



# Service Our Ships



## BRITISH EUROPEAN & OVERSEAS P&I RULES NOVEMBER 2011 UPDATE

The BE&O P&I are pleased to announce our fourth year of operation and we have now published our November 2011 updates to our General Terms & Conditions for Ship Owner's and Charterer's Liability ('The Rules').

The most significant change to the November 2011 updates is the inclusion of our Clause 49 'Renewals / Ad Extremis Ratio Exitus'.

This 'Clause 49' provides our assured with specific time periods for receiving renewal terms from underwriters for their insurance policy covers and subsequently specifies time periods for assured to respond to the provided renewal terms.

Further, 'Clause 49' also introduces and explains the term 'Additional Premium', which may be levied on a case by case basis if the assured do not renew their insurance policy with BE&O P&I. The 'Additional Premium' will be primarily based on the claims loss ratio.

Please see below the entire Clause 49 Renewals / Ad Extremis Ratio Exitus

49.1 The Managers shall provide renewal terms to each Assured no later than [30] days prior to the expiration date indicated in the insurance policy.



The Assured shall confirm its acceptance of such renewal terms within [15] days of the date of the renewal terms.

49.2 In the event that the Assured elects not to renew its insurance policy, in accordance with the renewal terms proposed by the Managers further to [49.1], the Managers may, in their absolute discretion, levy an additional premium charge (the 'Additional Premium') provided that such Additional Premium shall be based upon the claims record of the Assured and shall only be levied where the Claims Ratio exceeds [55%].

49.3 The Additional Premium must be received, without set off, by the Managers within 10 days of the date on which it is invoiced. If the payment is effected through a broker, the Additional Premium must be received by him within the abovementioned period and be passed on immediately and received by the Managers within a further 7 days at the latest.

49.4 If payment of the Additional Premium is not received within the period mentioned in [49.3]:

(a) Interest at the rate of 1% per month shall be payable on such Additional Premium as from the due date of payment (or such later date as may be specified by the Managers).

(b) Unless and until the Additional Premium is paid to the Managers, the Assured shall not be entitled to recover from the Club any claims whatsoever and whensoever arising in respect of any Ship for whom a contract of insurance has been provided in accordance with the Rules.

49.5 For the purposes of this Clause [1], the “Claims Ratio” shall be calculated by reference to the claim-spaid or payable to an Assured as a percentage of the total premiums paid or payable by an Assured (excluding any Additional Premium levied pursuant to Clause [49.2]) during the period of insurance of an insurance policy. Where the amount of any claim has not been finally ascertained, the Claims Ratio shall be calculated by reference to the reserve provided in the books and records of the Club for such claim.”

The entire Rules can be found at the following link:

[http://www.british-european-overseas-pandi.co.uk/images/PI\\_Insurance\\_and\\_Charterers\\_Liability\\_2012.pdf](http://www.british-european-overseas-pandi.co.uk/images/PI_Insurance_and_Charterers_Liability_2012.pdf)



## CONTACT INFORMATION

Should our assureds have any further queries or comments please contact;

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