

Admiralty Law & Marine Insurance Update



IRSO, 2016



Dennis Nixon, UNOLS Legal Advisor

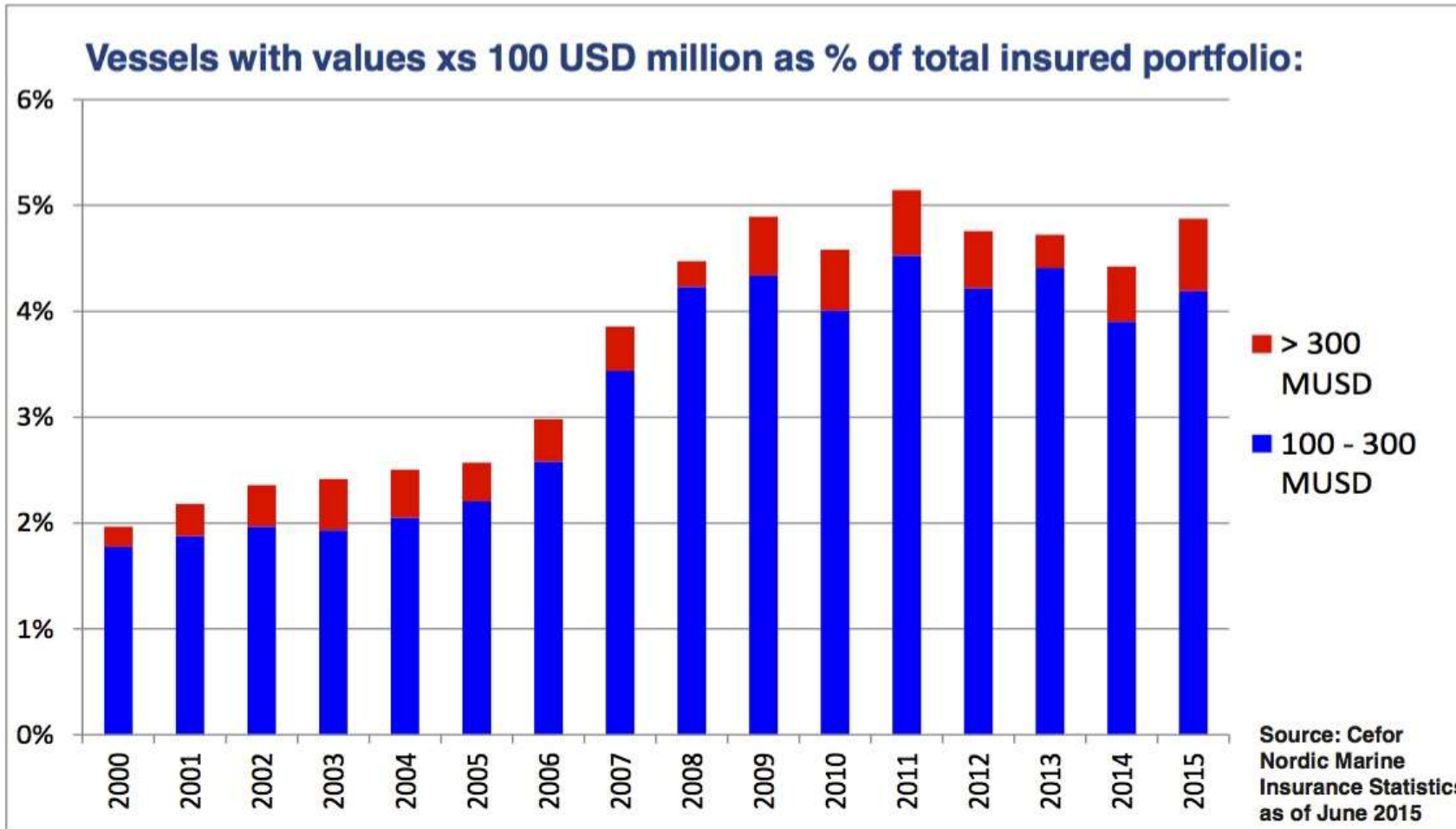
Outline

- World Insurance Market
- Relevant News
- Relevant Legal Decisions
- Conclusions

World Insurance Market

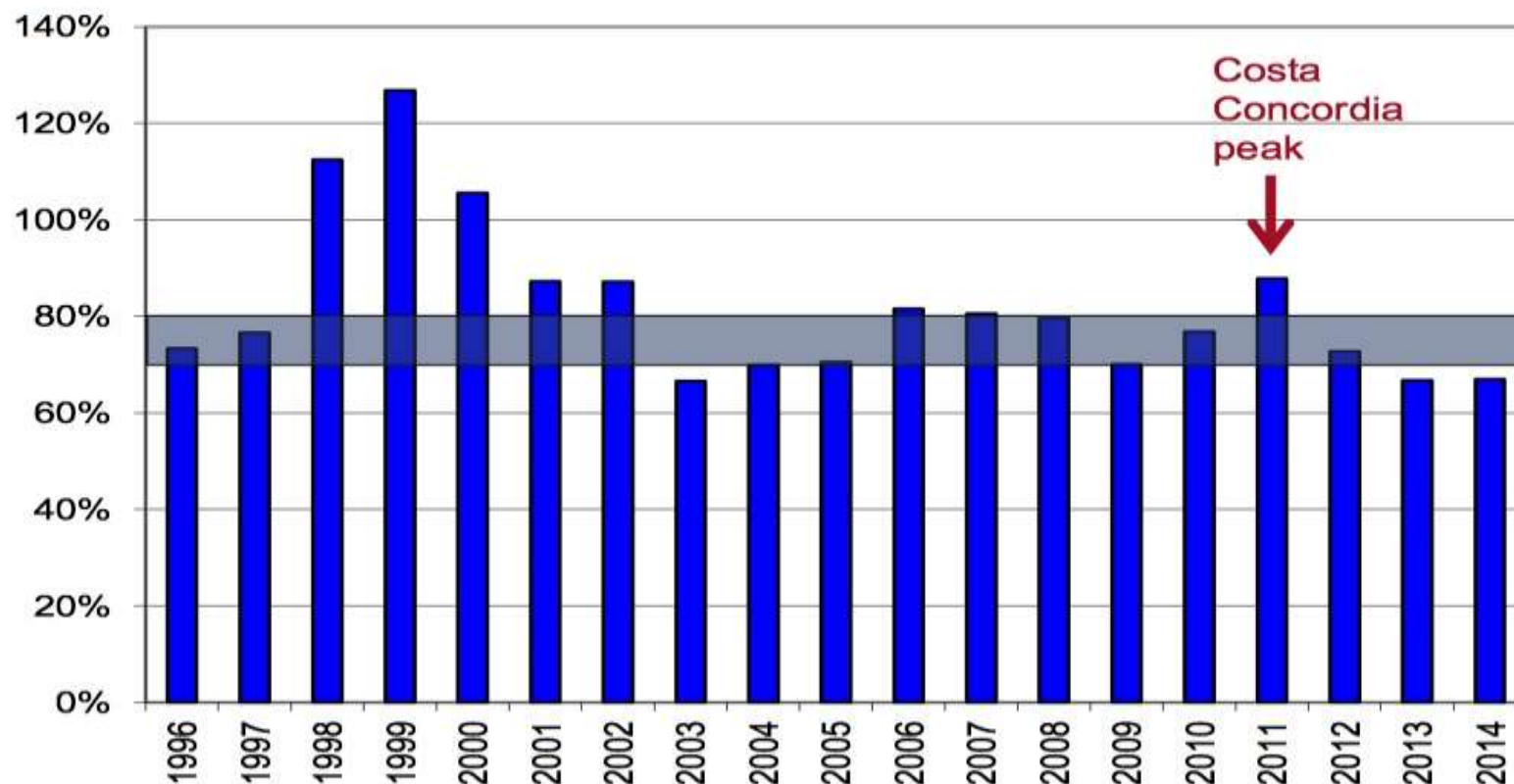


THE RISK EXPOSURE – INFLOW OF HIGH-VALUE VESSELS CONTINUES



HULL – ULTIMATE LOSS RATIOS*

EUROPE/USA**, UNDERWRITING YEARS 1996 TO 2014



Since 2009:
Repair cost relative stable. Volatility by major loss impact (strong until 2011).

2014: Record-low major loss impact.
Technical profit for first time in years?

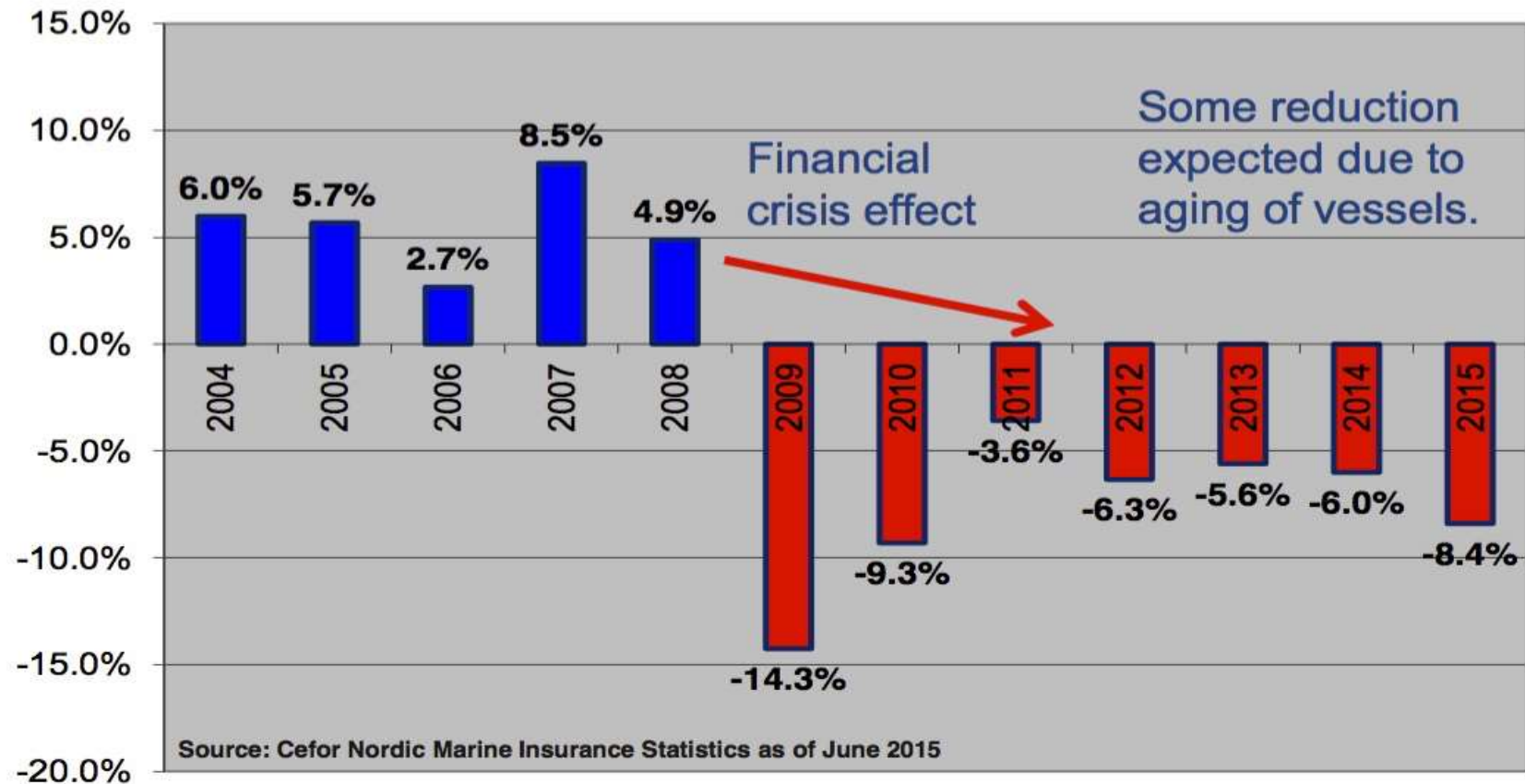
2013 also improved (USD effect, when repairs not in USD?)

* Technical break even: gross loss ratio does not exceed 100% minus the expense ratio (acquisition cost, capital cost, management expenses)

** Data: Belgium, France, Germany, (Netherlands), Italy, Spain (until 2007), UK, USA

CHANGE IN VALUES ON RENEWAL

= VALUE ON RENEWAL / VALUE PREVIOUS UW YEAR FOR SAME VESSELS



Relevant News



Aurora Australis

Seaman Falls from Accommodation Ladder



Florida Man Pays \$1M to USCG after False Search



One Dead, Three Injured in Lifeboat Drill



22 School Children Rescued from Sinking Chesapeake Bay Education Vessel



Automation and Maritime Accident Concerns



Sinking of *El Faro* and the Limited Liability Act



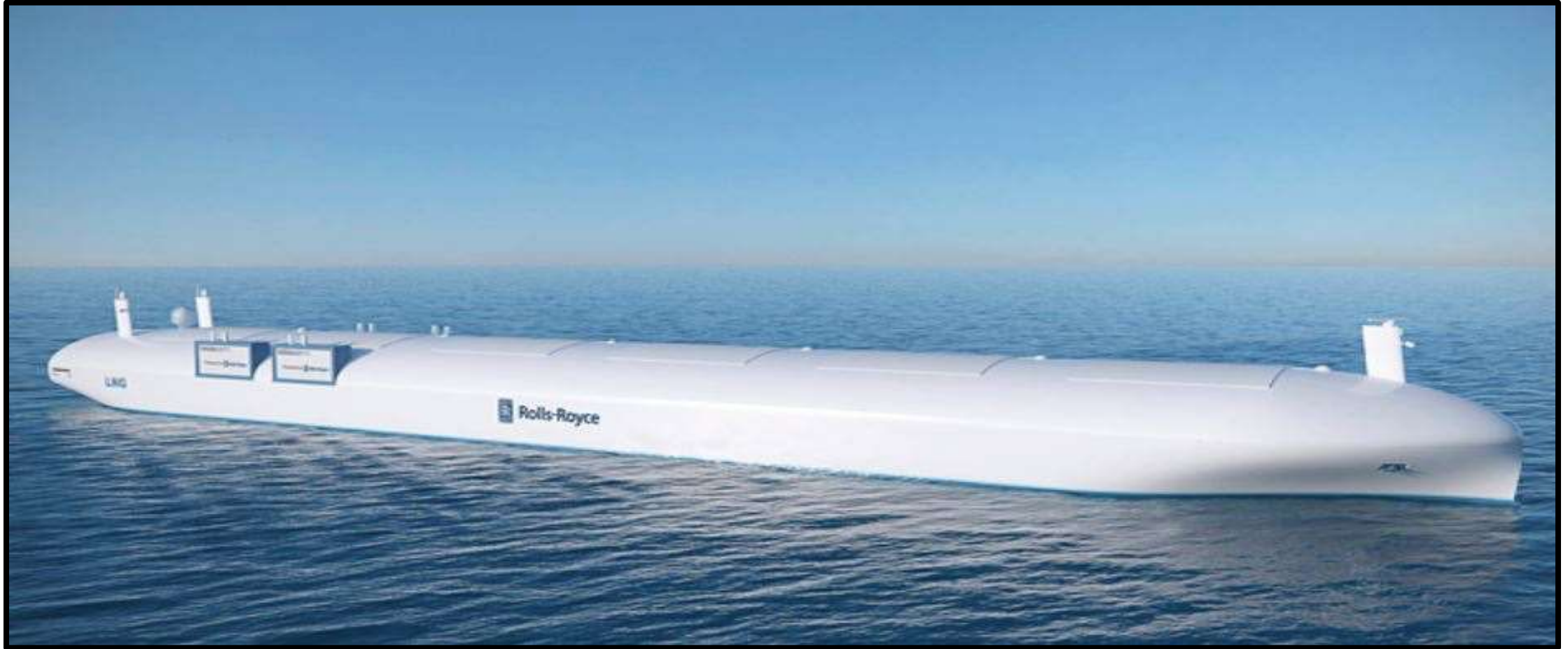
Drone Applications in the Maritime Industry



Proposal for Global Oceanographic ASV Fleet



Rolls Royce: Automated Shipping by 2020



US Navy Transfers *Knorr* to Mexico



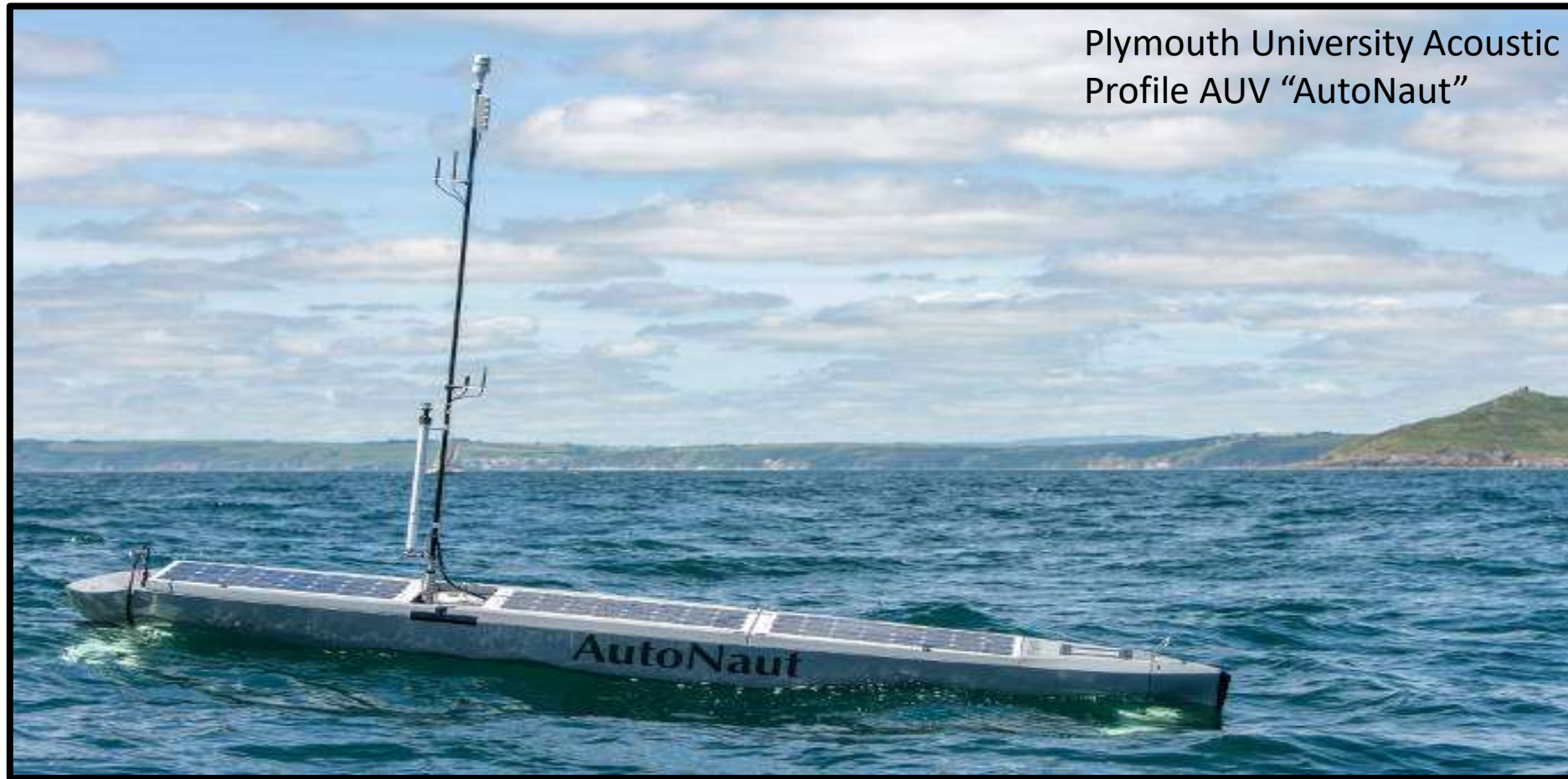
Update on Ballast Water Management



New Research Vessel for Bangladesh



New Research on Ships and Subsurface Noise



Relevant Legal Decisions

Bellot v. Marine Surveyors, LLC

- Plaintiff Bellot worked as seismic surveyor aboard *MV Omar Meshack*
- Following dispute over owed wages, Bellot filed claim under General Maritime Law
- Because of “scientific personnel” status, claim was excluded.
- Operation in foreign waters (Nigeria) voids any claim under Oceanographic Research Vessels Act

Relevant Legal Decisions

Jefferson v. Weeks Marine, Inc.

- Plaintiff Jefferson worked for Weeks Marine as a deckhand and was later transferred to marine yard position
- Jefferson suffered injury moving debris from a dock to a vessel
- Claim filed under Jones Act for compensation related to “maritime nature” of work
- Court noted seaman status changes with assignment of specific duties

Relevant Legal Decisions

Institute of Cetacean Research v. Sea Shepherd Society

- ICR filed lawsuit against Sea Shepherd and activist Paul Watson for harassment of permitted whale research vessels
- Related to specific events in 2013 involving dangerous behavior and collision with Japanese vessel
- Preliminary injunction included \$2.5 million in damages as well as restraint requirements

Relevant Legal Decisions

United States v. Citgo Asphalt Refining Co.

- In 2004, oil tanker *MT Athos* struck an abandoned ship anchor while coming to port in Delaware River
- Striking led to spill of approximately 264,000 gallons of crude oil
- Legal issue in question focused on responsibility of charter provision for safe berth
- No credible evidence showed poor navigation or seamanship. Negligence claims held against wharf owner

Conclusions

