

Drug Seizure Insurance

INTRODUCTION

Ship operators trading worldwide might call at ports where there is a potential risk of their vessel being detained under the suspicion of being involved in drug smuggling. This type of exposure falls outside the standard scope of P&I.

WHAT IS COVERED?

Skuld's Drug Seizure Insurance provides coverage for loss of earnings and/or additional expenses associated with the detention of the vessel. The sum insured is usually based on the daily running costs declared by member.

WHO CAN BE COVERED?

Any owners or operators who have a full P&I entry in the Association can apply for Skuld's Drug Seizure Insurance.

EXAMPLE

A vessel arrives at Houston with a cargo loaded at Buena Ventura. The US customs authorities discover several bags of heroine hidden in a lavatory and detain the vessel for

two months. The authorities suspect a criminal connection between some members of the crew and the stevedores in Buena Ventura and Houston. The crew is arrested and a new crew has to be flown in. In the meantime, the perishable cargo has to be trans-shipped.

Skuld's Drug Seizure Insurance would respond to the daily running costs as well as the costs in connection with the trans-shipment and substitute crew.