

# PROSEACURE

## Frequently Asked Questions



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

# PROSEACURE: Frequently Asked Questions

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## What does ProSEACURE cover?

ProSEACURE will indemnify the consequential losses that arise as a direct result of illegal threats or actions taken by an aggressor, (private or governmental) to extort monies from the insured company of marine professionals.

## What is meant by Marine Professional?

By marine professional we mean an individual or group of marine lawyers, surveyors, engineers, loss adjusters, naval architects, consultants, contractors, or marine superintendents working globally for marine clients in a variety of overseas jurisdictions.

## What type of policy is ProSEACURE?

ProSEACURE 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 ProSEACURE offer world wide coverage?

The coverage can be offered on a world wide basis or tailored to accommodate predetermined geographical areas.

## What illegal acts does the policy cover?

ProSEACURE covers all illegal acts or threats made by an aggressor (private or governmental) against the insured covered persons and/or their assets (corporate or personal) regardless of the motive of the attack. Acts of illegal detention, kidnap, extortion and hijack resulting in a financial loss to the insured are covered.

## Why buy the cover?

The marine professional is frequently instructed to represent their client's interests in ever increasingly difficult jurisdictions. Incidence of violent crime, extortion and commercially or politically motivated detention are real risks faced by the modern day marine professional. ProSEACURE provides the insured with the peace of mind that the best interests of the company and their partners/consultants are protected from the adverse consequences of such attacks.

## What are the benefits of the policy?

**The benefits are two fold:**

**Firstly**, the cover provides the insured with direct access to a well drilled emergency response protocol and network of professional consultants who advise and guide the insured through difficult and stressful insured events, the costs of which are unlimited under the terms of the policy.

**Secondly**, insured events can prove to be very costly, ProSEACURE ensures that case related costs and expenses are met by the insurer subject to policy limits.

## What case related costs will be indemnified under the policy?

- Ransom including any interest payments
- Loss of Ransom in transit
- Response consultants fees and expenses
- Rest and rehabilitation expenses
- 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 insured person and their replacement plus the costs of management time incurred by the insured to resolve the incident.**
- **Communication costs**
- **Costs of cosmetic and plastic surgery**
- **Personal Accident**

## **What triggers the policy?**

**Detention** - triggered by the holding of a covered person under duress

**Kidnap** - triggered by ransom demand

**Extortion** - triggered by ransom demand

**Hijack** - triggered by the holding of a covered person under duress

## **When does the policy pay?**

Unlimited response costs are paid directly by the underwriters whilst the insured will be indemnified for the additional case related costs and expenses.

## **Is there any overlap with other insurances?**

The wide ranging coverage afforded by ProSEACURE is not provided by any other single policy of insurance. However, elements of the personal accident and injury coverage under the policy may be covered elsewhere in corporate travel/medical policies. ProSEACURE would not pick up these costs to the extent that they are covered elsewhere.

## **Is there a deductible?**

There is no deductible.

## **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 loss**. 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**
- **Personal Accident – capital sum insured**

## **How many persons can be covered under the policy?**

The policy can be tailored to accommodate a single marine professional or provide group/corporate coverage.

## **What are the advantages of group coverage?**

By insuring a group of marine professionals 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 and a meaningful reduction in the per person 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?**

All general exclusions can be reviewed when disclosing the policy terms to the prospective insured.

## What is a typical loss scenario?

If we take the Tasman Spirit case as an example, in a similar fictional incident a marine surveyor may be instructed by vessel owners to attend the casualty to collect evidence in anticipation of claims on their policy of hull and machinery insurance. In the course of his investigations the surveyor may be wrongly mistaken by the local authorities as being the owner's representative and detained as part of an elaborate scheme to extort exaggerated levels of security from owners. In such circumstances what would be covered?

- **Cost of travel and accommodation for covered persons**
- **Rest and rehabilitation expenses**
- **Unlimited response costs**
- **100% of a detained Covered Person's gross salary including bonuses during the event and for 60 consecutive days following the release, limited to a period of 60 consecutive calendar months;**
- **100% of the gross salary for a replacement of a detained Covered Person, during the period of detention and for 30 consecutive days following the release, limited to a period of 60 consecutive calendar months;**
- **The costs incurred by the insured for the salaries of employees specifically designated to assist in negotiating on an insured event.**

## What does it cost and how is the premium calculated?

The premium is risk specific and depends upon the required level of indemnification. The premium is calculated on the basis of the underwriter's analysis of the following criteria:

- **Number and nationality insured persons**
- **Location of registered company office**
- **Typical jurisdictions in which you work**
- **Nature of work**
- **Limits of liability**
- **Details of any previous threats or incidents**
- **Details of any company standard security and travel procedures**
- **Details of any company security training**

Based on an analysis of this information it is possible for underwriters to provide a non-binding pricing indication. Discounts may be available on group quotes dependant upon the required risk transfer.

## When is the premium payable?

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

## 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 marine and non-marine detention and kidnap for ransom insurance.

## Who provides claims support?

Cooper Gay and Company Limited provide the requisite access to certain underwriters at Lloyd's to facilitate the fulfillment of this product. All insurance related documentation, collection of premium and indemnification of claim payments will be facilitated by Cooper Gay and Company Limited. Cooper Gay and Company Limited is one of the largest privately owned Insurance and Reinsurance booking groups based in the City of London.

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

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