

Technical Seminar on Insurance-Addressing Shipowners' concerns- IMEI Navi Mumbai

The Institute of Marine Engineers India, Navi Mumbai chapter of Mumbai Branch, hosted a thought-provoking session on Insurance: Addressing Shipowners Concerns.

A sizable number of maritime fraternity members attended the seminar, which was hosted at IMEI House in Nerul. To address the risks inherent in the shipping industry due to the constantly changing nature of maritime threats, such as natural disasters and geopolitical tensions, the seminar brought together industry experts, ship operators, and maritime professionals.

Mr. Arun Kumar Gupta, Chairman Navi Mumbai Chapter presided over the seminar. **Capt. Manish Kumar**, Nautical Surveyor-cum-Deputy Director General (Tech) Directorate General of Shipping, was the Chief Guest. It was also graced by the presence **Capt. Shiv Nandan Halbe**, CEO MASSA, **Capt. Phillip Mathew** from Seven Islands Shipping Ltd and other eminent dignitaries.



During his welcome speech, Mr. Gupta stated that young Marine Engineers are mostly not aware of the various nuances of marine insurance. He urged the audience to get the most out of the seminar and absorb the maximum. He stated that Insurance was nothing but a risk mitigating exercise and in the recent past had become very important due to geopolitical challenges. After setting the tone of the Seminar Mr. Gupta requested Capt. Manish Kumar to address the audience.



The Navi Mumbai Chapter of IME(I) was commended by Capt. Manish Kumar for organising the seminar on a topic of great importance to the maritime industry, particularly shipowners. Capt. Manish mentioned a related incident regarding the challenges the administration has faced since a ship's insurance has expired.



Mr. Arun Kumar Gupta
Chairman
Navi Mumbai Chapter



Subsequently, **Mr. Tarique Q. Mulla** introduced **Capt. Naresh Kumar** as the first speaker. Vice President of Ace Insurance Brokers Pvt Ltd, Capt. Naresh Kumar, took the dais. During his presentation, he provided a brief explanation of war risk coverage as well as the advantages of having separate war risk coverage for P&I and H&M wars in the current situation. He also gave a briefing on numerous crucial insurance components.



Proceeding ahead Mr. Tarique introduced the second speaker **Mr. Niladari Bandyopadhyay**. Senior Vice President Mackintosh Management Services Pvt. Ltd. Mr. Niladari Bandyopadhyay briefed about P&I insurance cover, important clauses and he also discussed a few case studies

Below are Key Takeaways from the Seminar:

War Risk - Any physical damage to Ship or liabilities arising due to War or War-like Activities. The War Risk cover is an exclusion in both H&M and P&I.

War Risk Cover – Some important clauses to cover it- Institute War and Strikes Clauses Hulls - Time (Cl. 281) (1.10.83), War and Strikes Protection and Indemnity Liabilities and Crew War Liability for separate amounts equivalent to Hull Value (Cl.345) Missing Vessel Clause, Blocking & Trapping and Detainment as per the coverage of ITC Hulls 1/10/83 Hull war and strikes clauses – 12 months. Navigation Limits for Hull War, Strikes, Terrorism and Related Perils Endorsement.

Difference Between London Market & GIC Hull War Schemes-

- Geographical Limits are different
- No cover for Iran & Sanctioned Countries by UN/UK/US/EU + Sea of Azov / Black Sea / RUB Area in GIC Schemes
- No War LOH cover in GIC Schemes
- No NCB discounts in GIC Schemes
- No Bespoke Cover for 14/21/28 Days

Recommendation for transiting in Gulf Of Aden- It is recommended to follow BWMP 5 guidance, AIS to be kept at low frequency, consider armed security team, strict radar watches to be followed, if required Additional watches to be deployed ,Utilise the Maritime Security Transit Corridor (MSTC) and the Internationally Recommended Transit Corridor (IRTC), Attempt to voyage between 15°N and Point Alpha of the IRTC in the dark hours, Carry out crew briefings and lockdown drills, Maximise distance from the Yemeni coastlines, Consider light discipline, reducing the vessel's visual signature, If approached, increase speed and initiate evasive manoeuvres.

Interplay Between Primary War Risk Cover & P&I War Risk Cover- Primary risk cover limit the sum insured value or USD 500M (whichever is less) while P&I War Risk Covers in excess of sum insured value or USD 500M (whichever is less) up to the limit of USD 500M.

BMP5- Voluntary Reporting Area, IRTC, Reporting to Hull Insurance Company, register vessel in MSCHOA, Report to UKMTO, Prepare the vessel for transit, Preparedness of ship to deter any boarding, Preparedness of the ship's Citadel, Preparedness of crew to detect and response to security threat.

K&R piracy affected areas- Gulf of Aden and Horn of Africa, Gulf of Guinea, Southeast Asia and South China Sea. The risks present in these areas, the limits per event and K & R Cover Rates were discussed

P& I cover- The legal liability can arise under the terms of contract, tort, or statute. As per Indian Port Act 1908 as per section 31(2) the master or shipowner can be held liable for damage to the port or its property and as per section 14, if the vessel is wrecked, owner of the vessel is liable for its removal. As per MS Act 1958, Joint and several liability for pollution to environment under various sections.

It was recommended that the shipowner must take the separate war risk cover with separate limits for H&M war and P &I war. The P&I cover provided by the club is much more than the insured value of the ship. Primary war limit of combined hull and third-party damage may not be sufficient to cover all damages.



An exciting, captivating, and dynamic question-and-answer session rounded off the seminar. The honourable chief guest and our distinguished speakers received a token of gratitude from Mr. Arun Kumar Gupta, Mr. Vishal Varma, and Capt. Shiv N. Habale respectively. **Ms. Jyoti Nayak** organised the entire program with efficiency. **Ms. Archana Saxena Sangal** proposed the vote of thanks and also summarised the event candidly. On behalf of IME(I), Navi Mumbai Chapter she expressed gratitude to the honourable chief guest, the guest speakers and the enthusiastic audience.

