

Having a clear, actionable risk management strategy in place before chartering a vessel can help an organization minimize the risk of incurring liability.

There are many standard voyage charterparty agreements available, each slightly different and requiring expert guidance as to which is most suited to the charterer's needs. However, there are some common themes. All, for example, place some obligation on the charterer. Where a charterer has a responsibility, there is also the risk of incurring a liability if that obligation is badly discharged, or not discharged at all.

The checklist below serves as a starting point for the types of issues an organization should be considering in advance of chartering a vessel.

	Yes	Not sure	No
Are you aware of the contractual obligations that standard voyage charterparties place on the charterer?			
Do you have a trusted charter broker to advise you on which charterparty agreement to use?			
Are you confident that when naming particular ports and terminals for your chartered vessel to load and discharge goods, such places are safe for the vessel in every respect, including depth, security, and political stability?			
Do you have a trusted, global network of agents to act for you during loading and discharging operations?			
Should the vessel be damaged by the goods or during the loading/unloading process, are you adequately protected against the liabilities that might be incurred?			

	Yes	Not sure	No
Are you aware that in most ports around the world, stevedores/ longshoremen will normally require to be "held harmless" before they will work to load and discharge goods?			
Are you aware that charterers may be required to contribute should general average be declared during the voyage? Are you insured for those contributions, should that happen?			
Are you confident that goods shipped to you from around the world will be properly packed?			
If the vessel is delayed because of problems getting goods to the port of loading, are you aware of how much demurrage you may be exposed to?			
Are you sure about the effectiveness of your charterer's liability insurance, if indeed you have any?			

Next steps

If you decide to charter your own vessel and require further information about the insurance implications, please contact Marsh Specialty's marine liabilities team in your region. If you do not have a Marsh Specialty advisor, please contact George Jones, Global Sales Leader, Marine & Cargo at george.jones@marsh.com who will introduce you to the marine liabilities advisor in your country.

You can also visit <u>marsh.com</u> for additional information.

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