

## Increasing EU Piracy Pushes Businesses to Invest in Tailored Marine Insurance Cover

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Piracy has become a more recently mediatized problem. The plight of several sea faring holiday makers at the hands of Somali pirates has drawn significant attention to an age old problem. Although the 'Golden Age' of pirates is over, there has been increasing piracy across the Arabian Sea that has seen a great many vessels attacked and ransomed for figures in the millions.

A report compiled by Aon based on statistics from 2009 through to 2011 has shown a 267% increase in the number of attacks on the Arabian sea whilst demanded ransoms and board times have doubled to \$4.6 million and 6 months respectively. In addition to the increase in pirate activity, reports show that these attacks are becoming increasingly aggressive where 2011 saw the first reported execution of a hostage aboard a ransomed vessel.

For those businesses involved in in shipping, import and export activities, Aon's piracy report makes for dire reading. Aba Group's Managing Director Graham Webster states that:

*"Piracy is a seldom considered prospect. Business owners involved in shipping, imports or exports are always worrying about sales, gaining new contracts and currency fluctuations; they rarely take the time to consider such vulnerabilities. When they do come round to giving piracy some thought, it's usually too late; when a ransom note for one of your vessels arrives... There's very little you can do"*

Mr Webster cites prevention as being better than cure:

*"Obviously, insurance policies are only any good when the worst has already occurred and it should never be allowed to come to that. Increasingly, sea freight companies are employing security agencies to fend off attacks and protect their cargoes and the goods of their customers. A well-equipped crew serves as an effective deterrent. For those that cannot afford such services however, tailored marine cover is a must"*

This sentiment is backed by Aon who consult with security agencies when compiling their reports; so that crews in the field have a better idea of the dangers that face them in international waters.

Tailored Marine Insurance, whilst it cannot protect a business directly from the effects of piracy, it can help them to get back on track after the worst is over. With decreasing shipping costs, the attraction to move orders in bulk is growing; but so too do the risks. Some smaller businesses cannot afford to lose large shipments and in some cases it can be enough to ruin a business.

**- ENDS -**

**About aba Group:**

aba Group has been operating in Bolton for years, headed by Managing Director Graham Webster and fellow Director Lynne Eckersley, they have 70 years' experience in the industry between them. Their specialist insurance coverage spans directors, officers, contractors, engineers, landlords and a whole host of other professional roles and activities; which has seen them become the go-to business insurance brokers locally.

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