

PROTECTING MARINE VESSELS

Marine shipping is an industry with great risk....

Today, shipping companies with marine vessel operations face a growing threat of hijacking. The safe release of crew members and the management of payment of ransom is a stressful event for a company and its resources. The mishandling of such an event can have dire consequences.

Schinnerer's Marine Protection policy is the coverage shipping companies need to provide protection and resources during a hijack event.

COVERED EVENTS

- Kidnap of crew and/or the illegal seizure of a vessel

WHO IS IT FOR?

Masters, officers and crew of the covered vessel, any customer or guest legally onboard, and any person who is temporarily employed for the sole purpose of negotiating and/or delivering a ransom.

COVERED LOSSES MAY INCLUDE

- Ransom payment
- Loss in transit of ransom
- Legal liability
- Loss of hire
- Cost of professional risk consultants deployed within 24 hours worldwide
- Cost of delivering ransom, e.g. sea drop
- Temporary security costs
- Cost of psychiatric and medical care
- Communication and public relations services
- Fees and expenses for independent negotiator
- Travel and accommodation costs
- Personal financial loss
- Rest and rehabilitation costs
- Reward monies

MITIGATING YOUR RISK

Shipping companies can help mitigate risk by having a crisis management plan in place to deal with a piracy/hijack incident. It is essential to ensure there are crisis managers in place who are familiar with their individual roles and responsibilities should an incident occur and test their plans by doing a crisis simulation exercise. It is also advantageous to have an expert crisis management team advise on countermeasures they can implement. Our policy includes a prevention fund which can be used towards these types of services.

INSURANCE AND EXPERTISE

While prevention is key, it's impossible to protect everyone all the time. Our Marine Protection policy is a valuable tool that can help protect shipping companies from the many risks they face if an incident does occur.

SHIPPING INCIDENTS¹

The following true events illustrate the seriousness and scope of dangers facing shipping companies.

GULF OF ADEN

Pirates seized a super tanker carrying up to two million barrels of oil worth around \$100 million U.S. dollars. The ship, including a 25 member multinational crew, was captured 450 miles off the coast of Kenya.

A Ukrainian vessel and its 21 crew members were attacked and captured by three cutter boats carrying armed men off of the coast of Somalia. While negotiations continued, the pirates stated they would defend themselves and kill the crew if attacked. A later threat to blow up the vessel and kill everyone on board was also made. A ransom demand of approximately \$20 million was initially made.



PROTECTING MARINE VESSELS

GULF OF GUINEA

Eight separate trawlers were taken captive in Nigerian waters. Each captain was taken to an undisclosed location while heavily armed pirates remained in control of the boats and their respective crew members. The pirates then forced the boats into deeper water while those holding the captains contacted the boat owners to demand a ransom.

HORN OF AFRICA

A Hong Kong cargo ship, along with its 25 member crew and 36,000 metric tons of wheat was captured in the waters off the Horn of Africa. The ship was headed to the Iranian port of Bandar Abbas.

¹ These incidents were originally published by Hiscox in the Marine Special Protection Program brochure.

For More Information contact:

Sarah Katz

Tel: 301-961-9898

Fax: 301-951-5444

E-mail: Sarah.J.Katz@Schinnerer.com

For additional information visit www.PlanetKandR.com

This information is for illustrative purposes only and is not a contract. It is intended to provide a general overview of the policy described. Nothing contained herein should be construed as an acknowledgement by Schinnerer that a given situation may be covered under a particular policy. © 2009, Victor O. Schinnerer & Company, Inc.



VICTOR O.
SCHINNERER
& COMPANY, INC.