

## **NORTH P&I CLUB HOSTS SANCTIONS, DRUGS AND GUNS SEMINAR IN HAMBURG**

**19 SEPTEMBER 2011**

Over 100 representatives from the German shipping community attended a seminar entitled 'Sanctions, Drugs and Guns' in Germany on 15 September 2011, which was hosted by the 'A' rated 150 million GT North P&I Club.

Simon Williams, North's associate director and joint regional head for Germany, told delegates that pirate attacks, political sanctions and drug trafficking were becoming critical issues for the global shipping industry and its insurers. 'It is thus vital that we debate these issues as fully and openly as possible in the search for practical solutions,' he said.

The event at Le Royal Méridien hotel in Hamburg focused specifically on dealing with political sanctions, drug smugglers and armed pirates, with Iran, Venezuela and Somalia cited as examples respectively. Speakers included North FD&D associate director Mark Robinson, claims manager Henry Woods, senior claims executive Joanne Clark, claims executive Catherine Doyle and a representative of Terra Firma Risk Management, which specialises in negotiated solutions to kidnap and piracy.

According to Doyle, 'With the International Maritime Bureau's Piracy Reporting Centre recording 326 piracy attacks and 33 hijacked vessels already in 2011, and guidance published in May by the International Maritime Organization on the use of armed security contractors, many shipowners are now considering getting hired guns on board.

'However, this is still a relatively new concept and only time will tell how successful the placement of such guards will be. On the one hand they have proven to be a deterrent, but history tells us pirates are adaptable and there could be an increased risk of casualties in a combat situation. This, together with the fact that little is known of many of the security companies and the drafting of their contracts, can leave scope for a tangled web of litigation that could perhaps lead to exacerbation of an already serious problem.'

She told delegates North was more than happy to help its members conduct sufficient due diligence in respect of armed security companies they wished to employ, as well as to review contracts provided by such companies to ensure they do not compromise P&I cover.

Clark went on to point out that many shipowners are also considering taking out additional kidnap and ransom (K&R) insurance. 'Such policies can provide certainty of cover, including payment of ransoms while in transit and the costs of negotiators and medical fees. However, they can also be fairly laborious to obtain, requiring detailed voyage and vessel details.'

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