

Wreck removal

Insurance and legal requirements for ports

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PMTA Conference
24 July 2024

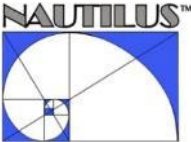
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MILLER**



Governed by the industry for the industry

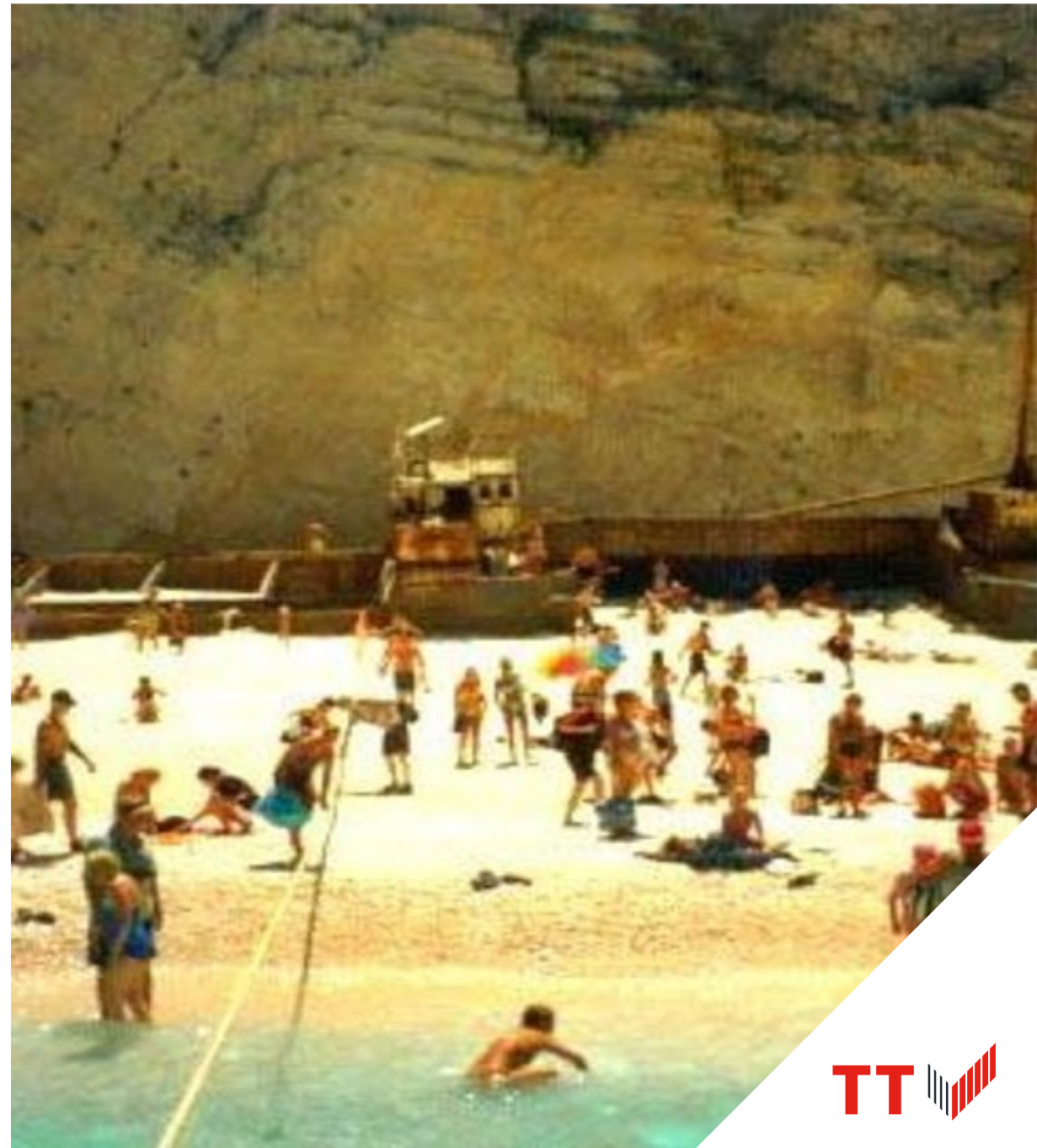


DP WORLD



Agenda

- Law
- Who pays
 - P&I
 - Port insurer
- Claims



Law

Section

... the following powers ...to recover from the ... owner of the wreck any expenses ...in connection with locating, marking, removing, destroying or sinking the wreck.

Section 14

"wreck" includes:

- (a) a vessel that is wrecked, derelict, stranded, sunk or abandoned or*
- (b) that has foundered;*
- and*
- (b) any thing that belonged to or came from a vessel mentioned in paragraph (a); and*
- (c) any thing that belonged to or came from a vessel in distress; and*
- (d) (d) jetsam, flotsam and lagan.*

"vessel" means any kind of vessel used in navigation by water



Who pays



Hull & Machinery

- Declared “total loss” by Hull and machinery
- H&M Underwriters pay owners Insured value
- Owners to remove the wreck
- P&I Club cover

Who pays

Rule 2 Section 15

Wreck liabilities

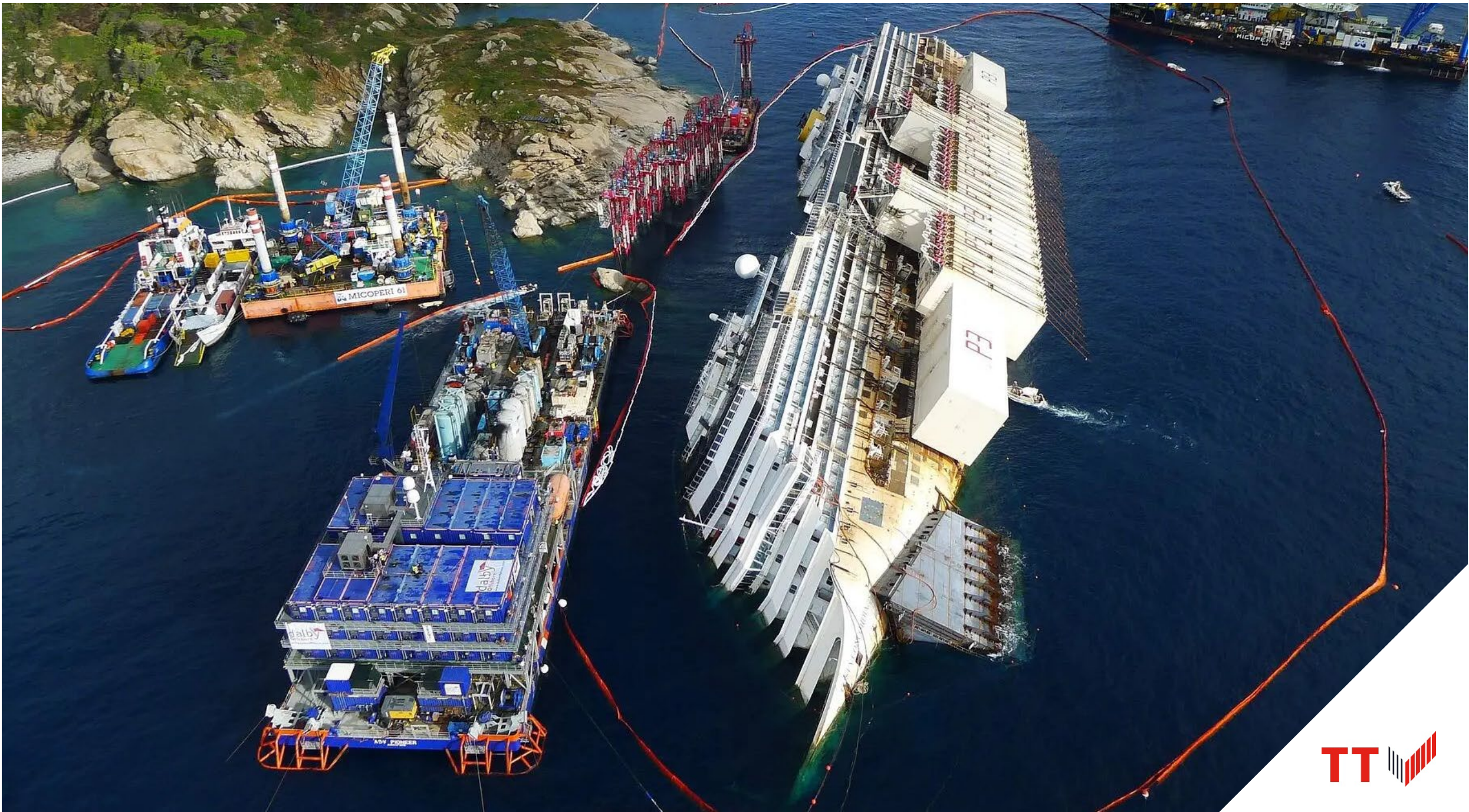
Costs or expenses for removal, destruction, lighting or marking of the wreck

Compulsory by law or...legally recoverable from the Owner...

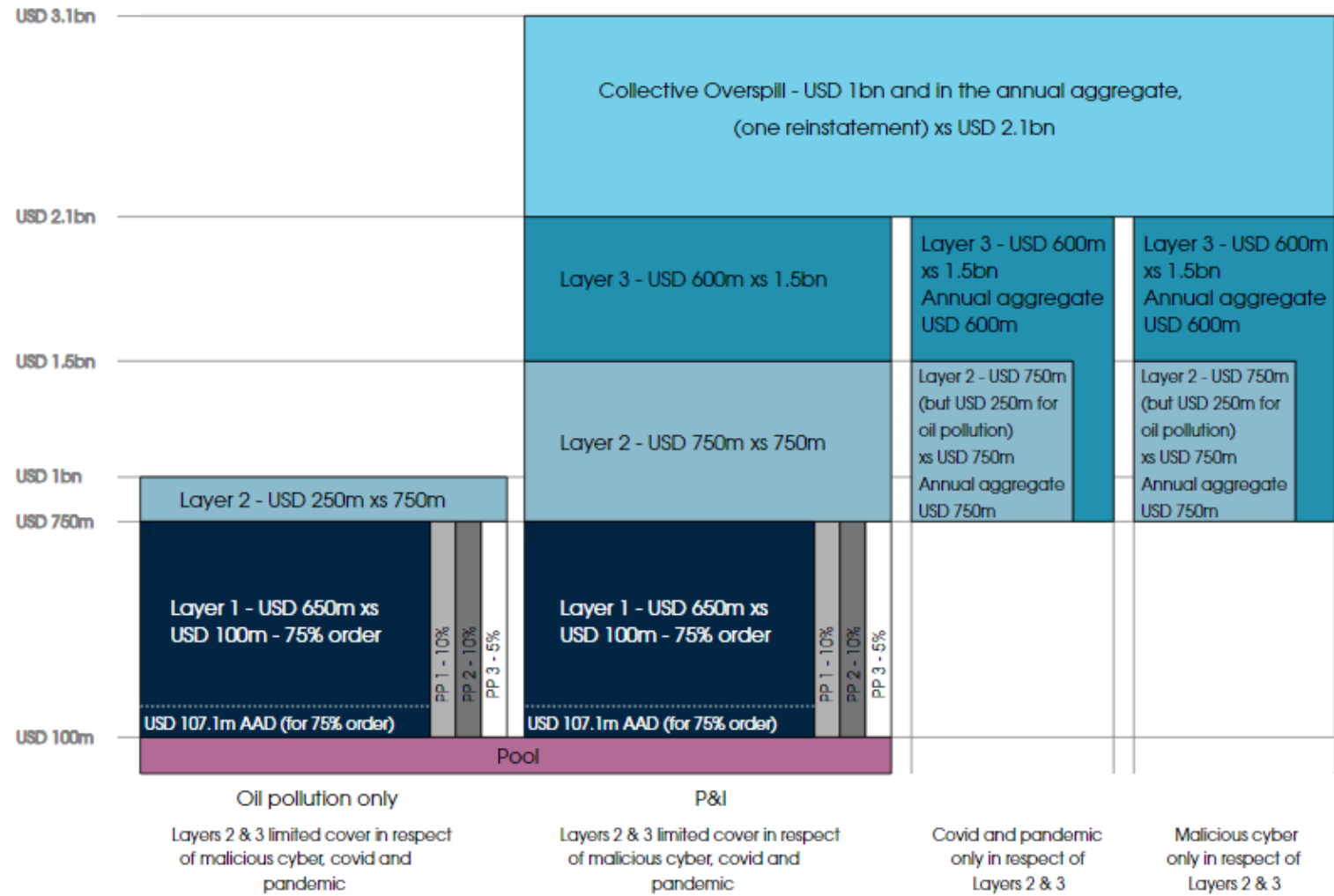
PROVIDED ALWAYS that the Entered Ship became a wreck during the period of entry







Who pays



Check each section for more details

Who pays – ‘Pay to be Paid’ Rule

“... it is a condition precedent to a Member’s right to recover from the Association in respect of any liability, loss, cost or expense that he shall first have discharged or paid the same.”

‘Fanti’ and ‘Padre Island’

‘Solomon Trader’



Who pays

Nairobi Convention

Provisions

- i. Direct action against insurers
- ii. Strict liability
- iii. Compulsory insurance
- iv. Limitation - LLMC



Who pays

- Port liability cover

1.5 Wreck Removal

Costs of removing the wreck of a ship, where during your period of insurance, one of the following circumstances arises:

1.5.1 you incur a liability under a regulation or under an order of an authority or

1.5.2 the wreck is a danger to navigation or

1.5.3 the wreck has to be removed in order to avoid or reduce the risk of a claim or

1.5.4 the wreck has to be removed in order to mitigate a claim or

1.5.5 the wreck has to be removed in order to provide your insured services



Claims – Stabilise



Claims – Dumping



Scrapped-out ship to be scuttled off Otago coast
Otago Daily Times 3 July 2021



Claims – Scrapping



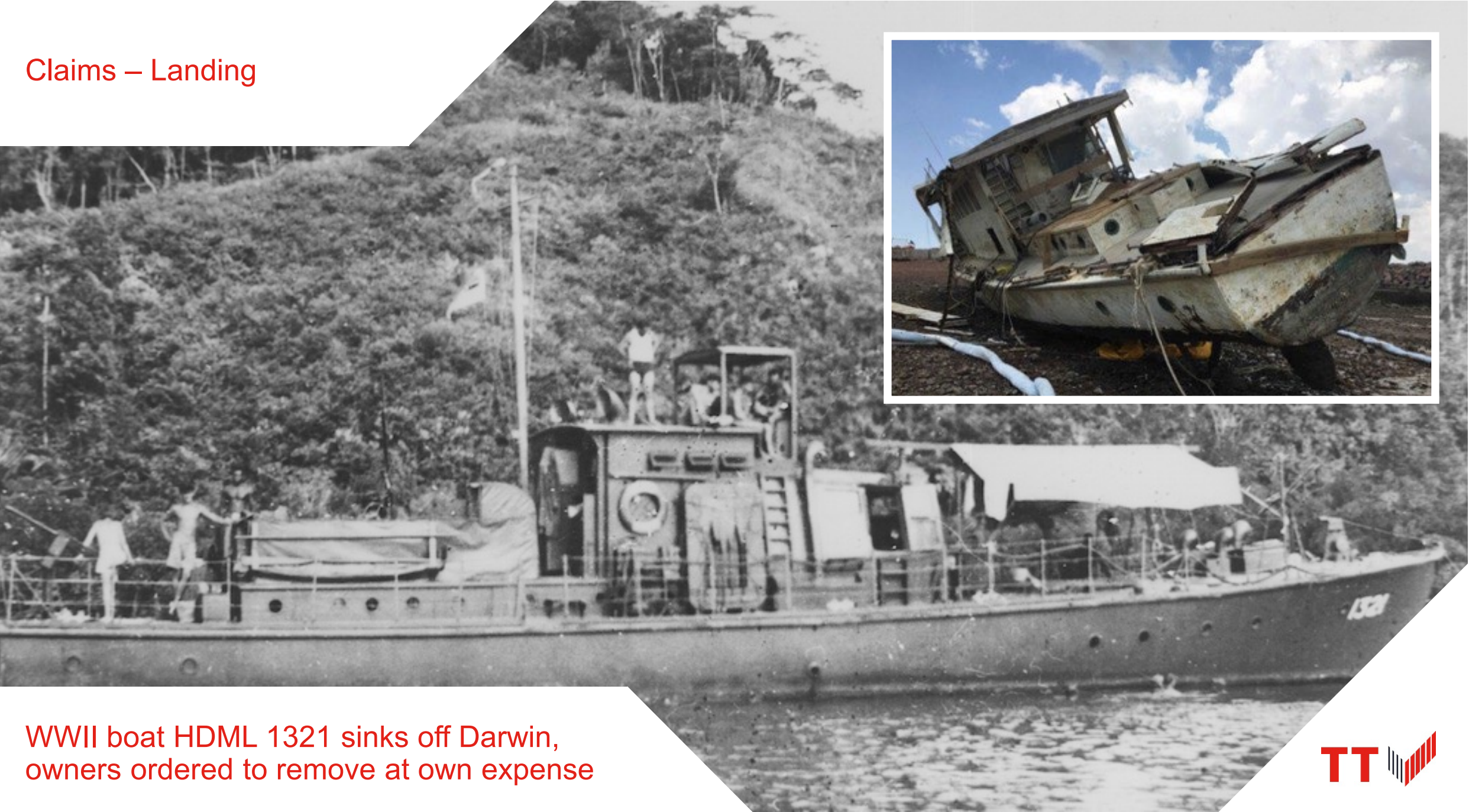
*'Iron Chieftain' fire at Port Kembla,
towed to Turkey for recycling'*

Claims - scrapping



Basel Convention
Hong Kong Convention

Claims – Landing



WWII boat HDML 1321 sinks off Darwin, owners ordered to remove at own expense

Thank you
Any questions?

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