

Circular No2-17-17-12

RE: DIVERSION EXPENSES.

This Circular aims to give guidance for Insureds, whose vessels are diverting to land stowaways, sick/injured crewmembers or to take part in salvage operations at sea, to clarify what expenses are recoverable, what information is to be provided to Ingosstrakh, and to give some examples of respective calculations.

Diversions, are covered under Section 1.7 of P&I Rules, and designed to recover Owners' losses over and above the costs of fuel, stores and provisions, crew wages and port charges as would have been incurred in normal operation of the ship, that have been necessarily and reasonably incurred solely for the purposes of:

- Delivering an injured or sick crewmember to the nearest port for securing medical treatment;
- Substituting an injured or sick crewmember;
- Repatriating a deceased crewmember;
- Landing stowaways or refugees;
- Saving life at sea.

The above losses are recoverable for the period commencing at the time and position the vessel started her diversion, which should be previously agreed with Ingosstrakh in written form, until the vessel regains her original course, less the expenses the vessel would have ordinarily incurred by continuing on passage between the diversion commences and where she regained her original course.

Owners should provide Ingosstrakh with the following list of documents and information, in order to process a diversion claim (it should be noted in this respect, that additional info and documents might be requested, if needed):

- 1) Master's report on circumstances and reasons for diversion, indicating the original route, time and place of diversion commencement and a sketch map of diversion;
- 2) A detailed breakdown of costs (indicated above) incurred while diverting;
- 3) Copy of Engine log book pages indicating time, position and fuel remaining on board at the moment of diversion commencement, arrival at the diversion port/point (which should detail vessel's activities at the port such as anchorage, drifting, slow steaming), departing the port/point, regaining the original route;
- 4) Copies of bunker invoices, consumed when diverting;
- 5) Copies of invoices for port charges.

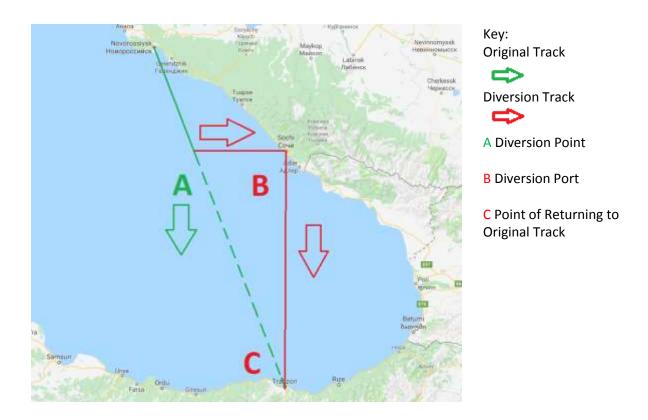
The main items that determine diversion expenses are the time used and the fuel consumed during diversion. In order to give general understanding how these figures may be calculated, we put here below an example.



Example:

The vessel destined to Trabzon sailed from port of Novorossiysk (please see chart below). When passing Black Sea, crewmember has been injured due to accident onboard. Whilst Owners immediately informed Ingosstrakh about the accident and agreed diversion, master has diverted vessel's route to the nearest port - Sochi.

Having been provided with all the information mentioned above, it may be easily calculated how much fuel and time would have been used by the vessel if she had remained on passage. Having deducted this from actually consumed during diversion (plus port charges, extra crew wages etc.), we would get the exact amounts to be reimbursed to Insureds under Diversion clause of P&I Policy.



P&I Department Ingosstrakh Insurance Company