



# Basics of Marine Insurance

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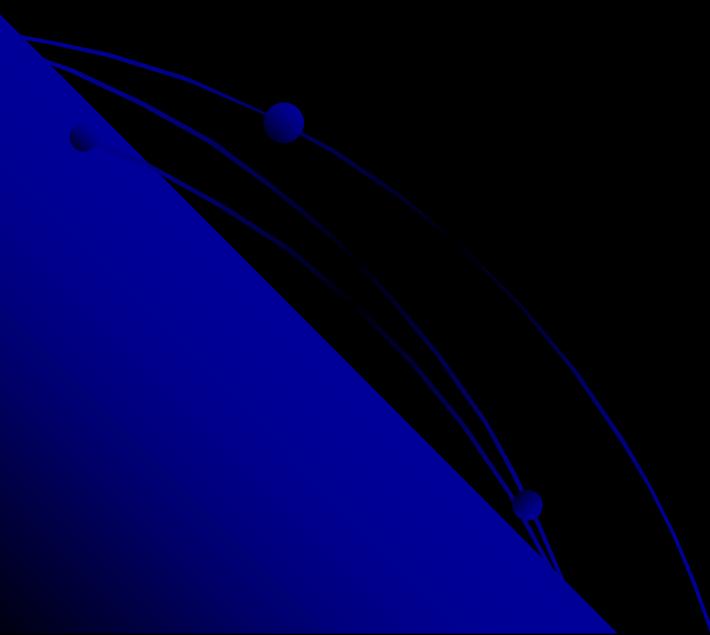
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# MARINE HULL INSURANCE



# IF YOU OWN A SHIP!



The value of the ship is approx 50 Mln USD

What risks are attached to this ship ?

# Marine Hull



- The world fleet today comprises of over 90,000 ships of over 100 gross tons
- Half of these are over 500 gross tons carrying majority of the cargo of the world.
- Large ships value over US\$ 50 Million each
- Hull insurance provides for physical damage insurance on the boat/vessel

# Marine Hull



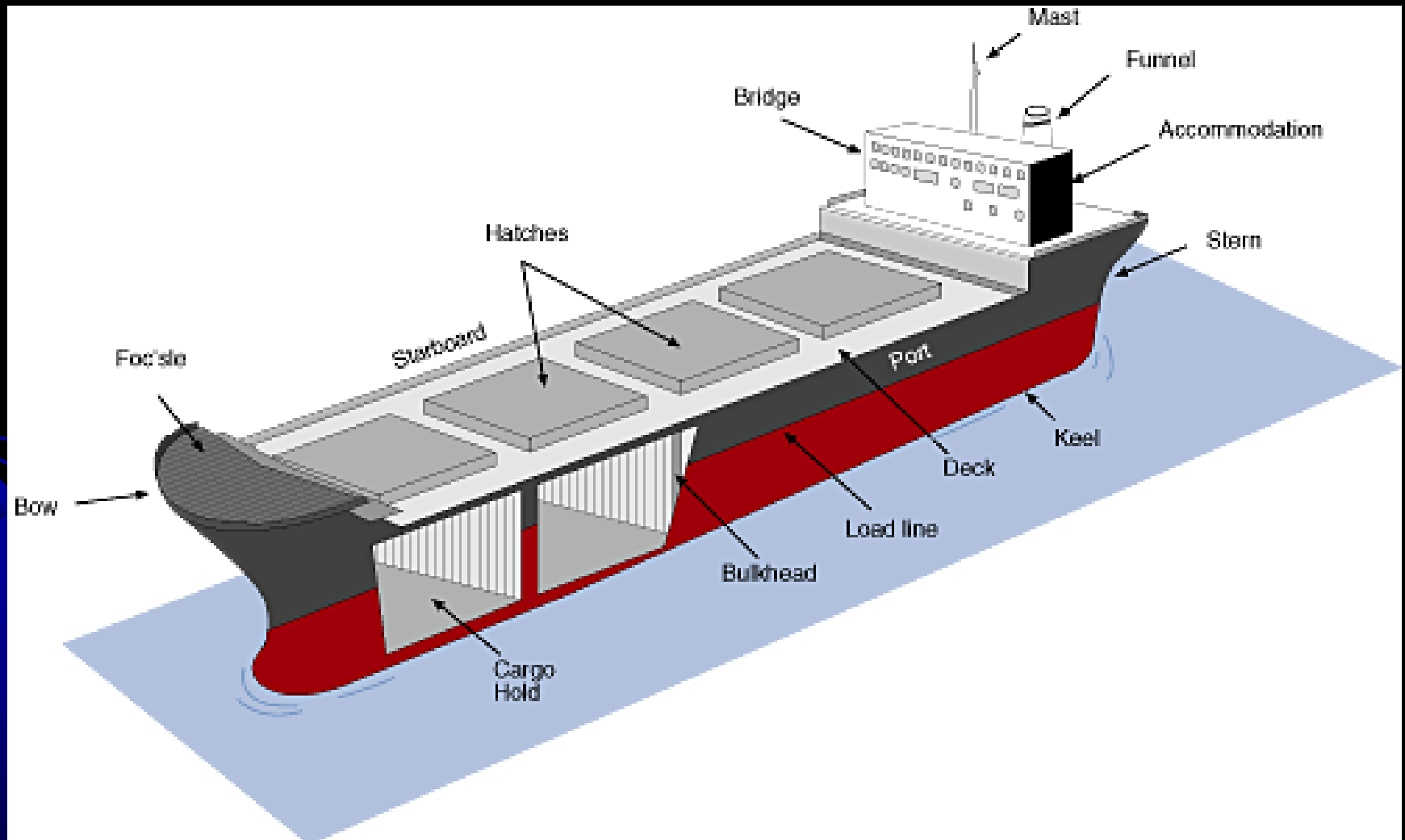
- The insurance can be written on a named perils or on full conditions cover basis
- The policy is usually for a full one year however it could be for a particular voyage
- The coverage is as per Institute Time Clauses Hull and Institute Voyage Clauses Hull
- Whilst underwriting hull insurance the most important feature for the underwriter is the ownership of the vessel

# Marine Hull



- Hull policy automatically terminates when ownership changes
- As regards the risk of accidents, the flag and class of vessel play the main role

# Hull of a Vessel



# Coverages Provided in Hull Policy



## The perils traditionally covered are :-

- accidental losses due to sinking, capsizing as a result of a storm or stranding after a navigational error
- Jettison
- Fire and explosion
- Piracy, violent theft , barratry of the master/crew
- General average and Salvage



## Coverages Provided in Hull Policy

- Collision damage to the vessels after a collision
- Damage to the vessel after contact with other fixed or floating objects or aircraft
- Liability to other vessels after collision
- Sue and labour

# Exclusions in Hull Policy



There are four exclusions in standard hull policy:-

- **War** (can be provided on payment of additional premium)
- **Strikes** (can be provided on payment of additional premium)
- **Terrorism** (can be provided on payment of additional premium)
- **Radioactive contamination**

What information would you like to have to underwrite a hull risk ?

# Risk Assessment Factors - Hull



## VESSEL FACTORS :-

- type and tonnage of vessel
- trade
- classification society
- flag of vessel
- machinery
- repair cost
- age of vessel
- loss record of the particular vessel

# Risk Assessment Factors - Hull

## OWNERSHIP AND MANAGEMENT

- Claims experience of owner and manager
- crew
- owner's operating history

## INSURANCE FACTORS

- Conditions of insurance being sought
- valuation of vessel for insurance purposes
- level of deductible

# QUESTIONS

