

The consequences of uninsured vessels off the South African coast

27th Marine Forum Conference

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[4 May 2012]



Introduction

Consequences of uninsured vessels off our coast

- Summary of main types of insurance
- Potential disastrous consequences of not being insured
- Vast majority of ships are properly insured
- Major exposure on pollution incidents because legislation has not been passed

Types of insurance

- Most ships are insured as potential liability is huge and premiums are low and assets are exposed to arrest if uninsured.
- Hull and machinery : Loss or damage to the vessel and machinery
- P & I Insurance : Loss of life, personal injury, damage to cargo and fixed and floating objects, wreck removal, towage liability, stowaway costs and pollution.
- Mt *Torrey Canyon* triggered development of Civil Liability Convention and Fund Convention

P & I Insurance

- Loss of life, personal injury, repatriation, loss of personal effects of crew;
- Collision liability not covered under H & M insurance;
- Liability for damage to fixed and floating objects such as gantries and oil rigs;
- Liability for loss or damage to cargo;
- Wreck removal expenses;
- Towage liability;
- Stowaway repatriation and associated costs; and
- Pollution

Pollution Conventions

- 1992 Civil Liability Convention up to US\$ 117 million;
- 1992 Fund Convention : US\$ 264 million;
- SA a party to both conventions but no domestic legislation

Conclusion

- Most vessels insured
- Infrequent incidents with relatively small expense
- Could be catastrophic

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