



SPECIALIST  
PROFESSIONAL  
INDEMNITY  
INSURANCE

# SHIP MANAGERS

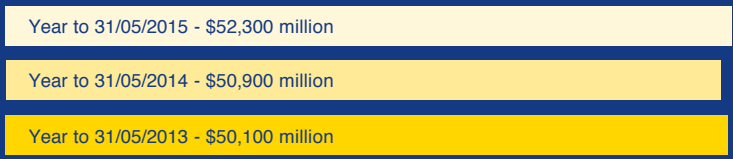
*Specialist professional indemnity insurance*



ITIC  
IS MANAGED  
BY **THOMAS  
MILLER**

Gross premium

\$52m



Members

2,200

ITIC offers a unique professional indemnity policy to a wide range of companies based in the transport industry, either directly, or through an insurance broker.

Security rating

BACKED BY  
AT LEAST  
"A" RATED  
SECURITY



Worldwide insurance cover

ITIC is able to provide professional indemnity insurance, without restrictions, worldwide. An ITIC Account Executive is responsible for each country and will be your first point of contact. The ITIC team speak French, German, Spanish, Italian and Japanese.



Aviation



Marine



Rail

Credits paid

\$80m

continuity credits paid to Members over the last 20 years

Disbursements & commissions

\$165m

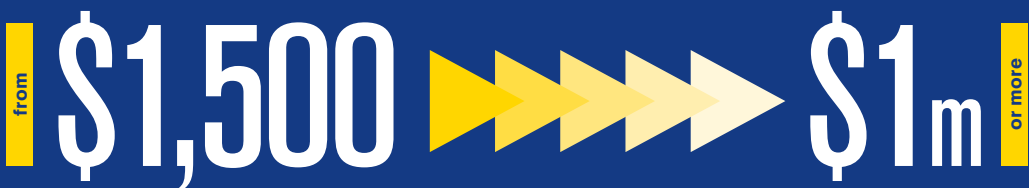
of disbursements and commissions collected for Members since 1992

Free reserves

\$128m

at 31 May 2015

Annual premium



Specialist consultants



Specialist designers



Specialist surveyors

If the transport industry needs your services, then you need the services of ITIC

International Transport Intermediaries Management Co Ltd is the Appointed Representative of International Transport Intermediaries Club Ltd which is Authorised by the Prudential Regulation Authority and Regulated by the Financial Conduct Authority and Prudential Regulation Authority. International Transport Intermediaries Club Ltd (Registration number: 2725312) and International Transport Intermediaries Management Co Ltd (Registration number: 2670020) are registered in England.

## WHY CHOOSE ITIC?

*ITIC is the world's leading insurer for professionals who provide services to the transport industry.*

### **ITIC provides professional indemnity insurance at cost**

ITIC is the mutual insurer of the transport industry with no external shareholders to take a profit from the business.

### **ITIC will provide a sympathetic approach**

ITIC understands that you will often have commercial relationships which will need preserving and will work with you to allow that business association to continue. ITIC's unique discretionary insurance cover could support any claim which may not normally be paid by another professional indemnity insurer.

### **ITIC understands your business**

ITIC's specialist knowledge of your business will make it quicker and easier for you to obtain advice and support on a claim under your professional indemnity insurance.

### **ITIC is more than just insurance**

As an assured at ITIC you will receive support from a team who understand the unique situations and liabilities that your business faces.

### **ITIC pays dividends annually**

Surplus funds have been paid out to the Members in the form of continuity credit for the last 20 years.

## PROFESSIONAL INDEMNITY INSURANCE FOR SHIP MANAGERS

### **Expert view**

ITIC is the leading provider of professional indemnity insurance to ship managers, insuring more than 150 companies worldwide. The team at ITIC has a complete understanding of the risks, combined with a high degree of claims experience.

#### **Examples of Claims:**

- Failure to maintain ship – one of the largest claims paid by ITIC was as a result of a delay to the repair of a ship.
- Appointing unqualified crew – if the crew are not certified to perform the jobs for which they are hired, the owner will be in breach of the terms of his insurances and the ship manager will be liable.
- Failure to arrange insurance – ITIC has seen reports of claims against ship managers where banks or ship owners have sued them for negligence in failing to arrange adequate insurance.
- Error in fixing ship – for example a ship with a Cyprus flag being fixed to discharge in Turkey.

### **Policy highlights**

- Worldwide professional indemnity (errors & omissions) cover
- Support from worldwide network of correspondents
- Legal defence costs insurance
- Discretionary insurance adjudicated upon by fellow transport industry professionals
- Automatic cover for subcontractors
- Mutual dividends paid at renewal over the last ten years
- Contractual risk management guidance
- Underwritten with industry knowledge
- Quality loss prevention advice
- No external shareholders

The above list is merely to show examples of the areas ITIC covers. If your particular field is not included, just contact ITIC to discuss your needs.





# PROFESSIONAL INDEMNITY INSURANCE FOR SHIP MANAGERS

Any ship manager will face day-to-day exposure to risk, but will be able to rely on ITIC to help reduce any potential hazards. To demonstrate potential liabilities in this sector, the following claims scenarios may be helpful.

## → Check the ship before taking it on!

A ship manager accepted the management of a ship, but had not inspected it. In fact due to a high staff turnover in their technical department, nobody from the manager's office visited the ship. The owners went on board some ten months after it had been under management and were appalled at the condition of the ship and immediately made a claim against the managers for failing to manage and maintain the ship.

The ship was old and had probably not been in the best of conditions when the managers took it over. However, they had no proof of this. The owners brought a claim of over USD 400,000 against the managers. There was no starting point/initial survey on which to commence negotiations.

## → A tale of two sea charts

A tanker had changed from hard copy sea charts to electronic sea charts and it was a Flag State requirement that the second officer had an ECDIS Certificate.

Unfortunately the ship manager overlooked this requirement and the second officer assigned by the ship manager did not have this certificate. A subsequent routine vetting inspection by one of the oil majors revealed the mistake and the oil major informed the ship manager that the ship had been put on technical hold.

A technical hold can only be lifted after a new oil major vetting, which can take up to six months. In the meantime the trading flexibility of the tanker had been reduced and the earnings had reduced similarly. The owners claimed the difference in earnings from the manager.

## → Oily problems

A number of governments are increasingly involving the private sector in their research and development. A ship manager contracted with the owner of an experimental hull platform to manage, operate and maintain it for a navy.

One of the manager's duties entailed the changing and analysis of the main engine lube oil. Over a period of only two years, it was necessary to change the lube oil 27 times. On each occasion, an independent testing company found a high debris content and fuel oil, from which it appeared that the lube oil was not acting adequately as a lubricant. Despite these results, the ship manager failed to properly investigate the cause of the persistent problem and eventually the ship suffered engine failure.

A report concluded that the lube oil had been providing inadequate lubrication, and that a prudent and competent superintendent should have conducted further investigations. The owner presented a claim for GBP 800,000, which included many consequential damages and losses. As the manager was obviously at fault, the claim was contested on quantum, rather than liability, and the owner's claim was eventually settled for GBP 590,000.

Beijing | Bermuda | Edinburgh | Hong Kong | The Isle of Man | London | Newcastle | New Jersey | Piraeus | San Francisco | Shanghai | Singapore | Sydney

ITIC  
IS MANAGED  
BY **THOMAS  
MILLER**

For further information on any of the products, services or cover provided by ITIC contact Charlotte Kirk at:  
International Transport Intermediaries Club Ltd, 90 Fenchurch Street, London EC3M 4ST.  
tel + 44 (0)20 7338 0150 fax + 44 (0)20 7338 0151 e-mail [ITIC@thomasmiller.com](mailto:ITIC@thomasmiller.com) web [www.itic-insure.com](http://www.itic-insure.com)  
© 2015 International Transport Intermediaries Club Ltd

