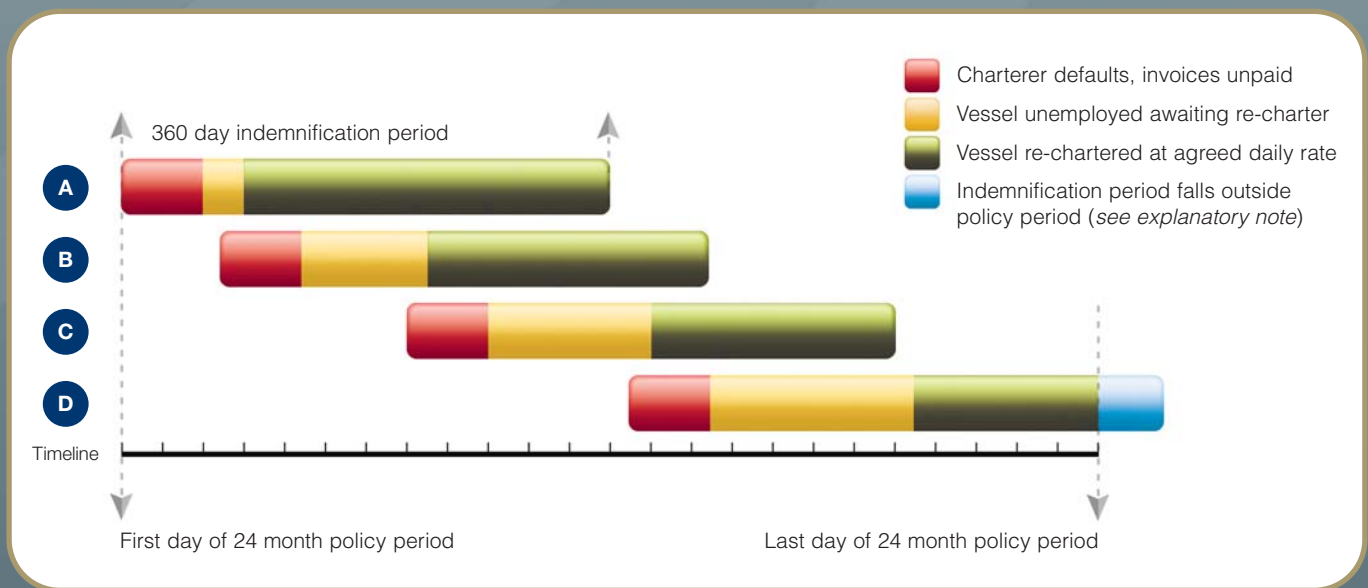
The following diagram provides four examples of how CHARTERSEACURE would respond to an event of default by the Charterer. The cover provides a daily indemnification of the loss of hire resulting from the causes of loss, namely:

- unpaid invoices following a default by the charterer and for a maximum of two months
- unpaid invoices during the period of unemployment suffered by the vessel during the redelivery period and whilst awaiting re-charter and;
- any shortfall in the hire amount realised on re-charter

In the examples below, each cause of loss represents a different proportion of the indemnification period.

The following assumptions are the same in all four cases:

- The standard policy period is a 24 month contract. However the policy period is flexible and can be shorter than this or alternatively it can be renewed prior to its natural expiry to facilitate longer charter contracts.
- The maximum indemnification period is 360 days, provided that all days of indemnification fall within the agreed policy period.
- In some circumstances underwriters have been willing to look at three year policy periods.



Note: Example D assumes that the policy period has not been renewed and therefore a proportion of the indemnification period falls outside the scope of cover. This can be avoided by ensuring that the policy period is renewed prior to its natural expiry.

“Knowing is not enough; we must apply. Willing is not enough; we must do.” Goethe



Securus (n) “one who promises to answer for the debt or default of another”

## Other important features of CHARTERSEACURE:

- The cost of the insurance will depend upon the evaluation of the risk by the insurer and the scope of cover provided.
- Advance payment of the premium is required at inception of the policy.
- Any type of vessel will be considered including Bulker, Reefer, General Cargo, Container and Tankers.

## The minimum information that will be required by insurers is as follows:

- The name of the Owner
- The name of the Charterer
- The technical specifications of the Vessel
- The daily hire amount and the charter period
- A copy of the Charterparty contract



*For more detailed information and/or to request a quote please contact:*

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