



M A R I N E

S E R V I C E S G R O U P

INSURANCE • LEGAL • SHIPSALE • SURVEY

MARITIME LIEN INSURANCE

**CAN I INSURE AGAINST PREVIOUS OWNERS
WRONGDOINGS?**



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SERVICES GROUP

INSURANCE · LEGAL · SHIPSALE · SURVEY

MARITIME LIEN

IN ADMIRALTY LAW

In Admiralty Law, a maritime lien is a privileged claim upon sea-connected property, such as ship, for services rendered to, or the injuries caused by that property. In common law, the lien is the right of the creditor to retain the properties of his debtor until the debt is paid.

The doctrine of the maritime lien is that **a ship will be treated as a wrongdoer**, not the owner, that the loss, damage or harm is caused by the maritime property, itself, and it has to make the good for the loss.

The attachment of maritime lien will start when the cause of action arises and will not be eliminated even by change of ownership in good faith purchase.

INTERNATIONAL CONVENTION ON MARITIME LIENS AND MORTGAGEES'93

Each of the following claims against the owner, demise charterer, manager or operator of the vessel shall be secured by a maritime lien on the vessel:

Claims for **wages** and other sums due to the master, officers and other members of the vessel's complement in respect of their employment on the vessel, including costs of repatriation and social insurance contributions payable on their behalf;

Claims in respect of **loss of life or personal injury** occurring, whether on land or on water, in direct connection with the operation of the vessel;

Claims for reward for the **salvage** of the vessel;

Claims for port, canal, and other **waterway dues** and pilotage dues;

Claims **based on tort** arising out of physical loss or damage caused by the operation of the vessel other than loss of or damage to cargo, containers and passengers' effects carried on the vessel.

LATVIJAS JURAS KODEKSS

33.pants. Prasības, ko nodrošina jūras privilēģija

Jūras privilēģija attiecībā uz kuģa īpašnieku, berbouta fraktētāju vai kuģu operatoru nodrošina prasības:

- 1) kas saistītas ar kuģa kapteiņa, virsnieku un citu kuģa apkalpes locekļu darbu uz kuģa, ieskaitot repatriācijas izdevumus un par viņiem izdarāmos sociālās apdrošināšanas maksājumus;
- 2) sakarā ar cilvēka dzīvības zaudēšanu vai viņa veselībai nodarīto kaitējumu (ieskaitot prasības uzturlīdzekļu piedziņai), kas radies uz ūdens vai sauszemes saistībā ar kuģa ekspluatāciju;
- 3) kas saistītas ar atlīdzību par kuģa glābšanu;
- 4) kas saistītas ar maksājumiem par ostu, kanālu un citu ūdensceļu izmantošanu un loču pakalpojumiem;
- 5) kas radušās kuģa darbības rezultātā un ir saistītas ar zaudējumu nodarīšanu īpašumam vai tā bojāeju, izņemot ar kuģi pārvadātās kravas, konteineru un pasažieriem piederošo mantu zaudējumu vai tām nodarītos bojājumus.

КТМ: Статья 367

МОРСКОЕ ТРЕБОВАНИЕ

Морским залогом на судно обеспечиваются требования к судовладельцу в отношении:

- 1) заработной платы и других сумм, причитающихся капитану судна и другим членам экипажа судна за их работу на борту судна, в том числе расходов на репатриацию и уплачиваемых от имени капитана судна и других членов экипажа судна взносов по социальному страхованию;
- 2) возмещения вреда, причинённого жизни или здоровью гражданина на суше или на воде в прямой связи с эксплуатацией судна;
- 3) вознаграждения за спасение судна;
- 4) уплаты портовых и канальных сборов, сборов на других судоходных путях и лоцманских сборов;
- 5) возмещения реального ущерба, причинённого при эксплуатации судна в результате утраты или повреждения иного имущества, чем перевозимые на судне грузы, контейнеры и вещи пассажиров.

MARITIME LIEN



WHAT YOUR INSURER WILL SAY?

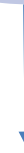
**CLASS 1:
P & I**



Liability of the **ship owner** when
operating insured ship

Not covered

**CLASS 2:
FD & D**



Liability for **legal costs**
connected to insured ship

**Not the claim itself, but defence
costs only**

INTERNATIONAL CONVENTION ON MARITIME LIENS AND MORTGAGEES'93

Effects of forced sale:

In the event of the forced sale of the vessel in a State Party, all registered mortgages, "hypothèques" or charges, except those assumed by the purchaser with the consent of the holders, and all liens and other encumbrances of whatsoever nature, shall cease to attach to the vessel, provided that:

- (a) At the time of the sale, the vessel is in the area of the jurisdiction of such State; and
- (b) The sale has been effected in accordance with the law of the said State and the provisions of article 11 and this article.

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INTERNATIONAL CONVENTION

ON MARITIME LIENS AND MORTGAGEES'93

EUROPE:

ALBANIA, DENMARK, ESTONIA, FINLAND, GERMANY, LITHUANIA, MONACO, NORWAY, RUSSIA, SERBIA, SPAIN, SWEDEN, UKRAINE

THE REST OF THE WORLD:

BENIN, BRAZIL, CHINA, CONGO, ECUADOR, GUINEA, MOROCCO, NIGERIA, PARAGUAY, PERU, ST. KITTIS & NEVIS, ST. VINCENT & GRENADINES, SYRIA, TUNISIA, VANUATU

SALEFORM 2012

the Vessel's log books but the Buyers have the right to take copies of same.	297
(g) The Parties shall sign and deliver to each other a Protocol of Delivery and Acceptance confirming the date and time of delivery of the Vessel from the Sellers to the Buyers.	298 299
9. Encumbrances	300
The Sellers warrant that the Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts whatsoever, and is not subject to Port State or other administrative detentions. The Sellers hereby undertake to indemnify the Buyers against all consequences of claims made against the Vessel which have been incurred prior to the time of delivery.	301 302 303 304 305
10. Taxes, fees and expenses	306
Any taxes, fees and expenses in connection with the purchase and registration in the Buyers' Nominated Flag State shall be for the Buyers' account, whereas similar charges in connection with the closing of the Sellers' register shall be for the Sellers' account.	307 308 309

WHY TO BOTHER?

BECAUSE THERE ARE OTHER JURISDICTIONS
WHICH GRANT MANY OTHER CLAIMS
«MARITIME LIEN» STATUS, WHICH GREATLY
INCREASES THE RISK THAT A VESSEL MAY BE
SUBJECTED TO SOME SUCH CLAIMS...

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WHAT IS COVERED?

INTEREST

PRE-EXISTING MARITIME LIEN

LIMITS

NORMALLY WITHIN US\$ 1,000,000, BUT MAY BE DIFFERENTLY AGREED WITH UNDERWRITERS

ONE FULL (AUTOMATIC) REINSTATEMENT COULD BE NEGOTIATED

CONDITIONS

POLICY TO INDEMNIFY THE INSURED IN RESPECT OF ANY SUM OR SUMS THEY MAY BE CALLED TO PAY, INCLUDING INTERESTS AND COSTS, BY REASON OF MARITIME AND/OR STATUTORY LIENS

EXCLUDING

ANY REGISTERED MORTGAGEES

ANY CLAIMS IN RELATION TO KNOWN DEBTS AS ARE LISTED IN THE POLICY

MARITIME LIEN



WHO SELLS SUCH COVER?

**P & I
CLUBS**



AS ADD ON TO FD&D COVER

NORMALLY CHEAPER

**FIXED
MARKET**



ON A STAND ALONE BASIS

**NORMALLY MORE
EXPENSIVE**

MARITIME LIEN



THE PROCESS



PURCHASE OF THE SHIP SHOULD BE BASED ON SALEFORM INCORPORATION CLAUSE 9 OR VESSEL PURCHASED WITHIN FRAMEWORK OF THE FORCED SALE PROCEDURE

NO LOSS OF HIRE

SETTLEMENT ONLY BY APPROVAL OF INSURER OR FINAL UNAPPEALABLE JUDGEMENT



**INTERESTING
TO BUY?**



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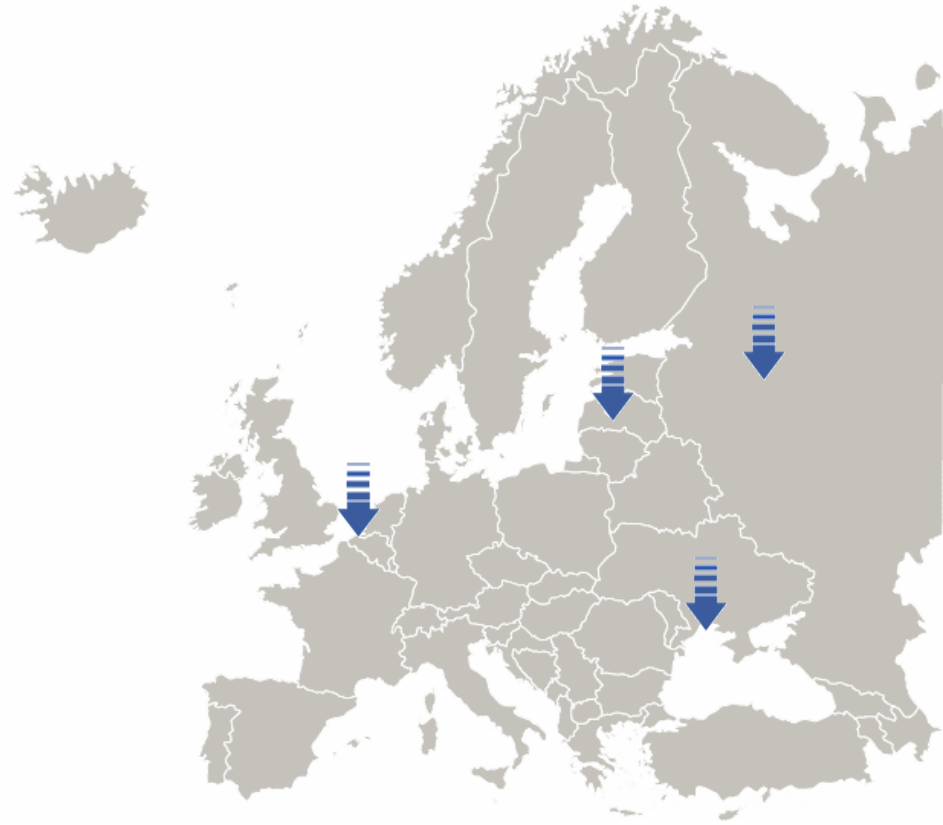
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THANK YOU



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