

Continuing warranty of seaworthiness

EF Marine is aware that Assureds could occasionally be asked to sign contracts containing a continuing warranty of seaworthiness for the entire duration of the voyage. The aim of this circular is to warn you for the fact that accepting this warranty could prejudice your P&I cover. Here below we explain why.

It is important to note that in general, when carrying goods, any P&I cover stipulates that you should not enter into a contract with terms less favorable than those of the Hague-Visby Rules.

Following Article III, paragraph 1 of the Hague-Visby Rules and when acting as a carrier, you must demonstrate to have taken all reasonable precautions to ensure that your vessel is seaworthy before and at the beginning of the voyage. It means that you must make sure that your vessel is seaworthy, properly manned, equipped and supplied. Additionally, the parts of the ship in which goods are being carried must be fit and safe for their reception, carriage and preservation.

The words “before and at the beginning of the voyage” are of paramount importance. It indicates that you do not have an obligation to unconditionally guarantee the seaworthiness of your vessel during the voyage. Only before and at the beginning of it. After all, there could be circumstances during the voyage rendering your vessel to be unseaworthy and these circumstances could well be beyond your reasonable control.

The difference between “before and at the beginning of the voyage” as per the Hague-Visby Rules versus “during the entire voyage” of the continuing seaworthiness warranty is the crux.

The continuing warranty of seaworthiness stipulates that you must make sure that your vessel is seaworthy during the entire voyage, thus not only before and at the beginning of it. Consequently, when accepting the warranty, you are exposed to an obligation that goes beyond of what is required in the Hague-Visby Rules. It exposes you to wider liabilities, therefore placing you in a disadvantageous position. It also goes against of what is stipulated in the P&I cover i.e. “not entering into a contract with terms less favorable than those of the Hague-Visby Rules”. As a result, your cover could be compromised.

Naturally that should be avoided. Our advice therefore is avoiding accepting the continuing warranty of seaworthiness. We realize that in practice this may be challenging. Should you find yourself in such a situation then do not hesitate to contact us. We will work with you in finding alternative options, helping you to fix your vessel in a more balanced way and keeping your P&I cover in place.

SINGAPORE (head office)
EF Marine Pte. Ltd.

7 Temasek Boulevard #20-01
Suntec Tower One
Singapore 038987

 +65 62 59 75 02

 info@efmarinegroup.com

ROTTERDAM
EF Marine B.V.

Willemswerf Building
Boompjes 40
3011 XB Rotterdam
The Netherlands

 +31 10 79 86 990

 info@efmarinegroup.com