

HSBC Insurance Brokers

Maritime Kidnap and Ransom Insurance



Increasingly, vessels are vulnerable to hostile attacks and acts of piracy. Incidents in the Gulf of Aden, off Somalia, in the Gulf of Guinea, in the Malacca Straits, and off Nigeria have served to highlight the need for appropriate security measures to be in place.

Most hostile boardings are carried out to obtain financial reward with the crew and vessel being detained in order to achieve their aims. Rescue attempts are seldom made as authorities recognise that the safety of the victims would be seriously jeopardised. Resolution is achieved through negotiation by specialist negotiators, used in the handling of kidnap related issues.

The implementation of the ISPS Code and the requirement for vessels to have a ship security plan which includes a security assessment and under Chapter XI-2 Regulation 6 certain vessels shall be provided with a Ship Security Alert System (SSAS) goes some way to addressing these issues, but the capabilities and response given following the issuance of an alert can be lacking.

Existing maritime insurance programmes do not provide the appropriate protections required for such incidents and specialist policies are required.

Maritime Kidnap and Ransom Insurance

Maritime Kidnap and Ransom policies have been tailored specifically to the needs of the maritime sector in response to this increasing problem. The policies are designed to provide a level of financial indemnity and access to emergency response assistance delivered by maritime security experts, following the maritime kidnap of an insured person.

Customised to the requirements of the client, the typical financial benefits include:

- ransom reimbursement
- reimbursement of ransom lost in transit
- the unlimited costs of a specialist experienced maritime response consultant to provide advice and assistance in the handling of an incident

- the costs involved in the delivery of the ransom (which can be significant)
- other associated costs and expenses including legal, medical, loan interest, salary and travel expenses
- no subrogation against war, hull or P&I insurers in respect of crew held.

Specialist Maritime Response Consultants

Understanding the intricacies of the maritime sector, the policy provides the services of consultants fully conversant with its needs.

The response consultants used have worked on the handling of kidnaps worldwide. Combining this experience with their maritime security expertise, makes them uniquely placed to provide response services and allows them to fully understand and respond to the issues surrounding a maritime kidnap. These consultants work on behalf of the policyholder and it is their ultimate aim to work to secure the victim's safe and timely release. They do not negotiate directly with the kidnappers but are there to advise and assist through the duration of an insured incident. Their fees are automatically covered by the policy to an unlimited extent.

The same consultants can also be employed to undertake preventive, pro-active consultancy to diminish the kidnap risk that is faced. They can also provide maritime security consultancy services including training, threat assessments and validation of security measures.

The HSBC advantage

HSBC Insurance Brokers are a leading maritime insurance broker with offices in Europe, Middle East and the Far East. Through our Special Contingency operation we have a broad range of experience in the placement of programs protecting against kidnap, extortion, detention, hijack and piracy exposures. Working with leading specialist consultants, we utilise those with specific industry sector expertise to develop programmes designed to reduce the personal security risks that are faced by companies and families worldwide. With direct access to the leading kidnap and extortion insurers, we are able to provide the appropriate insurer and specialist consultants to suit specific client requirements.

Due to the delicate nature of this insurance we ensure that all discussions are undertaken in the strictest of confidence.

Further information

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