Navigational Hazards

Avoid trading in ice unless the vessel is classed for it!

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All hull conditions include trading warranties which, for most sets of conditions, exclude roughly the same geographical areas. Those areas represent some kind of hazard or an increased exposure to the vessel, hence the exclusion. There are mainly two different types of excluded areas, those that are subject to seasonal exclusions and those that are excluded all year round. The latter areas are close to the Arctic or Antarctic regions, whilst the seasonal exclusions are typically ice-related areas such as the St Lawrence Seaway and the Baltic.

The permanent excluded areas also include areas where information on the charts is poor and inadequate for a safe navigation. In addition, weather conditions may be extremely severe in certain seasons and the risk of ice and icebergs may be imminent. There are, however, typical routes where icebergs or growlers are found without being subject to exclusions, for example the great circle route from Northern Europe to the Northern part of the East Coast of North America. Titanic is only one example of a vessel that got no advanced warning, but today navigators get warnings from the Canadian Authorities as almost all icebergs are tracked.

Institute Warranties Limits

The seasonally excluded areas, typically the St Lawrence Seaway, Northwest coast of North America, Northwestern Russia and the Baltic cannot be navigated during the winter season. The one and only reason is the ice. Ice is known to be an extreme hazard to ships, too many ships are not fitted for navigation in ice and even if they are, the risk of damage is high. To navigate in such areas, the shipowners have to contact their hull underwriters to get permission to enter such an area or, as it is often expressed, they breach the IWL. This is short for Institute Warranties Limits, the set of clauses that regulates where the ship may trade under the English Hull Conditions (ITC Hull Clauses). Here is the first warning: all shipowners are not insured under ITC and the trading warranties may differ depending on the conditions for cover. Thus it is proper to check the trading warranties agreed upon, especially since charterparties very often refer to the IWL, which may not be the conditions the owner has entered his cover on.

The hull underwriters may allow vessels to trade outside the IWL depending on conditions and the time of the season. If vessels are allowed to breach the warranties, that is, to trade in the excluded areas, the underwriter will charge an additional premium for such a voyage. Unless otherwise agreed, the premium is set for a voyage in and out of the excluded area. Should the vessel stay in the area and add ports or cross trade, the cover may be void unless the underwriters have agreed such extension. Vessels trading permanently in an excluded area or calling at such an excluded area regularly can often elect to pay a season cancellation, which is a premium for the period instead of paying on a per-voyage basis.

Additional premiums

The intention of charging additional premiums is to be able to keep a low basic annual premium for a hull cover. Only the owners electing to expose their vessels for an increased risk have to pay, otherwise such exposure has to be borne by all owners, even those that decided not to expose their ships to ice or other hazards. Therefore the additional premium for breaching the trading warranties may be regarded as quite high but it has to cover the increase in exposure. Winters may be different in severity and some hull conditions, e.g. vessels insured under the Swedish Hull Conditions, will have
additional premiums set for the Baltic depending on the current ice situation. Other conditions often have an advisory scale that is used, irrespective of actual ice conditions and owners or charterers often complain that they have to pay high additional premiums when there is no or very little ice during a voyage.

In a severe winter, the additional premiums charges may not be sufficient to cover claims made. Past experience has shown that ice damage is directly related to the severity of the winter, the ice created and the condition of the ship, including the skill of the officers. Let us take the Baltic as an example, but these findings will be applicable in all similar areas.

**Ice is an enormous exposure**

Last winter the cold weather started early in the Baltic. The Swedish/Finnish authorities produce charts showing the sea temperature in the Baltic and subsequently the ice and ice formation. The cold air early in the autumn chilled the Baltic and ice was formed earlier than expected. There was also an increase, at least a perceived increase, in traffic especially to the St. Petersburg area. The Gulf of Finland and especially the Eastern part of St. Petersburg saw ice building up at a great pace. This caused quite a number of incidents and damage to ships in the area, despite the fact that they were assisted by icebreakers.

The Finnish and Swedish icebreaking authorities set up rules during the winter season in relation to the severity of the ice, which vessels they will "allow", that is, they will assist in the Baltic. These rules are implemented when ice is getting thick, limiting ships of a certain size and with a minimum ice-class. The rules are made on the basis of experience, to stop ships that cannot safely trade in the prevailing ice conditions. A ship not fulfilling the minimum requirements will not get assistance (unless in the case of saving lives in an emergency).

A number of shipowners in particular in Sweden, Finland, Russia and Canada, have built ships reinforced against ice. These ships are built to withstand the forces of ice better than others and to be used during the winter season in, for example, the Baltic. Ice classes vary and the highest ice class is Swedish Finnish 1A Super. Even ships with this high ice class may have difficulties in a severe winter and may be stopped by the ice. Furthermore, the icebreakers may face difficulties and it happens, although not too often, that an icebreaker gets stuck in the ice.

Navigating in ice is an enormous exposure for a ship and without an ice-class it is not recommended to get into waters that may form ice. Even with icebreaker assistance, the hazards are numerous and this can be seen by the number of hull claims lodged. The owners will also face long delays very often as well as a loss of earnings due to these damages, which could be avoided if navigation in ice is avoided.

It is not only the vessel and its construction. Success also depends on the skill of the navigators. Officers with long experience of navigating in ice can avoid situations that put the ship in danger. It is not easy for the untrained eye to spot the small but important variations in the ice, for example cracks developing, which would make it easier and safer to navigate. The drift of ice, setting the vessel off track – just try to imagine a totally white, snowy, flat landscape without any fixed points for reference. Another point to note is the ability to work in low temperatures, for which the crew needs good protective clothing. The ship has to have very good heating system or, as has been experienced, the only warm spot in accommodation often turns out to be the refrigerator.

**Check with your hull underwriter**

To summarise, it is advisable to avoid trading in ice or in areas where the risk of the formation of ice is imminent, unless the vessel is fit for such a trade, in other words, that it has been classed for sailing in ice. The officers and the crew have to be experienced for trading in waters with ice and sub-zero temperatures. Always check with your hull underwriter well in advance prior to fixing a ship to sail in an area outside the trading limits. Even if you get an acceptance to trade with an additional premium, the uninsured risk is always present.