

## **Fishing Vessel Arrested by Russian Authorities**

We received info from a Russian Hull and Machinery underwriter that one of the ships we were placing with him had been arrested in Murmansk. Ship arrests are not uncommon and often it could just be a step taken by local port authorities to force ship owners to take responsibility for some fines or minor damages caused during berthing. On the other hand, it could be for something more serious.

In this instance, having enquired with our clients, it was found to be something more unusual. The ship had been escorted to Murmansk by armed Russian authorities whom were alleging that the fishing vessel in question was caught working in Russian waters without authority to do so, an accusation vehemently denied by our clients. Some reports based upon satellite tracking info suggested the vessel did no such thing, whilst other conflicting reports said that the vessel may have spent less than an hour in Russian waters (but no more, as the tracking info rounds up by an hour and, according to reports, never showed its location as "Russia"). Ultimately it's very difficult to tell whether the Russian authorities were right to act in the manner they did, although it's worth noting that after our client's domestic government responded to the incident, the EU saw fit to issue a statement condemning the actions of the Russian authorities and demanding the vessel's immediate release.

It took about two weeks to free the vessel, through a combination of political and legal pressures and, sadly, as is always the case when dealing with government authorities, admission of guilt and payment of fines. We understand the incident cost our clients over USD 100,000 once legal fees were factored in.

Protection and Indemnity Insurance is interesting in that the high quality insurers will still "protect" their Insureds even if the incident is not related to an insured peril and this case was no different in that our P&I Insurers were ready to provide support via their correspondents and lawyers, if necessary. The Clubs and fixed premiums Insurers have networks of correspondents ready to assist wherever their clients' vessels are in the world. The first step for a ship owner is to choose an

experienced, hands-on broker whom has a strong relationship with Insurers. The second possible step is to establish a personal relationship, via the broker, with the Insurer. As with any business relationship, the closer the bond, the more inclined people are to go above and beyond the call of duty. Due to the unpredictable and arbitrary nature of many of the incidents that can occur in the shipping world, there are some unquantifiable risks, like this, that cannot be insured. Our advice, tough as it may be to follow during a sparse and relatively low profit time in shipping, is for owners to try to keep a "rainy day" fund aside in order to resolve such matters, as you never know when your vessel could be detained on a whim by over-officious, petty, bored or even politically-motivated authorities.