

20 November 2008

Piracy product available as shipping risk increases

Benfield Corporate Risk, the corporate insurance and risk intermediary, has announced the availability of a dedicated and exclusive Marine Ransom & Extortion policy following the recent capture of a Saudi oil tanker by Somali pirates.

The worldwide policy, which is AA security rated, offers limits up to \$10m per event and indemnifies the policyholder against kidnapping and extortion, lost ransom, and costs incurred resolving the situation.

It has a unique marine wording and is designed to complement a policyholder's existing Protection & Indemnity, Hull & Machinery, and War covers and includes immediate access to highly regarded crisis management and response.

Mark Cracknell, Marine team leader at Benfield Corporate Risk, said: "While the willingness of the conventional marine insurance markets to do what they can to assist in these circumstances is never in doubt, we have found that many of our customers are attracted by the certainty of an insurance product that has been specifically designed to create just that. A significant number of the world's ship owners have some degree of exposure to the problem of piracy. In the absence in many cases of a realistic solution other than paying a ransom, ship owners can face a substantial unbudgeted out of pocket expense."

Somalia has received considerable media attention for pirate attacks in its waters; according to the International Maritime Bureau (IMB), 2008 has seen 92 attacks on vessels in the Gulf of Aden and the East coast of Somalia – 36 of which have been successful hijackings. There are currently 14 vessels being held with 268 crew hostage. Between November 10 and 16 alone, there were 11 attacks in this region with three vessels hijacked and another four fired upon.

Somalia, Nigeria, and Indonesia are currently ranked first, second and third in terms of acts of piracy in 2008. According to IMB figures, 199 incidents were reported in the first nine months of 2008 – 115 vessels were boarded, 31 vessels hijacked, and 23 vessels fired upon. Meanwhile, 581 crew members were taken hostage, nine were kidnapped, nine were killed and seven are missing – presumed dead.

-ENDS-

For further information please contact:

David Bogg/Andrew Wragg
Benfield
T: + 44 (0)20 7522 4016
david.bogg@benfieldgroup.com
andrew.wragg@benfieldgroup.com

Kathleen Hipp
Benfield (Minneapolis)
T: +1 952 886 8161
kathleen.hipp@us.benfieldgroup.com

Notes to Editors:

About Benfield Corporate Risk

Benfield Corporate Risk is a corporate insurance and risk intermediary catering for the complex risk management and transfer needs of the corporate sector worldwide. It operates out of Aberdeen, Bermuda, Calgary, Houston, London, Madrid, Minneapolis, New York, Oslo, Paris, Perth, Seoul, Singapore, Vancouver and Washington DC. The Corporate Risk business is a part of the world's leading independent reinsurance and risk intermediary, Benfield Group Limited (Benfield). For further information please visit www.benfieldcr.com