

SHORELINE

Shoreline seeks to plug a gap in P&I insurance with its new cover



MARPOL Detentions Costs Insurance (MDCI)

Expanded U.S. PSC inspections focus on regulatory compliance. Any irregularities relating to MARPOL, APPS and/or PWSA regulations can be very costly for even the best operated ships.

Shipowners/operators and crew managers continue to be caught by the U.S. whistleblower trap and 20 years on, this policy remains a keystone of U.S. regulatory and legal enforcement.

In the U.S. when your vessel's departure clearance is withheld by the CBP at the request of the USCG on the suspicion of such a regulatory violation, you risk:

- Business disruption
- Reputational risk and the suspension of oil major approvals for tankers
- Significant expenses, legal defense costs, fines, penalties, and additional operational expenditure for crewmembers required to remain in the US and be housed, fed, insured and paid total wages and;
- The reservation of your P&I cover and the posting of surety satisfactory to the US authorities which will require a significant cash guarantee

Your balance sheet is exposed to unbudgeted liabilities, including costs, fees and expenses for which you are contractually liable as the employer of your crew members taken ashore to assist with the investigations. These costs and expenses can add up quickly:

- Initial onboard inspection and investigation
- Costs of legal representation for all functionally detained witnesses
- Detention costs i.e., the cost of suitable accommodation ashore
- Reasonable "per diem" for daily expenses whilst ashore in the U.S.
- "Total Wages" until repatriated home or back onboard, varies depending on nationality and seniority of crew
- The costs of repatriation back home or back to another company vessel

Typically, 6-9 crewmembers are detained ashore at a monthly burn rate of US \$30k – US \$40k or more. Detention periods usually range between 6-12 months but can be up to 2 years. Add to this the cost of replacement crew and the repatriation cost of those crew left behind in the U.S and you face significant unbudgeted and uninsured costs to add to the costs of any criminal fine and / or civil penalties that might be handed down by the courts.

With Shoreline's MDCI cover in place, the help of the expert legal assistance is on hand when it matters, and you can retain some control throughout the expanded U.S. PSC inspection. The other additional benefits of this new cover are:

- This policy comes with 24/7 access to expert U.S. legal support and advice, this helps to reduced operational delay to your ship and expedites the PSC investigation
- It helps to reduce the time your officers and crew are detained ashore
- Supports your officers and crew both financially and emotionally when under the glare of the U.S. legal enforcement machine
- It ensures your shipboard team has the very best legal representation. This is NOT a job for the general Club correspondent
- It retains your seagoing team's loyalty through the legal process and beyond
- It guarantees your officers and crew are properly cared for
- It will get your men and women home to loved ones and/or back to work as soon as possible
- It mitigates your financial downside with ground up cover from the first dollar lost
- Finally, it will help to level up the legal playing field

How can you buy this new cover?

- Shoreline can add this essential new cover to their existing clients' OPA coverage
- For existing Shoreline OPA clients there is more good news as they can buy now and pay later if they have sufficient banked Policy Holder Dividends on account to offset against the per vessel M&D premium cost of this cover
- Not yet a Shoreline OPA client? Not a problem, as the same cover can be purchased by new clients to Shoreline for a slight surcharge to that paid by existing Shoreline customers

Buying this new cover couldn't be easier, if you are an existing Shoreline OPA client [contact](#) our underwriting team and ask for this cover to be added to your OPA cover today.

If your OPA COFR guarantee is not currently provided by Shoreline it is not a problem. [Apply today](#), it's a quick and easy application process.

Testimonials

George Chalos – Chalos & Co. -

"In the 20 or more years I have been defending shipowners, operators and seafarers facing these types of charges in the U.S., to a man they didn't see it coming and nor were they prepared for what was to follow. Bereft of their P&I cover and without the right support, the situation can turn nasty quickly. The first foot on the ship's deck to investigate, collect and secure relevant evidence is super important. That is one of the major benefits of this new insurance cover. You will have access to the right people at the right time and you will be properly supported to defend your company and its people, mitigate your financial downside, and look after your crew who are caught in the crosshairs of U.S. law enforcement, which is a very challenging situation."

Shoreline's CEO – Captain Thomas Brown –

"I am often asked why I view this new cover as essential insurance protection for shipowner's trading their vessels to the US and the answer is simple, any vessel can be caught in an extended PSC inspection, and if it is, it is the crew, detained as witnesses who ultimately pay the price with their time. Held ashore in the US with no known repatriation date can be mentally and physically exhausting and this policy is designed to alleviate their suffering. For a small premium cost, you can buy back your crew's time, secure their loyalty, and protect your reputation as a responsible maritime employer. Putting ESG to one side for a moment, buying this cover has to be the right thing to do."



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