



*So it's always smooth sailing*  
*Established 1989*

# Protection & Indemnity

## July 9<sup>th</sup>, 2015

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# Overview of P&I Insurance

What is P&I

Protection & Indemnity

Think of it as;

Waterborne GL + Comp.



# Protection & Indemnity Forms Comparison

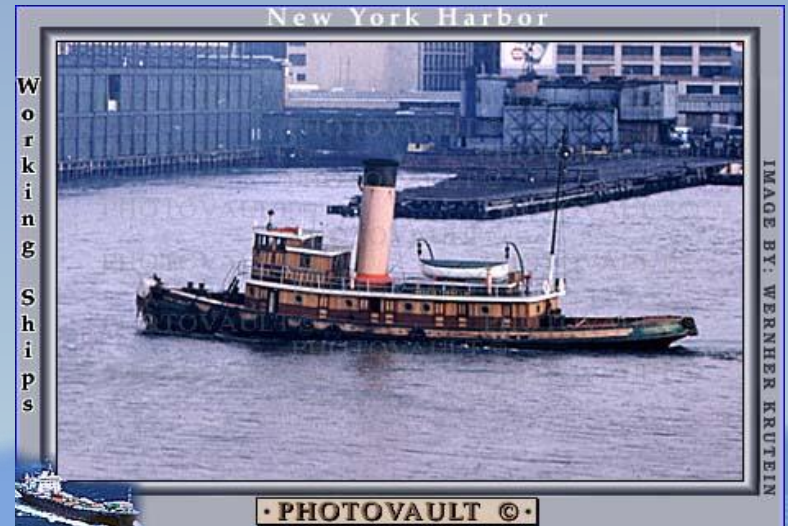
SP-23

SP-38

1955 Three forms used in the  
American Brown Water Market

AIMU P&I Clauses

Form 23 - 1983



# Indemnify when liable to Assured as Owner of the Vessel for:

SP-23	All loss damage or expense herein set forth
SP-38	Any sums for which Assured liable on account of _____
AIMU P&I	Subject to all exclusions & other terms: Any sums for which Assured liable as shipowner entitled

**Scheduled Vessels Only**

# **\*\*Loss of Life, Injury and Illness:**

SP-23

Any person, Excluding employees under any Compensation Act-also specifically provides liability for stevedores handling cargo

SP-38

Any person, Excluding and claim under USL&H or WC.

AIMU P&I

Any person, Excluding employees under USL&H or WC

# Loss of Life

## To Whom:

Passengers

People on other vessel

People on land/dock

Crew

.....anyone

# Legal Remedies for Crew

Maintenance & Cure

Unseaworthiness

Jones Act

Death on the High Seas Act

Wrongful Death





# Legal Remedies for Crew

## General Maritime Law

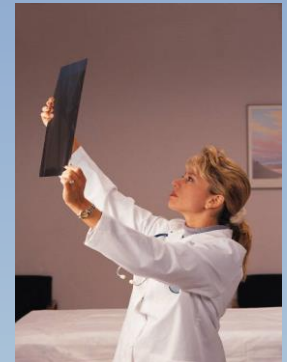
### Maintenance and Cure

Maintenance = Food and Lodging

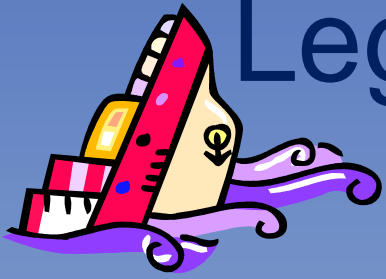
Actual expenditure of food and lodging until maximum recovery

Cure = Medical Services

Reasonable medical expenses







# Legal Remedies for Crew Unseaworthiness

Must show proximate cause was a defective condition of the ship or its equipment

Hull, cargo handling equipment, hand tools, ropes and tackle, provisions, the method of cargo storage, the lack of certain types of equipment, and the competency and size of the crew.

# Legal Remedies for Crew

## Jones Act

### (Merchant Marine Act 1920)

Permits a seaman to sue his employer for his illness or injury suffered while in the course of his employment due to the negligence of the employer.

Employer's duty to provide the seaman with a reasonably safe place to work.

Employer's responsibility is absolute, non-delegable & includes ship even if the employer is not owner of vessel.



# Legal Remedies for Crew Death on the High Seas Act (D.O.H.S.A.) 1920



Seaman and non-seaman

Limited to monetary damages  
no punitive

# Legal Remedies for Crew Wrongful Death Under General Maritime Law

U.S. Supreme Court decision

(Moragne v. State Marine Lines, 1970)

Established a remedy for wrongful death for the personal representatives of seamen or passengers of a vessel within territorial waters. (12 nautical miles (~13.5 land miles from shore))



# Hospital, Medical or Other Expenses:

SP-23

Crew or any other person excluding employees under Comp Act.

Burial Expense limit \$200

SP-38

Any member of crew or any person (any person from previous paragraph in form)

AIMU P&I

Any Person.

Burial expense for crew \$1,000 limit

# **\*\*Damage To Other Vessels Or Property On Board Caused By Collision:**

SP-23

Excess of Hull Policy (damage not fully covered by Hull policy). Excess Collision Liability to Limit

SP-38

Excludes damage covered by Hull policy, whether or not Assured has one. No Collision Liability

AIMU P&I

Excludes damage to another vessel or any property aboard. No Collision Liability

# \*\*Damage To Other Vessels Or Property On Board NOT Caused By Collision:

SP-23

Included

SP-38

Included

AIMU P&I

Included, but adds exclusions for  
nuclear & pollution damage



# \*\*Damage To Docks, Piers Etc....:

SP-23

Included

SP-38

Included

AIMU P&I

Included



Note: Collision with fixed property/objects is an Allision.

# Wreck Removal:

SP-23

Includes removal of wreck cargoes – not limited to insured vessel when compulsory by law & not covered by Hull Policy

SP-38

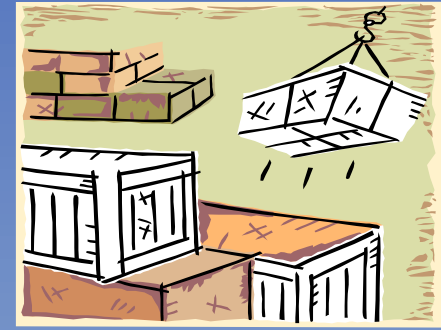
Includes removal of wreck only

AIMU P&I

Includes same as SP-38 but also includes “attempts” to remove



# Cargo:



SP-23

Covered. Excluding mail, parcel post. Includes baggage & person effects of passengers

SP-38

Excludes any claim for cargo on board vessel

AIMU P&I

Same cargo excluded as SP-38 except on Cross Liability claim. Note: Can add by Endt. Form AIMU-24

# Customs, Immigration Or Other Fines Or Penalties:

SP-23

Included except Assured and/or managers held to highest degree of care.

SP-38

Same as SP-23

AIMU P&I

Same as SP-23

# Cargo's Proportion Of General Average:

SP-23

Included if not recoverable by any other source

SP-38

Not Included

AIMU P&I

Not Included



# Liability Any One Accident or Occurrence:

- SP-23 Limits Liability To Amount Insured Per Occurrence, INCLUDING DEFENSE COSTS Called “Aggregate” --- Misleads
- SP-38 Same As SP-23 But Spells Out Loss, Damage, Costs, Fees Expenses Included In Limit Per Occurrence
- Aimu P&i Specifically Spells Out (Lines 20-22) Defense Costs Part Of Limit Of Liability. Combined Single Limit”

# **\*\*Deductibles:**

SP-23

No standard provision. MUST be added by endt.

SP-38

Lines 32-35. Blanks for D/A's – one for BI & one for PD

AIMU P&I

Line 23-28. Same as SP-38 but adds that deductible includes cost & expenses



# Endorsements

Pollution Exclusion & Buy Back  
Radio Active Contamination  
Punitive Damages  
Automatic Acquisition Clause  
Excess Collision Liability  
Excess Towers Liability  
Navigational Warranty  
Swimming Diving Exclusion  
War P&I

Trial  
In Personam Liability  
Schedule Of Vessels  
Additional Insureds  
Tankers Liability  
Dredge Clause  
Crew Warranty/Named Crew  
Combined Single Limit  
Voluntary Wreck Removal



# Other P&I Forms

Builders Risks

Club Rules

Boat / Yacht



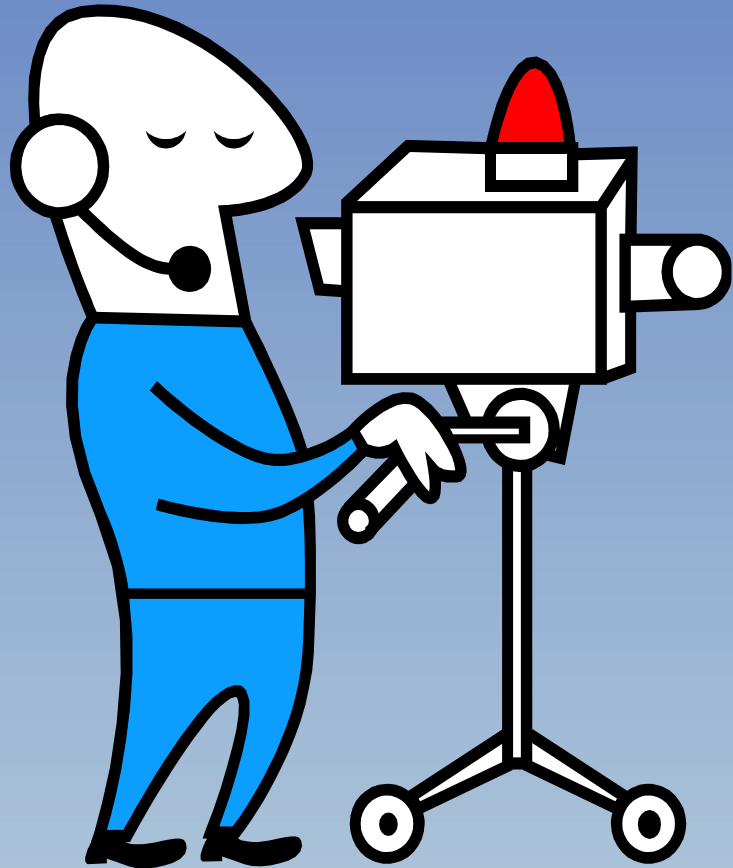
# Certified Marine Insurance Professional



**Insuring Vessel  
Owners & Operators**  
October 22-23, 2015  
Houston, TX

[www.IIMIS.com](http://www.IIMIS.com)  
To Register

# 2015 Webinars



**All Webinars are 2:30pm Eastern Time**

Collision and Towers Liability

July 21, 2015

Longshore Insurance Coverage,  
Payroll, Mod, and Rules

August 11, 2015

Marine Excess & Umbrellas

September 1, 2015

Stock Throughput

October 13, 2015

