

# Extended Loss of Hire

Loss of income caused by delay/detention of a ship that has not been physically damaged





In a world of increasing complexity,  
our objective is to  
**help our Members and clients**  
manage the totality of their exposures -  
both to existing and developing risks.

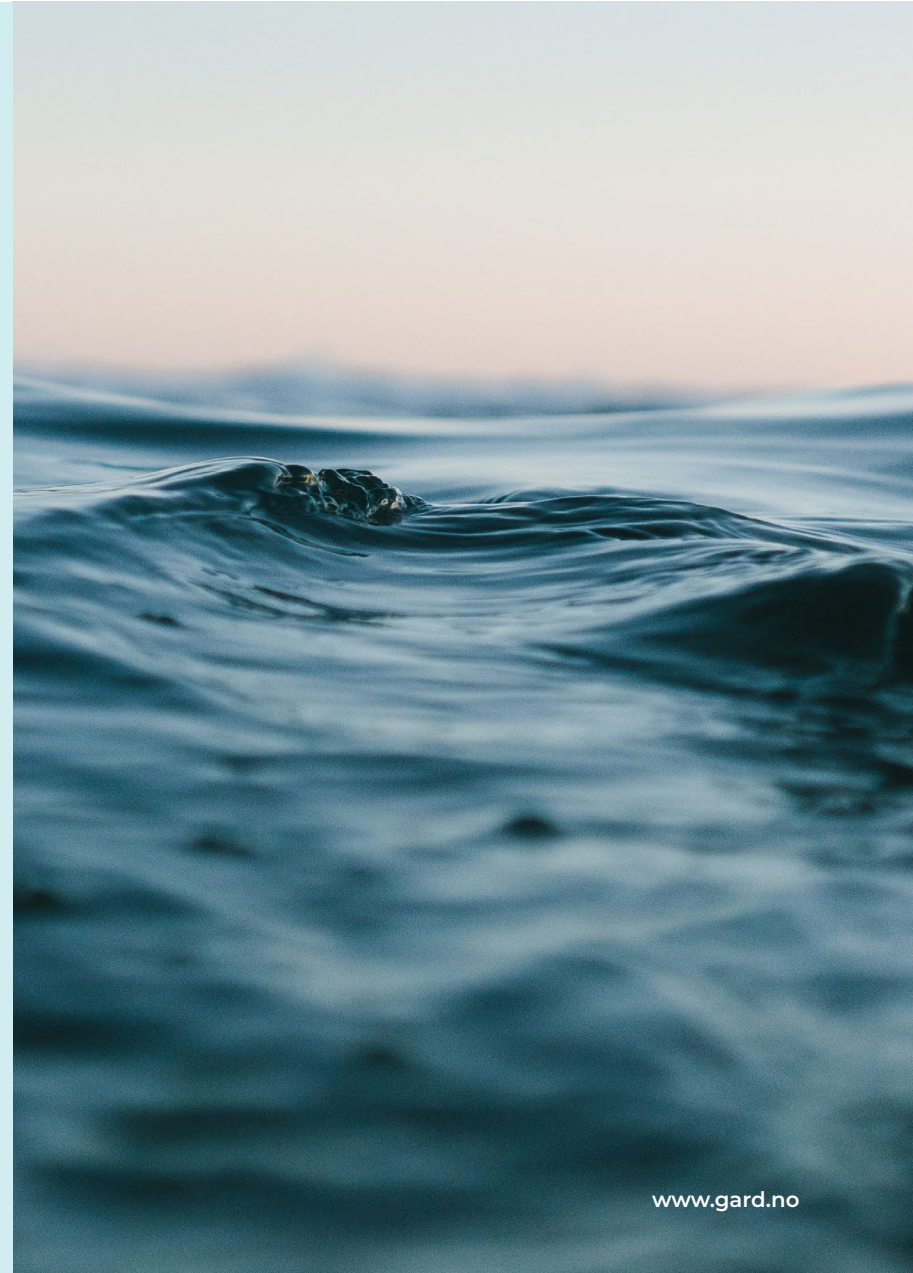
# Providing the widest range of risk solutions

As a multi-line insurer – with the strongest rating in the marine market – Gard is uniquely positioned to understand how risks fit together, and identify the best choice of products, ensuring seamless coverage and service.

Innovation has always been a cornerstone of Gard's business model and, over the years, we have refined and extended our standard products and introduced a range of additional products, responding to special needs and requirements from different parts of the marine industry.

Gard's extended loss of hire cover responds to a shipowner's loss of income caused by delay or detention of a ship that has not been physically damaged.

Further information can be found on our webpage ([www.gard.no](http://www.gard.no)) under "Products", or from your usual contact.



# Scope of cover

*Our Extended Loss of Hire Cover responds to a shipowner's loss of income caused by delay or detention of the ship when there is no physical damage to the ship*

## **Loss of income arising from P&I events such as**

- Pollution spills resulting in third party property damage.
- Stevedore personnel injury in connection with loading/unloading operations.
- Cargo dispute leading to arrest of the vessel.
- Stowaways/refugees.

## **Loss of income arising from external circumstances beyond the owner's control such as**

- Denial of access to a place of refuge.
- Delay in arrival or departure to or from scheduled port (except due to weather or ice conditions).
- Saving persons at sea, followed by intervention from the authorities.
- Pirate seizure.
- Drug seizure.

Additional risks may be available by special agreement.

# Exclusions, limits and deductible

## Important exclusions include no cover for losses

- Recoverable under standard loss of hire insurance (subject to the Nordic Marine Insurance Plan).
- Arising from war perils (except for piracy seizure).
- Arising from nuclear perils or the ship being employed in any unlawful trade/act.
- Arising from strikes.
- Arising from failure to comply with classification society/flag State requirements.
- Arising from charterer's failure to pay hire.
- Arising from owner's failure to pay a legally enforceable debt.

- Any chemical, biological, bio-chemical, or electromagnetic weapon
- The COVID – 19 virus or any other infectious diseases declared by the World Health Organization as a pandemic.

## Limit and deductible

- Standard maximum limit of USD 5 million per event.
- Standard minimum deductible of 7 days (2 days for piracy).

## Who can be covered?

- Members that have entered a substantial part of their fleet with Gard for Loss of Hire insurance and/or for P&I risks.



# Case studies

## **Detention of ship caused by death or illness of a port stevedore**

The ship is held for a prolonged period by the authorities following a fatal or serious injury to a pilot or stevedore. This detention could be due to a real or alleged need for the authorities to complete their accident investigation. Gard has also seen examples where the ship is detained until financial security for future claim payments has been arranged.

## **Delay of ship caused by blocking on arrival in loading port**

Prior to a ship's arrival at a loading port in South America, another vessel becomes grounded. The grounded ship blocks a channel to the port basin, leaving no room for other iron ore carriers to safely navigate and berth. A significant salvage (and subsequent wreck removal) operation is conducted, but it takes three months to clear the channel. The ship is delayed for 35 days while seeking an alternative loading port.

## **Detention caused by pirate attack**

A ship is captured by pirates as she approaches her Nigerian discharge port with a cargo of bagged sugar. She is diverted by the hijackers into a secluded part of the Niger Delta. The ship resurfaces two months later with a different name and a repainted funnel. With the help of high-level diplomacy and negotiators provided by the IMB Piracy Centre, the owners manage to get their ship back. However, much of the cargo has been lost and the ordeal has cost the owners four months of lost charter hire as the London arbitrators disagree about whether the nominated discharge port was unsafe.

## **Delay caused by intervention from the authorities following the rescue of persons at sea**

Instead of receiving praise from the local authorities for rescuing refugees lost at sea in South East Asia, the ship is boarded by militant forces. The vessel is held for five weeks off the coast while the fate of the illegal immigrants is decided with the help of the UN High Commissioner for Refugees.



# We are here to help



**1907**  
founded in Arendal,  
Norway



**Mutual ownership**  
Owned by shipowner  
members



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Offer hull, loss of hire,  
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**Lingard Limited**

Trott & Duncan Building  
17A Brunswick Street  
Hamilton HM 10  
Bermuda

Tel +1 441 292 6766  
Email [companymail@lingard.bm](mailto:companymail@lingard.bm)

**Gard AS**

Kittelsbuktsveien 31  
NO-4836 Arendal  
Norway

Tel +47 37 01 91 00  
Email [companymail@gard.no](mailto:companymail@gard.no)

**Gard AS**

Skipsbyggerhallen  
Solheimsgaten 11  
NO-5058 Bergen  
Norway

Tel +47 37 01 91 00  
Email [companymail@gard.no](mailto:companymail@gard.no)

**Gard AS**

Støperigata 1  
NO-0250 Oslo  
Norway

Tel +47 37 01 91 00  
Email [companymail@gard.no](mailto:companymail@gard.no)

**Oy Gard (Baltic) Ab**

Bulevardi 46  
FIN-00120 Helsinki  
Finland

Tel +358 30 600 3400  
Email [gardbaltic@gard.no](mailto:gardbaltic@gard.no)

**Gard (Greece) Ltd**

2, A. Papanastasiou Avenue  
185 34 Kastella, Piraeus  
Greece

Tel + 30 210 413 8752  
Email [gard.greece@gard.no](mailto:gard.greece@gard.no)

**Gard (HK) Ltd**

Room 3003, 30F  
The Centrium, 60 Wyndham Street  
Central  
Hong Kong

Tel +852 2901 8688  
Email [gardhk@gard.no](mailto:gardhk@gard.no)

**Gard (Japan) K.K.**

Shiodome City Center 8F  
1-5-2 Higashi Shinbashi  
Minato-ku, Tokyo 105-7108  
Japan

Tel +81 3 5537 7266  
Email [gardjapan@gard.no](mailto:gardjapan@gard.no)

**Gard (Japan) K.K.**

Land Hills 1st Floor,1-2-35  
Nakahiyoshi-chuo  
Imabari-city, Ehime 794-0055  
Japan

Tel +81 898 35 3901  
Email [gardjapan@gard.no](mailto:gardjapan@gard.no)

**Gard (North America) Inc.**

40 Fulton Street  
New York, NY 10038  
USA

Tel +1 212 425 5100  
Email [gardna@gard.no](mailto:gardna@gard.no)

**Gard (Singapore) Pte. Ltd.**

20 Anson Rd  
#10-01 Twenty Anson  
Singapore 079912  
Singapore

Tel +65 6709 8450  
Email [gardsingapore@gard.no](mailto:gardsingapore@gard.no)

**Gard (UK) Limited**

The Minster Building  
21 Mincing Lane  
London EC3R 7AG  
United Kingdom

Tel +44 (0)20 7444 7200  
Email [garduk@gard.no](mailto:garduk@gard.no)

**Gard Marine & Energy- Escritório de Representação no Brasil Ltda**

grupo 1102 Centro  
20040-905 Rio de Janeiro, RJ  
Brazil

Email [gardbrasil@gard.no](mailto:gardbrasil@gard.no)

Emergency Telephone Number  
+47 90 52 41 00

[www.gard.no](http://www.gard.no)