

# Lloyd's piracy policy to offer armed ex-marines

**Cover includes physical protection matched to vessel's size and speed**

**Jerry Frank**

FORMER marines will be available to escort shipping in the Gulf of Aden as part of an innovative war risk product placed at Lloyd's to protect against piracy.

Private security specialist Hart has teamed up with independent broker Swinglehurst to offer shipowners onboard teams as part of the new Lloyd's policy.

The seven-day war risk policy insures shipowners for a vessel passing through the high risk area of the Gulf of Aden.

In a development that the UK partners believe is a first for the Lloyd's insurance market, the cover includes physical protection from Hart that is expected to reduce premiums by 20%-30%.

Hugh Martin, general manager of Hart

UK, said: "Our involvement will mitigate risks for shipowners and allow underwriters to offer very attractive insurance rates."

Paul Agate, head of marine at Swinglehurst and a former navigating officer, added that the extra cost of security was partly offset by better insurance rates and preferable to sailing around the Cape of Good Hope to avoid pirates.

Hart has already provided escorts for voyages in the Gulf of Aden, using ex-marine forces from the UK and Europe and other former services personnel with maritime experience from its pool of 3,500 people.

Carina Dixon, head of the London-based group's marine division, said security complements could range from five to ten armed or non-armed personnel, depending on risk factors such as the size, type and speed of a vessel.

Piracy is deemed as a 'marine peril' and within the London market is covered under hull and machinery policies, although it is covered within war risk policies elsewhere.

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**Hugh Martin, general manager of Hart UK**

Hart and Swinglehurst senior executives, who have long-standing connections, this summer decided to bridge the gap in the insurance market, offering shipowners wider coverage in the event of piracy.

These include loss of earnings, response and ransom, as well as detention, hull and war protection and indemnity.

The policy, which is 100% placed at Lloyd's, covers hull values and war P&I of up to \$75m, with the detention cover to protect against loss of earnings.

Shipowners will be required to give up to 14 days' advance notice so that protection arrangements can be organised.

Hart previously operated briefly in Somalia in 1999-2000, offering security services to the local government of Puntland to protect offshore fishing against pirates, and has extensive experience in Iraq.

Swinglehurst was founded in 1999 and specialises in marine insurance business alongside other non-life and lift lines.