

The
STRIKE CLUB

EXTENT OF COVER

DELAY • LOSS OF EARNINGS • WAR



The **STRIKE CLUB**

THE STRIKE CLUB is the only dedicated, mutual insurer covering the daily costs of vessels delayed by strikes, other force-majeure or off-hire situations outside an owner's or charterer's control.

The expansion into war risk and loss of earnings cover on a fixed premium basis demonstrates the Club's continuing quest for cover that responds to the needs of Members and potential Members.

The Club's overriding objective continues to be to offer comprehensive, constant, cost-efficient cover and service to Members.



STOP AHEAD!
DELAY COVER REQUIRED



Mutual delay insurance covers a Member for a vessel during a delay caused by a named peril specified in the Association's rulebook.

Mutual Delay

THE COVER

Basis of cover

The basis of cover is the DAILY ENTERED SUM, which is an amount representing the overall costs to Members in relation to the operation of an entered vessel and does not include any element of profit.

Indemnity

Indemnity is limited to the number of days' cover, deductibles and terms chosen by the Member and agreed with the Association.

Premium

The Initial Premium is expressed as a percentage of the DAILY ENTERED SUM (DES):

- **Per annum** - for annual declarations (owned vessels or vessels on long term time charter)
- **Per period and subject to a minimum premium** - for period declarations (short term charters)

Recovery

Based on the DAILY ENTERED SUM, or part thereof, when the vessel is delayed by an insured peril.

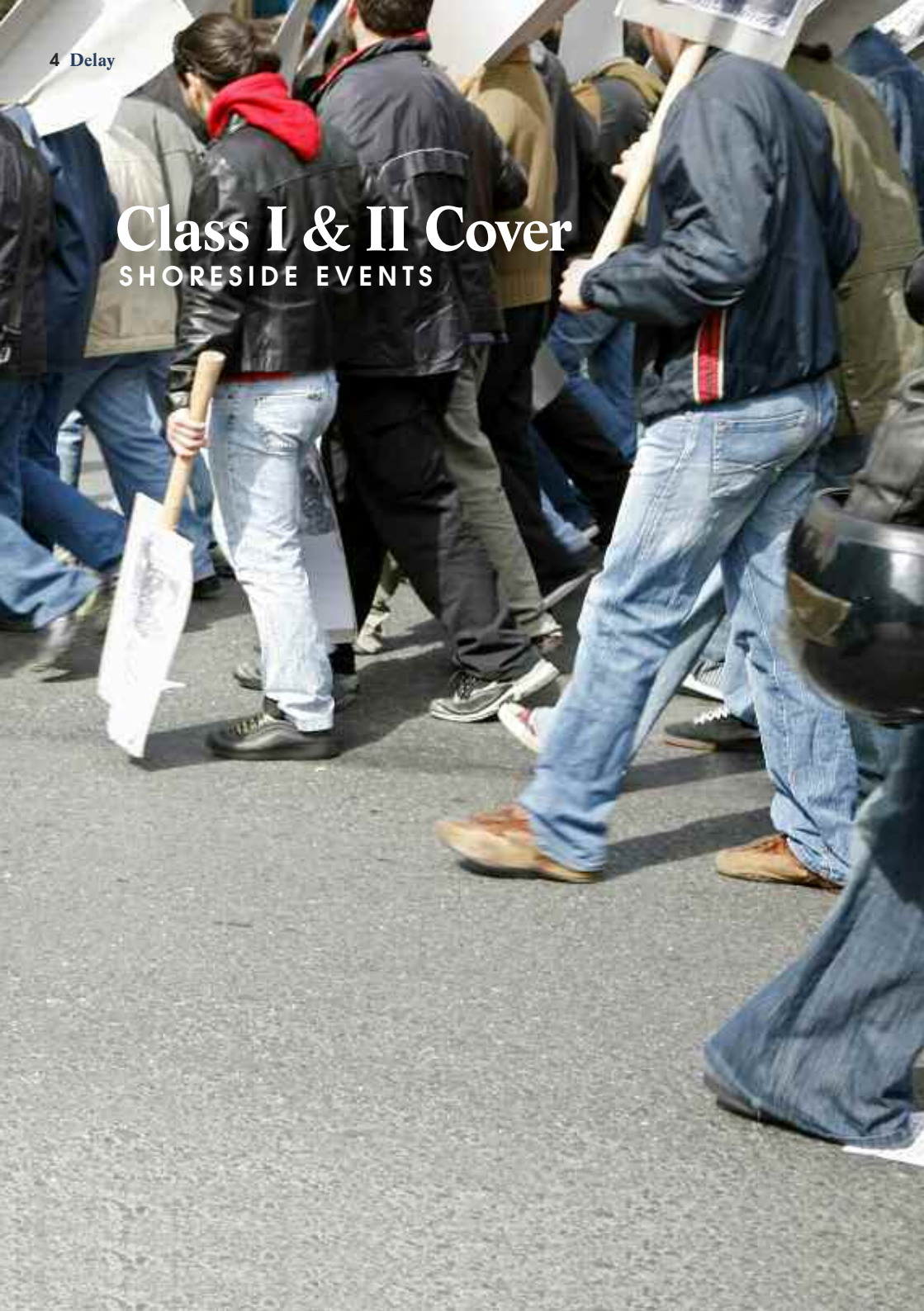
Substitute expenses are considered when a Member, in order to avoid or reduce a claim, has incurred reasonable expenses or suffered any provable loss in avoiding or minimizing delay to an entered vessel.

Each claim is limited to the terms agreed with the Association and there is no limit on the number of claims that can be filed in any one policy year.

Certain minimum deductibles and maximum number of days' cover apply to specific rules and / or trading areas. Please contact Managers for the latest updates and check the other sections of this brochure for details.

Class I & II Cover

SHORESIDE EVENTS



Delays caused by shoreside events such as:

Strike, lockout, partial or general restraint of labour, rebellion

Insurrection, riot, civil commotion, political protest, action by environmental objectors or religious zealots

Fire, explosion, mechanical breakdown on land

Indirect effects of certain weather conditions

Earthquake, volcanic eruption, avalanche, landslide

Aircraft impact, accident or misdirection of air cargo

Loss or damage to vehicles, vessels or aircraft transhipping cargo or spare parts

Lawful closure of port/waterway

Physical obstruction, unforeseeable high/low levels of water of port/waterway

Border closures, import/export controls

Physical or electronic sabotage, terrorism

Expropriation, confiscation, seizure of cargo

Type of Operator

All operators are exposed to financial losses caused by delay to their vessels.

Their exposure will be determined by:

- The type of activity (charterer or owner)
- The contractual base on which the vessel is operated

The operators exposed to losses caused by shore incidents that delay vessels are:

- CHARTERERS (long term or period in) operating vessels on their own trade or on voyage charter basis
- OWNERS operating vessels on their own trade, voyage charter basis or on spot market trade.

During a delay caused by a shoreside event:

- A CHARTERER would probably continue paying the charter hire to owners without having the commercial use of the vessel (own trade) or the possibility to review the voyage rate (voyage charter trade).
- An OWNER operating on own trade, spot market trade or voyage charter trade would probably not be in a position to review the voyage rate and would have increased costs for, probably, an unchanged income.

CLASS I AND II EXAMPLES

Delay caused by shoreside events

Cover terms

Named perils Rules 8 and 9(a)(i) and (ii) 7 days excess 2 days deductible

Example of claim calculation

TOTAL DELAY SUFFERED: 6.25 DAYS
Policy deductible Recoverable delay
2 days + **4.25 days**

Daily entered sum	\$18,000
Cause of delay	Physical obstruction of a waterway
Named peril rule	8/9(a)(ii)(gg)
Applicable policy minimum deductible	2 days
Total recoverable delay	4.25 days
Recovery	\$18000 x 4.25 = \$76,500

THE EXAMPLES SHOWN ARE AN ILLUSTRATION ONLY. PLEASE CONTACT THE MANAGERS FOR FULL INFORMATION.



Rules 8 and 9(a)(i)

Strike, lockout, restraint of labour, rebellion

COMMERCIAL TRUCK DRIVERS IN LIMASSOL went on strike in a dispute with the government over licence and regulation issues. Container and cargo movements in two Cypriot ports were affected.

Rules 8 and 9(a)(ii)(aa)

Fire, explosion, mechanical breakdown on land

SHIPSIDE OPERATIONS WERE SUSPENDED at a port after one of the shore cranes used by port workers suffered a serious mechanical breakdown.

Rules 8 and 9(a)(ii)(bb)

Indirect effects of certain weather conditions

EXTENSIVE FLOODING NEAR A BUSY PORT caused disruption to inbound vessels and prevented cargo trucks moving to and from the port.

Rules 8 and 9(a)(ii)(cc)

Earthquake, volcanic eruption, avalanche, landslide

FOLLOWING AN EARTHQUAKE that struck western India, significant damage was caused to the berths and surrounding areas of a port. Damaged roads within the port caused delays in cargo operations.

Rules 8 and 9(a)(ii)(dd)

Aircraft impact, accident or misdirection of air cargo

A GAP IN MARITIME SECURITY WAS highlighted following a plane crash at the port of Long Beach, US. The single-engine plane crashed into the port container terminal and caused some damages onshore. Fortunately, it did not hit any of the vessels at berth at the time and luckily missed the port workers present. The Federal Aviation Administration is investigating the crash but this incident underlines the exposure to a terrorist type attack that could cause devastating damages, especially to hazardous cargoes such as LNG, LPG or gasoline.

Rules 8 and 9(a)(ii)(ee)

Loss or damage to vehicles, vessels or aircraft transhipping cargo or spare parts

A SHIP WAS DELAYED IN PORT awaiting spare parts for repairs before it could go back on trade. The vessel carrying the needed spare parts suffered a machinery breakdown en route, causing the delay.

Rules 8 and 9(a)(ii)(ff)

Lawful closure of port/waterway

COMMERCIAL SHIPPING WAS SEVERELY DISRUPTED following an oil spill in the Mississippi river in the United States caused by a collision between a tanker and a barge. Dozens of cargo ships were stuck in a stretch of water between the Gulf of Mexico and New Orleans. The oil spill led to the closure of navigation of nearly 160km of the river and efforts to clean up the oily sheen were expected to take weeks.

Rules 8 and 9(a)(ii)(gg)

Physical obstruction, unforeseeable high/low levels of water of port/waterway

FOUR PORTS IN TEXAS REMAINED CLOSED after a three-ship collision on the Sabine River at Port Arthur. Port Arthur, Port Neeches, Beaumont and Orange were expected to remain closed for up to four days after a ship collided with two tank barges being pushed by a tug. Two key liquefied natural gas facilities were boomed off and there were several ships berthed and reported to be ready for departure whilst another 13 ships were either ready to enter port or expected to arrive shortly.

Rules 8 and 9(a)(ii)(hh)

Border closures, import/export controls

GOVERNMENT IMPOSED CONTROLS caused a delay of 15 days at a Romanian port as consignees tried to obtain customs clearance to discharge their cargo.

Rules 8 and 9(a)(ii)(ii)

Physical or electronic sabotage, terrorism

FOLLOWING DEMONSTRATIONS during a day of labour action, severe damages were caused by strikers. The port facilities were seriously affected and cargo operations at the quay could only resume normally several days after.

Rules 8 and 9(a)(ii)(jj)

Expropriation, confiscation, seizure of cargo

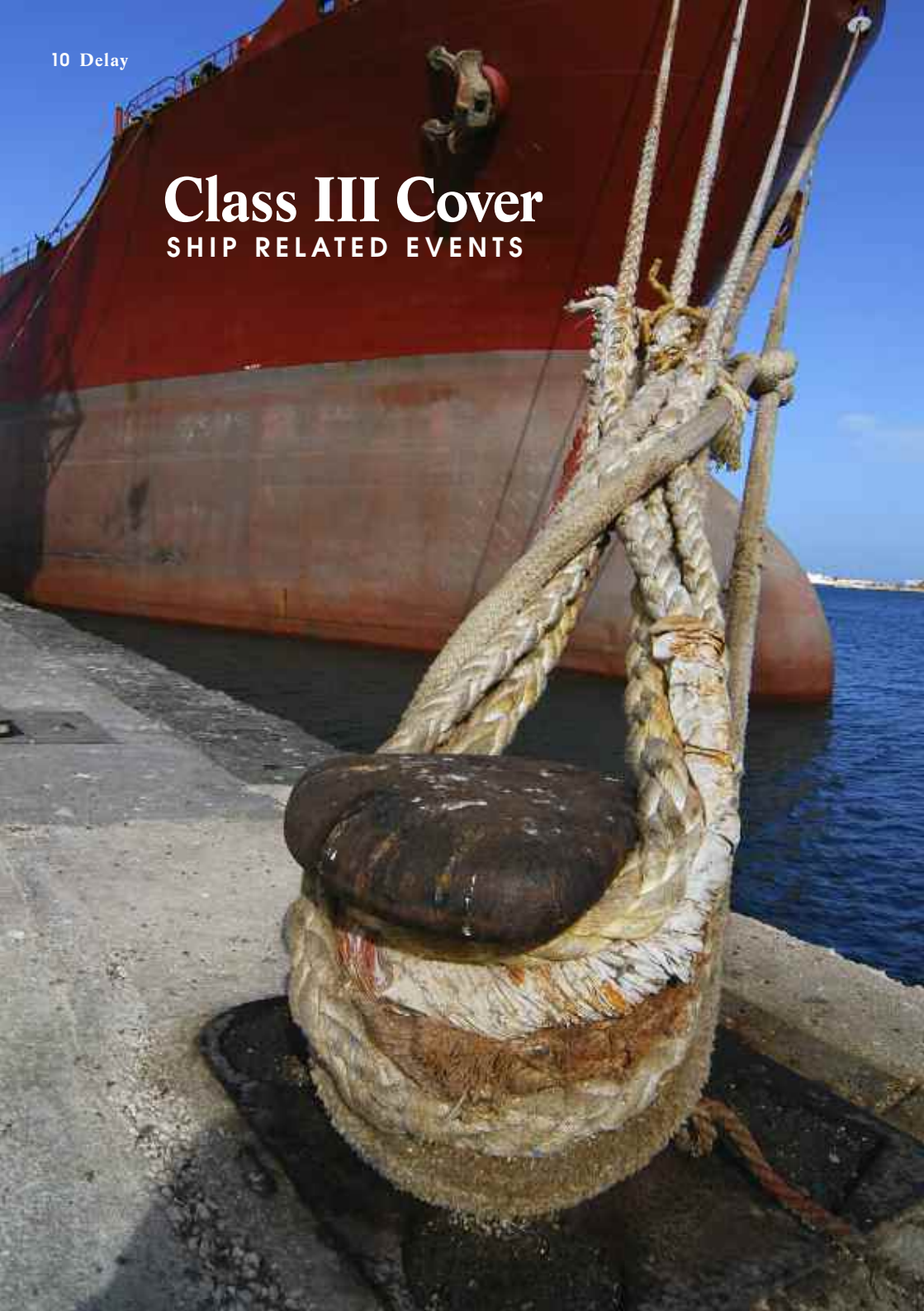
OPERATIONS WERE STOPPED as authorities seized cargo for further analysis. The waiting vessel was delayed several days.



10 Delay

Class III Cover

SHIP RELATED EVENTS



Delays caused by ship related events such as:

Crew and officers strikes

Collision, stranding, grounding or striking of fixed or floating objects

Single Incident Limit: 14 days or more
Delay commenced within 60 days after the original incident. Minimum excess: 4 days.

Illness, injury, death on board or directly caused by the entered vessel

Actual or alleged presence of drugs on board

Quarantine

Actual or alleged pollution by the entered vessel

Certain detentions of an entered vessel in the same beneficial ownership or management

Stowaways, saving life at sea, rescuing of refugees

Desertion of members of the crew

Fire, explosion or breakdown in machinery*

Single Incident Limit: 14 days or more
Delay commenced within 60 days after the original incident. Minimum excess: 7 days.

* Certain types of vessels only, of less than 15 years of age. Mainly covering propulsion, electrical and steam plant problems

Piracy, kidnap and ransom

Type of Operator

All operators are exposed to financial losses caused by delay to their vessels.

Their exposure will be determined by:

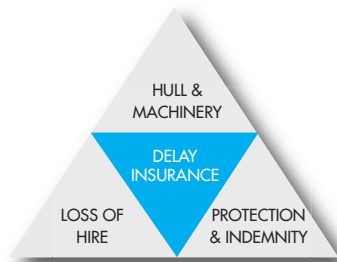
- The type of activity (owner or charterer)
- The contractual base on which the vessel is operated

The operators exposed to losses caused by ship related incidents that delay vessels are:

- BAREBOAT CHARTERERS
- OWNERS - regardless of the contractual base on which the ship is operated

During a delay caused by a ship related event, a charterer would probably be in a position to stop the payment of charter hire (subject to specific individual circumstances). Therefore this class of cover is better suited for owners or bareboat charterers.

Mutual Delay Insurance provides cost effective protection for losses caused by delays with very low deductibles. The delays covered are often connected to incidents also covered by the other main marine policies, but where such policies do not cover the time losses, or do so with a very high deductible.



CLASS III EXAMPLES

Delay caused by ship related events

Cover terms

Named perils	10(a)(ii) - Collision, grounding etc...	10 days in excess of 4 days deductible
	10(a)(iii) to 10(a)(ix) - Delay (P&I type incidents)	7 days in excess of 1 day deductible
	10(a)(xi) - Piracy, kidnap and ransom etc...	7 days in excess of 3 days deductible
Exclusions	10(a)(i) - Crew Strikes	
	10(a)(x) - Machinery damage	

Example 1

TOTAL DELAY SUFFERED: 18 DAYS *(Delay beyond mutual recovery could be recoverable under a standard Loss of Hire cover)*
 Policy deductible **4 days** + Recoverable delay **10 days**

Daily entered sum	\$8,000
Cause of delay	Collision, grounding etc...
Named peril rule	10(a)(ii)
Applicable policy minimum deductible	4 days
Total recoverable delay	10 days
Recovery	\$8,000 x 10 = \$80,000

Example 2

TOTAL DELAY SUFFERED: 2.5 DAYS *(This situation would probably also have generated a response from the P&I Club for any 3rd party liability)*
 Policy deductible **1 day** + Recoverable delay **1.5 days**

Daily entered sum	\$8,000
Cause of delay	Detention following pollution alleged to emanate from entered ship...
Named peril rule	10(a)(v)
Applicable policy minimum deductible	1 days
Total recoverable delay	10 days
Recovery	\$8,000 x 1.5 = \$12,000

THE EXAMPLES SHOWN ARE AN ILLUSTRATION ONLY. PLEASE CONTACT THE MANAGERS FOR FULL INFORMATION.

Rule 10(a)(i)

Crew and officers strikes

A BULK CARRIER BOUND FOR SUDAN was blocked in Port Lincoln for 2 days as seafarers complained of poor wages and conditions. Following negotiations, several crew members who went on strike were sent back to the Philippines, leaving the vessel anchored in the port.

Rule 10(a)(ii)

Collision, grounding, stranding

A BULKER, BUILT 1996, COLLIDED IN THE VICINITY OF SELAT PHILIP CHANNEL with a general cargo vessel and sustaining considerable damage. The damages suffered by vessels were such that immediate repairs were necessary for both.

Rule 10(a)(iii)

Illness, injury or death

CREW ON A SHIP WERE STRICKEN BY AN OUTBREAK of the Norovirus bug causing nausea and vomiting. According to reports, the ship had undergone extensive sanitation and disinfection to prevent the spread of the virus.

Rule 10(a)(iv)

Presence of drugs onboard

A VESSEL WAS CAUGHT UP IN A CRIME SYNDICATE'S BID to smuggle cocaine into Australia. It was reported that scuba divers attached containers to the hull of the ship for trips between South America and Australia. The syndicate's activities remained unknown to the owner and operator.

Rule 10(a)(v)

Actual or alleged pollution by entered vessel

A BULK CARRIER COLLIDED WITH A CONTAINER VESSEL as it was leaving port. The hull of the container ship was damaged resulting in a fuel oil spill and water entering one of the holds. A response unit contained the 150sqm oil spill.

Rule 10(a)(vi)

Desertion of members of the crew

AFTER DISEMBARKING IN PORT, crew members failed to return to their ship later the same day. As the minimum number of crew required was not reached, replacement crew had to be flown over to the vessel, causing considerable delay to the ship's operations.

Rule 10(a)(vii)

Action of authorities

A VESSEL WAS DETAINED IN PORT by authorities for several days in connection with damage to a berth caused by a sistership in an earlier call at the port.

Rule 10(a)(viii)

Stowaways

FOUR MEN WERE FOUND INSIDE A CONTAINER in the UK port of Tilbury after port workers heard their cries. Doubts were raised over container security checks following an earlier incident in Seattle in which 18 men and four women were caught in a terminal. In previous stowaway cases in the US, the lines were heavily fined, the ships involved detained and their containers screened for potential risk of terrorism.

Rule 10(a)(ix)

Quarantine

AUTHORITIES QUARANTINED A SHIP on arrival at port following an outbreak of Salmonella. The crew were isolated and the ship disinfected and inspected before departure.

Rule 10(a)(x)

Fire, explosion or breakdown in machinery

A NEWLY BUILT SHIP, just delivered to her owner to start her maiden voyage, was ready to sail to her first loading port when she was subject to a fire that burst out in her turbo charger of No.1 auxiliary engine. The crewmembers immediately shut down power and oil supply and started to fight the fire, first with portable fire extinguishers, then with water. Ten minutes later, the fire was finally extinguished but the ship remained trapped at the port whilst investigations were held.

Rule 10(a)(xi)

Piracy, kidnap and ransom

HEAVILY ARMED PIRATES ARE ATTACKING SHIPS further and further away from the African coast. The delay suffered by the ship, without damage to it, is recoverable from the Association.





Cover for damages suffered by
shipowners due to acts of war

War

THE COVER

Fixed Premium War Risk Insurance

- H&M - LoH War risk cover excluding piracy
- H&M - LoH War risk cover including piracy
- War - LoH extended to include piracy whether the insured ship is damaged or not

Also available on a stand alone basis for both owners and charterers

Please contact Managers for the latest updates and check the other sections of this brochure for details.



Cover for total or partial loss of income or financial loss incurred as the result of the loss of use of a vessel following an incident that is covered under the Hull and Machinery policy

Loss of Earnings

THE COVER

Fixed Premium Loss of Earnings

- Incident limit of US\$2.25m. In certain cases cover beyond these limits may be offered
- Full underwriting and claims handling control (unless following)
- 100% share, leading share or a follow share

Please contact Managers for the latest updates and check the other sections of this brochure for details.

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