



SPECIALIST
PROFESSIONAL
INDEMNITY
INSURANCE

Professional Indemnity Insurance for Ship Agents



- ➔ With over 2000 members in more than 100 countries, ITIC is the world's leading insurer for professionals who provide services to the transport industry.
- ➔ For more than 80 years ITIC has been offering transport industry professionals peace of mind. The experienced ITIC team working in your sector knows your business. ITIC helps clients to identify problems before they become issues.

Expert assistance

Most claims against ship agents relate to negligence, examples of which are:

- ▶ providing wrong port information
- ▶ documentary errors
- ▶ inability to collect freight
- ▶ errors in quoting freight rates
- ▶ customs fines and confiscation of cargo
- ▶ misdirection/cross delivery of cargo
- ▶ reefer cargoes at wrong temperature
- ▶ erroneous fumigation
- ▶ mismanagement of equipment
- ▶ delivery of cargo without bills of lading

Policy highlights

- ▶ Worldwide professional indemnity (errors & omissions) cover
- ▶ Legal defence costs insurance
- ▶ Automatic cover for subcontractors
- ▶ Contractual risk management guidance
- ▶ Quality loss prevention advice
- ▶ Support from worldwide network of correspondents
- ▶ Discretionary insurance adjudicated upon by fellow transport industry professionals
- ▶ No external shareholders
- ▶ Mutual dividends paid at renewal over the last ten years
- ▶ Underwritten with industry knowledge

The above list is merely to show examples of the areas ITIC covers. If your particular field is not included, just contact ITIC to discuss your needs.

Beijing | Bermuda | Hong Kong | The Isle of Man | London | New Jersey | San Francisco | Shanghai | Singapore | Sydney

ITIC
IS MANAGED
BY **THOMAS
MILLER**

For further information on any of the products, services or cover provided by ITIC contact Charlotte Kirk at:
International Transport Intermediaries Club Ltd, 90 Fenchurch Street, London EC3M 4ST.

tel + 44 (0)20 7338 0150 fax + 44 (0)20 7338 0151 e-mail ITIC@thomasmiller.com web www.itic-insure.com twitter @ITICLondon

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...because everyone makes mistakes

Any specialist within marine sector services, facing any day-to-day exposure to risk, can rely on ITIC to help mitigate the risk. To demonstrate potential liabilities in this sector, the following claims scenarios may be helpful.

↻ A tidal change

In early 2011 a ship agent at a tidal port in Japan was asked to provide a tide table to enable the owner of a ship to calculate the permissible drafts for the dates his ship was due to berth at the port. The ship agent duly scanned the tide table and sent it electronically to the owner. The ship arrived at the port with a draft of 8.56m, but was informed by the port authorities that the permissible draft was only 7.8m.

Unfortunately it emerged that the agent had inadvertently sent the owner the tide table for 2012 instead of 2011. The two tide tables were kept together in the same file, and during scanning the corner of the tide table had folded over, thereby obscuring the year. The excess draft meant that the ship could only discharge for about 4 hours in the morning and 2 hours in the afternoon. The ship had to shift anchorage three times during the four days it took her to discharge, which was twice as long as it should have taken had the shifting not had to occur.

The owner claimed the pilotage and towage costs involved in shifting to the anchorage three times, plus two days hire, additional bunker consumption, additional stevedoring, which totalled USD 143,000. It was agreed by the owner that some of the costs would have been incurred in any event, and the claim for additional costs was settled at USD 120,000.

↻ Thaw end of the deal

A liner agent accepted a booking of two reefer containers of frozen fish for shipment to China. Instructions were received to ship the cargo at a temperature of minus 20. Unfortunately, when the details of the shipment were being entered into the carrier's computer system, the temperature setting was mistakenly left blank.

As a result of the failure to enter a temperature, the containers were carried as "inactive reefers." They were accordingly not plugged in while on board the vessel.

When the frozen fish arrived at the destination it had deteriorated to the extent that it was not fit for consumption and could not be processed for any other purposes. This was confirmed by surveyors who arranged for the cargo to be destroyed in accordance with local regulations.

The claim was initially settled by the shipping line in accordance with the terms of the bill of lading. The claim was subsequently passed to the ship agent, whose staff had made the clerical error and paid by ITIC.

Reefer cargoes carried at incorrect temperatures are one of the most frequent claims brought to ITIC. It is important for ship agents to take care to follow the correct instructions.



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