



SPECIALIST
PROFESSIONAL
INDEMNITY
INSURANCE



FACT SHEET SERIES: 08

Crew management

Specialist professional indemnity insurance

ITIC
IS MANAGED
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@ITIC insurance

Expert view

Who does ITIC cover?

- Crew managers
- Manning agents
- Crew agents
- Crew training centres
- Maritime academies

ITIC has wide experience in assisting crew management professionals in minimising the financial impact arising from such mistakes as:

- Appointing unqualified crew – if the crew are not certified to perform the jobs for which they are hired, the owner will be in breach of the terms of their insurances and the ship manager will be liable
- Incorrect medical documentation, which leads to the ship being detained
- Liabilities to authorities for incidents and accidents of the crew
- Advice on use of crew management contracts

You don't have to make a mistake to be sued.

You could receive a claim even if you were not negligent in the provision of your services. ITIC insurance covers defence costs, which can be extremely expensive.

The team understands these problems and is here to help.



ITIC has extensive experience in the crew management sector which grows every year. ITIC's loss prevention advice channels the experiences of all the members to best help you navigate the ever-changing global landscape.

A health and safety fine

When an accident occurred on a vessel, the local authorities brought proceedings against the ship manager (who also acted as the crew manager).

The accident happened on board when a wire on one of the vessel's cranes snapped whilst it was being replaced, striking a crew member who sustained serious injuries as a result.

The authorities brought six charges under local maritime health and safety legislation against the crew manager. One of the main charges alleged that the crew manager had failed to take responsible steps to protect the health and safety of an employee.

The crew manager sought legal advice and, as a result, pleaded guilty to some of the charges, with a view to avoiding protracted and costly legal proceedings. This resulted in a fine of US\$ 100,000, which the crew manager duly paid.

As the fine related to crew negligence and, under the ship management agreement, the owner was obliged to indemnify the manager. The owners refused to do so and the manager contacted ITIC for advice. With ITIC's assistance, pressure was placed on the owner and the P&I Club to reimburse the crew manager.

Difficulties were encountered when it was discovered that the P&I Club would only cover certain fines and penalties discretionaly.

However, the matter went before the P&I Club's Board of Directors who agreed to cover the fine in full.

Policy highlights

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

Muddling through

A crew manager was accused of recruiting a crew with inadequate gas ship experience. The managers had faced real difficulty in sourcing crew as the flag state limited the selection to their own nationals. The danger should have been considered before the manager agreed to manage the ship - it was always going to be a problem on such specialist tonnage.

The manager however decided to “muddle through” with what was available and the crew actually succeeded in damaging the ship.

The claim against the manager was US\$250,000, which ITIC negotiated and settled at US\$200,000.

Smoking gun

The technical and crew manager who had been managing a tanker for three years, was found to be on the receiving end of a claim from the owner for US\$1,400,000.

Multiple claims were made, mostly without any particular merit, relating to repair costs and loss of earnings. The owner’s main grievance appeared to be the alleged negligence of the crew supplied by the manager.

At an early stage in the arbitration proceedings the arbitrator ruled that the owner’s lawyers were entitled to a full inspection all of the manager’s files, which were found to include an internal memo (“the smoking gun”) from the manager’s superintendent criticising the performance of certain crew members and recommending their replacement.

The claim was settled at the threshold of arbitration for US\$300,000, mostly because of the “smoking gun” memo. The legal costs amounted to an additional US\$300,000.

Incorrect vaccination certificates

A ship manager who was also providing crew to a ship arranged for the vaccination certificates to be issued to the crew. The manager did not realise that some of these vaccination certificates had been slightly altered when the Medical Examiner had spelt the name of the crew member incorrectly.

These slight amendments to the vaccination certificates led to a ship being detained in Brazil for a considerable length of time, and a claim was then made by the owner against the manager for the delay.

ITIC settled this claim for US\$97,000.

Facts & figures at a glance

All figures US\$
All facts and figures correct as of 31st May 2025

Gross premium

\$76m

for the year

Claims paid

\$520m

since 1992

Members

3,741

Security rating

Backed by at least "A-" rated reinsurance programme

Worldwide insurance cover

ITIC is able to provide professional indemnity insurance, without restrictions, worldwide. An ITIC account executive is responsible for each country and will be your first point of contact. The ITIC team speaks French, Greek, Italian, Japanese, Mandarin, Russian and Spanish.

Credits paid

\$223m

surplus funds have been paid out to the members in the form of continuity credit since 1994

Disbursements & commissions

\$272m

of disbursements and commissions collected for members since 1992

Free reserves

\$289m

for ITIC and TIMIA combined

Annual premium

from **\$1,300**  **\$2.1m**

ITIC is committed to consistently providing competitively priced professional indemnity insurance (and related insurance covers) with valuable and high quality loss prevention advice to businesses servicing the marine, aviation and general transport industry. The ITIC team have a wealth of experience and knowledge.

36

Staff

A full time team to provide you with the best service possible.

16

Years

Average staff member's experience in the insurance/transport industry.

11

Years

Average staff member's time with ITIC. Several staff have over 25 years of service.

7

Lawyers

7 lawyers and a dedicated claims team.



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