



SPECIALIST
PROFESSIONAL
INDEMNITY
INSURANCE

Ship Managers

Specialist professional indemnity insurance

ITIC
IS MANAGED
BY **THOMAS
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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**
- **Legal defence costs insurance**
- **Automatic cover for subcontractors**
- **Contractual risk management guidance**
- **Quality loss prevention advice**
- **No external shareholders**
- **Support from worldwide network of correspondents**
- **Discretionary insurance adjudicated upon by fellow transport industry professionals**
- **Mutual dividends paid at renewal**
- **Underwritten with industry knowledge**

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.

Why choose **ITIC**?

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 if a claim arises and we will work with you to allow that business association to continue. ITIC's unique insurance cover allows some discretion and could support a 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 since 1994.



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 US\$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 GBP800,000, 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 GBP590,000.

ITIC facts & figures at a glance

All figures US\$
All facts and figures correct as of 1st July 2024

Fact Sheet Series

Ship managers

Gross premium

\$71m

for the year

Claims paid

\$491m

since 1992

Members

3,651

Security rating

Backed by at least "A-" rated reinsurance programme



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 speaks French, German, Greek, Japanese, Mandarin and Spanish.

Credits paid

\$205m

surplus funds have been paid out to the members in the form of continuity credit since 1994

Disbursements & commissions

\$244m

of disbursements and commissions collected for members since 1992

Free reserves

\$260m

for ITIC and TIMIA combined

Annual premium

from

\$1,500



\$1.8m

ITIC is committed to consistently providing competitively priced professional indemnity insurance (and related insurance covers) with valuable and high quality loss prevention advice to businesses servicing the marine, aviation, rail and general transport industry. The ITIC team have a wealth of experience and knowledge.

28

Staff

A full time team to provide you with the best service possible.

22

Years

Average staff member's experience in the insurance/transport industry.

12

Years

Average staff member's time with ITIC. Several staff have over 25 years of service.

6

Lawyers

6 lawyers and a dedicated claims team.

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