



GEORG DUNCKER
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BRIDGE LOOK-OUT

INSURANCE COVER FOR DAMAGES CAUSED BY ACTIVISTS

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Following on from peaceful climate activist movements such as “Fridays for Future”, new groups have been formed over the last two years. These newly-formed groups including “Just Stop Oil” or “Letzte Generation” (Last Generation) initially ‘only’ blocked traffic, however, their activities have escalated further since then. Nowadays, daubing governmental buildings with paint or dirt, blocking airports or interfering in major sport events – to name but a few - is not uncommon. It is yet to be seen if their activities will further spread and develop, for instance by committing acts of sabotage or damage to private property.

Having said that, the marine industry has already experienced prominent activities, such as the 13-day occupation of the heavy-lift vessel “WHITE MARLIN” by Greenpeace at the beginning of 2023.

In our latest edition of our Bridge Look-Out, we would thus like to inform our clients about the insurance cover for physical and financial losses caused by activists.

When considering potential scenarios of actions that could impact the marine insurance sector, there are three main areas which are as follows:

- 1.) Damage caused to the vessel by different means, which could even lead to a total loss of the vessel as a worst-case scenario.
- 2.) Delay due to blockage of waterways or loss of hire due to the damage repairs.
- 3.) Third party liability claims as a consequence of the activists’ actions.

Physical damage caused to a vessel by activists can be categorised as a politically motivated act or indeed sabotage under the standard insurance conditions. Depending on the insurance conditions in place, damages caused by activists would either be covered under the H&M policy or the vessel’s war risk insurance.

Concerning the loss of hire aspect, the majority of policies are subject to the Nordic Marine Insurance Plan, which recognises politically motivated acts or sabotage as a risk covered under war insurance. However, the loss of hire war risk insurance conditions under the Nordic Marine Insurance Plan does only refer to repair related time loss as a result of a damage caused by activists. On the other hand, time lost if the vessel is prevented from leaving a port due to this being blocked by activists is not covered.

Finally, third party liability claims caused by activists would either be covered under the standard P&I cover or under the P&I element of the war insurance. Notwithstanding this, we would like to note that under most circumstances, cover under the standard P&I Rules is subject to the discretion of the Board of Directors of the respective Club if this was not covered by the war P&I.

In summary, barring a low number of exceptions under the H&M cover, claims resulting from the act of activists will in most cases fall under the vessel’s war risk cover. In any event, such cases would most likely be unprecedented and therefore assessed very carefully. However, special attention needs to be paid to the loss of hire element for time lost if the vessel is prevented from leaving the port due to being blocked by activists. Additional insurance cover by means of delay insurance will become necessary to cover such risk.

If you have any questions or would like further information concerning the impact of activists in relation to your implemented cover, please do not hesitate to contact us.



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