

**ITIC**

SPECIALIST  
PROFESSIONAL  
INDEMNITY  
INSURANCE



FACT SHEET SERIES: 18

# Pool management

Specialist professional indemnity insurance

ITIC  
IS MANAGED  
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## Expert view

In its simplest form, pool management is commercial management with meticulous division of earnings through the pool participation agreement.

**ITIC has wide experience in assisting pool managers in minimising the financial impact arising from such mistakes as:**

- Fixing the wrong ship for the cargo
- Fixing the wrong ship for the port conditions
- Failure to distribute the pool points properly

**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.**

## FACT SHEET SERIES: 18 POOL MANAGEMENT



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

### Deviation costs

**A pool manager failed to submit the owners' deviation claim of US\$205,000 to the charterers within the time limit.**

It was clear in the charter party that all such claims needed to be submitted within 60 days. The operations team in the pool management company overlooked this crucial date. The owners then looked to the pool manager to cover the cost. ITIC reimbursed the pool manager.

### Demurrage delay

**A demurrage claim needed to be submitted within 60 days.**

The pool manager received the claim from the owners and sent it on to the charterers within time. The claim was sent by email, without the attachments of the demurrage invoice and relevant supporting documentations. The charterers confirmed receipt, but did not mention that there were no supporting documents. Eventually charterers advised that there were no supporting documents and advised that the claim was time barred. The loss was US\$140,000, which was reimbursed by ITIC.

### Fixture fudge

**A ship was fixed on the basis that the last 3 cargoes be clean/unleaded and CIQ (China inspection and quarantine) acceptable.**

The ship loaded vegetable oil on the basis that the immediate last cargo would be ethanol and CIQ compliant. The last cargo was in fact ethanol, in most of the tanks, however, the vegetable oil was loaded in the tanks that had carried gasoil. The cargo was no longer CIQ compliant and en route to China, where it could not be discharged and sold.

A solution was found, which entailed selling the damaged cargo to another buyer below the market price. The loss amounted to US\$120,000.

## 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

## FACT SHEET SERIES: 18 POOL MANAGEMENT



### Frozen out

**A pool manager fixed a ship which could not perform, due to a scheduled call at a port which stipulated ice class requirements which the vessel did not have. The pool manager had incorrectly stated in the charter that the vessel was “ice classed”.**

Class refused to approve the port call, stating that without modifications to the vessel (structural changes to the hull), it was unsafe. As a result the vessel could not perform the fixture and the owner had no choice but to cancel the fixture. This meant that the charterer would have a claim against the owner, who in turn would have a claim against the pool manager's pools.

In order to mitigate the potential loss the pool manager arranged for another vessel to perform the fixture. This vessel was entered into another of the pool manager's pools.

The substitute ship was a larger more expensive vessel and the pool manager advised the owners/pool of the ship that they would be compensated for performing the fixture at the market rate – an amount of the rate for the initial ship plus an additional US\$397,000 to be paid by the pool. This was later indemnified by ITIC.

### Pool points error

**A pool manager has to be scrupulous in the application of the pool agreement and particularly the division of the profit.**

ITIC insured a pool manager who, during the accountancy process, overlooked some expenses for one of the pool partner owners. The pool manager overpaid the pool participant US\$180,000.

The pool consisted of a large number of ships and US\$180,000 would not have been notable on an individual basis. Therefore, the error was only noticed many months later, when the accounts were being reconciled. The pool manager looked to the ship owner to reimburse them, so that they could redistribute the funds to the other pool partners. Sadly, however, the ship owner had gone into liquidation and the ship had been sold and renamed.

The US\$180,000 was reimbursed by ITIC.

# 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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