



## TRANSMARINE

### **Transmarine creates innovative new cover to protect charterers against piracy**

Transmarine is pleased to announce an insurance policy that will protect the charterer's cashflow in the event of piracy.

Transmarine, established in 1974 and managed by Michael Else and Company Limited, is a leading player in the niche market for marine trade disruption insurance. This extra cover for charterers is available as a standalone product for charterers as an extension to the existing Transmarine policy. The insurance responds to indemnify the charterer's liability to continue to pay hire to the shipowner in circumstances where the charterer is deprived of the use of a chartered vessel due to an act of piracy. This cover is specifically targeted at vessels trading internationally and transiting the Gulf of Aden.

The incidence of pirate attacks in the Gulf of Aden has risen sharply over recent months; but despite this, many shipowners are still prepared, or compelled commercially, to transit the Suez Canal and the Gulf of Aden.

It is a widely held view that under a standard form of NYPE charterparty an act of piracy is not an off-hire event. Charterers have had limited success in negotiating amendments or inserting additional clauses that would make piracy an off-hire event; but such clauses are not finding favour with the shipowners at present. As a result many charterers have ships transiting this high risk region, where if the vessel was to be attacked by pirates and they lost the use of her as a result; they would still have to continue paying hire to the shipowner.

Vessels are now routinely being hijacked by pirates and sometimes being detained for as long as 2 or 3 months prior to being released. The liability to continue paying hire for this length of time represents a real financial risk to the charterer.

Christopher Else, MD of Michael Else and Company Limited said "Piracy in the gulf of Aden has become a very real problem, and not just for the shipowner. In these difficult times the last thing any charterer wants is a liability to pay hire to the value of several hundred thousand, or even millions of dollars, whilst the vessel he has chartered is sitting idle" he went on to say "Not only is the policy cost effective; but it carries a very low excess point and gives the charterer real peace of mind, cashflow is king currently and with the frequency of attacks we are experiencing at present, this specialist insurance should be an essential purchase for charterers".

Charlie Barnes, the class underwriter for Transmarine observed that, "This insurance is now live and we currently have several chartered vessels on risk. The level of interest amongst charterers is extremely high and early signs are that the uptake of this policy will be significant". Charterers or insurance brokers requesting further information are invited to contact Michael Else and Company Limited on [piracy@else.co.uk](mailto:piracy@else.co.uk) or speaking to Chris Else, Gavin Ritchie, Charlie Barnes, Heinz Gohlish or Lachlan Morison on +44 20 7702 3928

Dated London 3<sup>rd</sup> December 2008



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## CLASS II - PIRACY INSURANCE Confidential Proposal Form

<b>Name of Assured:</b>	Return your completed proposal form to  <b>Michael Else and Company Limited</b> 65 Leadenhall Street, London EC3A 2AD  Tel: + 44 (0) 20 7702 3928 Fax: + 44 (0) 20 7702 3993 E-mail: <a href="mailto:cbarnes@else.co.uk">cbarnes@else.co.uk</a> <a href="mailto:gritchie@else.co.uk">gritchie@else.co.uk</a>
<b>Contact:</b>	
<b>Telephone number:</b>	
<b>Web site:</b>	
<b>E-mail:</b>	

<b>Name of Broker:</b>
<b>Contact:</b>
<b>Telephone number:</b>

<b>Commodities carried</b>	:
<b>Number of vessels in transit through the Gulf of Aden</b>	:
<b>Are vessels sub-chartered</b>	:
<b>Daily insured amount, US\$</b>	:
<b>Daily insured amount of sub-charter, US\$</b>	:
<b>Any experience of piracy events</b>	:

<b>Signed:</b>	<b>Name:</b>	<b>Position:</b>
<b>Date:</b>		