



SPECIALIST  
PROFESSIONAL  
INDEMNITY  
INSURANCE

# COMMISSION INCOME INSURANCE

*Specialist professional indemnity insurance  
for transport professionals everywhere*

ITIC  
IS MANAGED  
BY **THOMAS  
MILLER**

**Any transport professional will face day-to-day exposure to risk, but will be able to rely on ITIC to help reduce any potential hazards. To demonstrate how ITIC's loss of commission cover responds, the following claims scenarios may be helpful.**

### → **Constructive total loss commission insurance**

The ship broker who fixed the M.V. MSC NAPOLI for a period charter lost their right to commission when the ship, which was famously beached on the south coast of the UK, was declared a constructive total loss. The ship broker insured their commission and ITIC paid US\$ 500,000 to the broker - the equivalent of the balance of the commission due over the remainder of the period charter. The ship broker received his commission from ITIC and had the advantage of it being paid up front.

### → **Wider loss of commission insurance**

A ferry on a regular route suffered many deficiencies, including engine breakdowns and machinery deficiencies and was often put off hire. Ultimately the charterers applied a clause in the charterparty which allowed them to terminate the charterparty due to the number of off-hire periods. The ship broker had taken out ITIC's full loss of commission insurance and therefore claimed for the remaining period in which they should have received commission against the insured peril of the breakdown of the engine or equipment. The commission lost totalled US\$ 80,000 and was covered in full by ITIC.



## COMMISSION INCOME INSURANCE

**ITIC's loss of commission insurance is designed specifically for ship brokers. It will pay the ship broker's commission if the charterparty is cancelled due to one of the insured perils. The cover can easily be added to a policy by endorsement.**

Loss of commission insurance is as essential for ship brokers as business interruption and loss of profits insurances are to other businesses. The loss caused by, for example, the sinking of a vessel on a long term time-charter could seriously diminish a ship broker's income.

ITIC offers two types of loss of commission cover, the simpler being loss of commission resulting from the charterparty being terminated due to actual or constructive total loss of a vessel. The more comprehensive cover includes loss of commission due to a charterparty being cancelled for a wide range of marine perils, such as heavy weather, fire, piracy, collision, engine breakdown and negligence of master or crew. Cover is offered either on an individual declaration of a particular charter, sale or purchase, or the more popular annual cover for all fixtures concluded throughout the year. In the latter case, there is no need to make any further individual declarations as all fixtures within the limit of liability are automatically covered.

**If you would like a quotation for ITIC's commission income insurance, please contact your insurance broker or your underwriter at ITIC.**

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## WHY CHOOSE ITIC?

### **ITIC provides professional indemnity insurance at cost**

ITIC is the mutual insurer of professionals in the transport industry with no external shareholders to take a profit from the business.

### **ITIC will provide a sympathetic approach**

ITIC understands that you will often have commercial relationships which will need preserving and will work with you to allow that business association to continue. ITIC's unique discretionary insurance cover could support any claim which may not normally be paid by another professional indemnity insurer.

### **ITIC understands your business**

ITIC's specialist knowledge of your business will make it quicker and easier for you to obtain advice and support on a claim under your professional indemnity insurance.

### **ITIC is more than just insurance**

As an assured at ITIC you will receive support from a team who understand the unique situations and liabilities that your business faces.

### **ITIC pays dividends annually**

Surplus funds have been paid out to the Members in the form of continuity credit since 1994.

*ITIC is the world's leading insurer for professionals who provide services to the transport industry.*



## Essential transport industry services from ITIC.

ITIC is managed by Thomas Miller, which manages a number of world-leading mutual insurance companies providing insurance for shipping, transport and professional indemnity risks, including UK P&I Club, TT Club, Hamia, BLP, OPDU, Pamia and Bar Mutual.

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