



Maritime Piracy Insurance



Maritime piracy presents an increasing risk year on year and hot spots now include major shipping routes in and around South East Asia, the Indian Sub Continent, the Gulf of Guinea, and Somalia. The Indian Ocean continues to be a major concern to the shipping industry. Recent events in the Gulf of Guinea are making this region extremely worrisome too. Preparation and risk mitigation are critical to managing exposure to the piracy threat.

AIG's Maritime Piracy Insurance not only protects against financial losses but also makes available the specialist services of a leading crisis management and security consultancy. As well as responding to policyholders facing a piracy incident, they provide end-to-end solutions combining technology with proven subject matter expertise, aimed at reducing potential risk.

Broker Facts

24/7 Maritime Operations Centre operated by NYA

Piracy risk management, mitigation and response

Vessel tracking and threat monitoring service provided

Insured events

- Kidnapping
- Hijacking

Cover highlights

- Ransom payment
- Loss in-transit of payment
- Unlimited security consultants fees / expenses
- Additional expenses (travel, medical, PR, rest...)
- Legal costs (legal advice)

Additional covers

- Cost of fuel used by an insured vessel during an hijacking (up to 250.000\$)
- Costs paid to port authorities for an unscheduled port call following an hijacking (up to 250.000\$)
- Costs of conveying any ransom monies (including airborne drop)
- Costs of transporting and employing a replacement crew (up to 250.000\$)
- Hull cleaning expenses following prolonged captivity (up to 250.000\$)

Optional covers

- Death or dismemberment benefits arising from a covered incident
- Loss of hire: loss of income during the vessel's captivity

Target Market

Any shipowner or charterer. The policy can be written on a single vessel or fleet wide basis, and can be purchased on an annual or transit basis

Underwriting Considerations

A variety of factors will be considered including:

- Route of vessels
- Vessels type and characteristics (height of freeboard, speed)
- BMP4 compliance
- Security precautions (barbed wire, citadel, convoys, guards...)
- Crew training

Benefits

- Limit capacity up to \$ 15 million per event
- No deductible
- In-house and experienced claims personnel are available 24-hours-a-day, 7-days-a-week, solely dedicated to crisis management claims

NYA International

As the nature and severity of crises is constantly changing, we find it important to protect and assist the insured with a best-in-class crisis, prevention and response consultancy; NYA International (www.nyainternational.com)

NYA International's consultants have managed Maritime Piracy cases through the world, including over 35 Somali Piracy cases.

This information is intended for insurance brokers and other insurance professionals.



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