

CREW**SEACURE**

Frequently Asked Questions



Securus (n) "one who promises to answer for the debt or default of another"

CREWSEACURE: Frequently Asked Questions

What does CrewSEACURE cover?

CrewSEACURE will indemnify the shipowner for the consequential losses that arise as a direct result of a demand for a ransom payment that follows illegal threats or actions taken by an aggressor against the insured ship owner, their vessel or crew.

Who are the “covered persons” under the policy?

Covered persons include, ship’s crew, supernumeraries and any person legally onboard the vessel at the time of the incident, such persons may include pilots, ship’s agents, surveyors, riding gangs etc.

What type of policy is CrewSEACURE?

CrewSEACURE is a term value policy. The usual term of the policy is one year. The value of the maximum policy indemnification can be varied for different heads of claim to suit the premium cost and risk appetite requirements of the insured.

Does CrewSEACURE offer world wide coverage?

The coverage can be offered on a world wide basis or tailored to accommodate a vessel’s particular trading pattern.

Does the policy cover all illegal acts or threats made by such an aggressor?

CrewSEACURE covers all cases of kidnap for ransom that involve the insured vessel and her crew and /or covered persons legally onboard the vessel at the time of the incident and/or their assets (corporate or personal) regardless of the motive of the attack.

Acts of piracy, terrorism and barratry resulting in a, kidnap, hijack or extortion situation when ransom payments are demanded and which thereafter lead to a subsequent financial loss to the insured would be covered in situations where the insured shipowner can legally respond.

Why buy the cover?

The incidence of violent crime and piracy is increasing and represents a real modern day threat to merchant vessels and their crews. CrewSEACURE provides an owner with the peace of mind that the best interests of the company and their seagoing employees are protected from the adverse consequences of such attacks.

What are the benefits of the policy?

The policy has a two fold benefit for the insured:

Firstly - the cover provides the insured with direct access to a well drilled emergency response protocol and network of professional ransom negotiators and maritime security experts to guide the insured safely through a difficult and stressful time, all such response costs are unlimited under the terms of the policy.

Secondly - such violent attacks can prove to be very costly, CrewSEACURE ensures that all such costs are met by the insurer subject to policy limits.

What case related costs will be indemnified under the policy?

- **Ransom including plus accrued interest in full**
- **Loss of Ransom in transit**
- **Response consultants fees and expenses**
- **Rest and rehabilitation expenses**
- **Personal financial loss of the covered person(s)**
- **Legal costs**
- **PR and interpreter costs**
- **Cost of travel and accommodation for covered persons**
- **Any reward that is made to assist with the resolution of the incident**

- **Salary replacement costs for the hijacked crew and replacement crew and the costs of management time incurred by the insured to resolve the incident.**
- **Communication costs**
- **Reasonable costs of plastic surgery**
- **Reasonable fees and expenses of forensic analysis**
- **All other reasonable costs incurred with the underwriter's prior approval**

What triggers the policy?

A demand for ransom from the insured ship owner will trigger a claim on the policy.

Who provides the response?

Policy underwriters have priority access to Kroll and Gray Page Risk Services to immediately respond to marine related incidents covered under the policy.

When does the policy pay?

Unlimited response costs are paid directly by the underwriters. The insured will be indemnified for the additional case related costs and expenses post incident subject to policy limits and underwriters approval.

Is there any overlap with other insurances?

The wide ranging coverage afforded by CrewSEACURE is not provided exclusively by any of the traditional marine insurances however, in the event that discretionary cover is provided under the owners P&I, H&M, FD&D or War Risks insurance for part of the losses arising from such an incident, CrewSEACURE would not pick up these costs to the extent that they are covered elsewhere.

(N.B. It is warranty of the policy that the insured shall maintain P&I, H&M and War Risks insurance throughout the currency of the CrewSEACURE policy).

Is there a deductible?

There is no deductible under the standard policy coverage.

What are the limits?

Limits can be selected to match an insured's risk appetite and premium spend. Limits can vary between \$1 - \$25 million per event. The limits under the policy are as follows:

- **Ransom**
- **Loss of Ransom in transit**
- **Additional Expense plus sub-limit for rest and rehabilitation**
- **Legal Costs**

How many vessels can be covered under the policy?

The policy can be tailored to accommodate a single ship or multi-ship fleet cover.

What are the advantages of insuring a fleet under one policy?

By insuring multiple vessels under the same policy and limiting the number of claims in the aggregate during the term of the policy it is possible to obtain effective risk transfer for a meaningful reduction in the per vessel premium cost.

What are the conditions?

It is a principal condition of the policy that the knowledge of the existence of the policy is restricted at all times. It is also a condition precedent of the policy that the insured shall communicate with underwriters and response consultants at all times following an event. All other general conditions can be reviewed when disclosing the policy terms to the prospective insured.

What are the exclusions?

The surrender of cargo, goods and/or cash being transported by any vessel covered under the policy for use as ransom is not covered by the policy. Any costs or losses incurred without prior notification to underwriters. All other general exclusions can be reviewed when disclosing the policy terms to the prospective insured.

What is a typical loss scenario?

A bulk carrier is hijacked 180 miles off the coast of Somalia. The Pirates demand a ransom payment to release the vessel and her crew. Response consultants are mobilised to assist the owner with the ransom negotiations. Initial ransom demands of \$1 million are reduced to \$650,000 after 6 weeks of negotiations and the vessel and crew are released unharmed. The crew are repatriated and a substitute crew joins the vessel. Total losses including daily running costs, loss of income and ransom payment amount to \$1.5million. Further to underwriting approval the shipowner is indemnified for the full amount of the losses subject to policy limits.

What does it cost and how is the premium calculated?

The premium is risk specific and depends upon the level of indemnification provided. The premium is calculated by first looking at the general particulars of the vessel (s) including:

- **Ship Type**
- **Ship particulars**
- **Flag**
- **Nationality of owner/manager**
- **Number and nationality of crew**
- **Trading areas**
- **Cargoes carried**
- **Limits of liability**
- **Details of any previous threats or incidents**

Based on an analysis of this information it is possible for underwriters to provide a non binding indication. Thereafter if the client requests a quote it will be necessary to complete an additional security related questionnaire which will be used to firm up the original non-binding indication. Discounts can be provided on multi-ship quotes dependant upon the required risk transfer.

When is the premium payable?

The premium is payable prior to the inception date of the policy.

Is this cover relevant for all vessel types?

Yes.

Who is the insurer?

The risk is insured by certain Lloyds of London underwriters who are rated S&P A+ and are a market leader in non-marine K&R.

Who is the coverholder?

Cooper Gay provides the requisite Lloyds coverholder status to facilitate the fulfilment of this product. All insurance related documentation, collection of premium and indemnification of claim payments will be facilitated by Cooper Gay. Cooper Gay is one on the largest privately owned Insurance and Reinsurance broking groups based in the City of London.

For more detailed information and/or to request a quote please contact:

Seacurus Limited,
Design Works, William Street,
Gateshead, Tyne & Wear,
England, NE10 0JP

Tel: + 44 (0) 191 4690859
Fax: + 44 (0) 191 4697940
Email: enquiries@seacurus.com
www.seacurus.com

