

Case Study: Contraband



Primary Delay Insurance for P&I Perils Case Study

The discovery of contraband, comprising drugs, arms, ammunition, alcohol, tobacco..

A general cargo vessel was en-route from Brazil to ports in China. All necessary stowaway and pre departure ISPS checks including drugs were carried out in accordance with the company SMS at the port in Brazil.

During the voyage, it was customary for routine inspections of the engine room filters to be carried out. During such an inspection, a number of packages of cocaine were discovered hidden on board during the inspection of the engine room filters.

The Master immediately contacted the Designated Person Ashore (DPA) who advised the Master to divert to the nearest safe port which in this case was Saldanha Bay. A local agent was appointed and authorities informed prior arrival.

The local authorities which include the local police arrived on board, carried

out a thorough investigation and subsequently removed the drugs.

The vessel was in this case permitted to resume her voyage upon completion of the investigation as authorities did not regard the Master and the crew as suspects.

Inevitably, Owners lost time during the deviation and investigation in port, since the vessel was placed off hire during this period.

This delay was covered in full with Members incurring the loss of hire for one day which was the agreed deductible. The P&I correspondent's report together with the local authorities report was sufficient evidence for the claim to be processed.

Members were reimbursed within a week of the documents being submitted.



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