

Piracy update



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Changing trends

According to the latest figures from the ICC International Maritime Bureau, worldwide piracy is at a five-year low, with 297 attacks in 2012 compared to 439 in 2011. Over half of the attacks in 2012 were off east and west Africa, and these areas consequently warrant special mention.

Somali piracy off east Africa has declined significantly as a result of the naval presence in the region, shipowners following Best Management Practices and the increased use of armed guards, which have proved to be effective. However, piracy off west Africa is becoming an increasing problem, with attacks rising in the Gulf of Guinea. The attackers are often violent and the use of guns has been reported in over half of the attacks in that region in 2012.

The ship types most commonly attacked are container ships, bulk carriers and tankers, and fishing boats and other small craft have also been targeted.

International standard ISO/PAS 28007: 2012

The International Organization for Standardization's (ISO) new standard for private maritime security contractors (PMSCs) is now available to purchase from the *ISO's website*. If, following a detailed risk assessment, a decision is made to engage PMSCs, the club recommends that shipowners exercise due diligence in their selection, including following the *International Maritime Organization's guidance* and obtaining positive confirmation of the steps being taken by the PMSC to secure compliance with ISO/PAS 28007: 2012 when the formal compliance process begins in spring 2013.

BIMCO GUARDCON

The club also recommends that members contract with PMSCs using BIMCO GUARDCON, which is well on the way to becoming the industry-standard contract for providers of maritime security. BIMCO GUARDCON has become an integral part of many shipowners' due diligence as it deliberately sets a high standard for PMSCs, designed to weed out those providers who are most likely to present risks to owners' ships, crew and cargoes.

Insurance for PMSCs

BIMCO GUARDCON sets out demanding criteria in relation to the insurance cover PMSCs are required to carry. The club has been working with market underwriters to ensure wordings are GUARDCON-compliant and satisfactory policies are now available.

Floating armouries

Floating armouries are frequently used by PMSCs, but the legality of their use is currently the subject of fierce debate. Until this issue is clarified, members should be aware that if a loss arises out of the use of weapons illegally sourced from a floating armoury then that could prejudice P&I cover. However, the club's board could exercise their discretion in a member's favour if they were satisfied they had exercised an appropriate degree of due diligence to try to avoid the risk.

The use of illegally sourced weapons (whether hired-in, or PMSC-owned) may also prejudice a PMSC's insurance cover and could expose a member to an increased risk.