

UIB GROUP MARINE - CARGO



DELAY IN START UP INSURANCE PRODUCT OVERVIEW

The Cargo Division of United Insurance Brokers Ltd specialises in placing and handling Marine Cargo and Delay in Start-Up (DSU) insurance programmes. Our reputation and market standing in this specialist insurance has secured our position as broker to a wide range of Construction Projects including Hydro Electric Power Plants, Fertilizer Plants, Desalination Plants and the like. Our experience embraces a vast range of territories including Turkey, Algeria, Poland, Netherlands, Iraq, Saudi Arabia, and many countries in Latin America.

In our experience, Lenders and Financiers will very often mandate the compulsory purchase of a Marine Cargo/DSU policy. They will also insist upon very rigid requirements with regard to the terms and conditions of these policies.

We are very well equipped to cater for these requirements and have tailored our standard policy in such a way to ensure that the interests of all relevant parties are comprehensively and adequately addressed.

As a market leader in the placement of Project Cargo and DSU risks, United Insurance Brokers Ltd are able to generate considerable purchasing power on behalf of our Clients. This translates into significant advantages being made available to our Clients in terms of price, deductible and breadth of coverage.

To benefit our clients, United Insurance Brokers Ltd utilise our own uniquely designed Marine Cargo/DSU wording as preference over the Insurer-produced versions. This provides greater flexibility and more competitive terms, all the while ensuring that our Clients benefit from our extensive knowledge and technical ability in this complex type of insurance.

Coverage Section A - Marine Cargo

As standard, we include:

- A Special Replacement Clause – indemnifying up to 130% of the value of the item insured
- An Airfreight Replacement Clause – allowing prompt replacement of items irrespective of the original method of shipment
- A Guarantee Clause – indemnifying up to 130% of the value of the item insured in respect of costs and expenses incurred in repair or replacement of items in order to maintain manufacturers' warranties. **The foregoing clauses are designed to reimburse the Insured for all reasonable costs incurred with regard to expediting the repair and/or replacement of critical items in the event of recoverable loss or damage**
- An amended Institute Classification Clause with additional premiums waived for vessels aged up to 25 years and with competitive rates offered for older vessels. This allows the Insured enhanced flexibility to conduct business whilst ensuring that older vessels are not unfairly penalised

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- A 50/50 Deferred Unpacking Clause (normally 180 days)
- A provision allowing for Waivers of Subrogation to be given to inland carriers. **These features allow the Insured to focus on business issues rather than insurance stipulations**
- A Multiple Insureds Clause, which is often a mandatory stipulation by lenders and financiers, and is useful in situations with more than one interested party.

Coverage

Section B - Delay In Start-Up

Delay in Start-Up losses would potentially arise as a result of loss of or damage to an identified critical item or items caused by a peril insured against under Section A plus:

- Institute Voyage Clauses Hulls plus War and Strikes perils
- Aircraft All Risks perils including War, Hi-Jacking and Piracy
- Loss, Damage or Mechanical Breakdown of the conveyance carrying or intending to carry goods by any fortuitous cause
- The carrying conveyance being involved in General Average, a Life Saving Operation and a Hi-Jacking or Piracy incident.

Indemnification

In the event of a recoverable loss, United Insurance Brokers Ltd's DSU policy wording indemnifies the Insured for not only their fixed costs and interest debt service requirement but also for their net profit, if required. This is not market standard and is a significant enhancement offered by the United Insurance Brokers Ltd wording.

Additional Coverages

In certain circumstances coverage may also be offered against closure by appropriate authority or unintentional physical blockage of berth, port, channel, canal or waterway.

Coverage under Section B can apply for a loss occurring under Section A even where the Insured's exposure applies on a **contingent** basis only.

Other Benefits

By superior crafting of the Section A wording and the provision of extensive coverage aimed at mitigating circumstances which could lead to Delays in Start-Up, United Insurance Brokers Ltd's tried and tested wording avoids the likelihood for potentially expensive DSU claims.

Whilst United Insurance Brokers Ltd are competing in the same arena as the largest worldwide brokers, we offer a much more personalised service. We work very closely with our claims, technical and processing teams, who are all on site, thereby offering a complete and dedicated service team.

The United Insurance Brokers Ltd Cargo Division works very closely with our Construction colleagues and we have many years of experience working together on Projects throughout the World. We are thoroughly practised in creating a seamless Marine Cargo/DSU - CAR / EAR policy.

Utilising United Insurance Brokers Ltd's significant experience, market prowess and enviable wording, results in peace of mind for our extensive and varied client base. We understand the importance of business, and therefore we streamline the insurance process as much as possible, enabling our clients to focus on their core operation.



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