

## "SARNIA NEWS" CIRCULAR

(Ref: 282/15/VAR)

TO ALL SHIPOWER CLIENTS

6th October, 2015

**Re: IMPORTANT NOTE – TRADING WARRANTY**

It has been noted recently that some owners are not observing the trading warranties included within their P&I insurance policies, and as such are taking a serious risk trading their vessels outside of the trading area agreed with underwriters.

*If a vessel is outside of the agreed trading warranty, underwriters have the right to decline any claims that may arise.* It is therefore imperative that owners check their trading warranty when negotiating a fixture and if the vessel will be trading outside of the agreed trading area, please inform Sarnia Marine immediately, so we may **request** your underwriter to provide an extension for the intended voyage, noting that ***underwriters must approve this request prior to the voyage taking place.***

We would also kindly remind owners that 'warranties' play a greater part in insurance law. A 'warranty' is another word for a 'stipulation' which must be strictly complied with, and if breached, will invalidate any insurance claim.

Kind regards,

Loss Prevention Team