

CLIENT ALERT

HANJIN SHIPPING MOVES TOWARDS RECEIVERSHIP

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The Situation

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The decision was made after banks and other creditors declined to provide additional funding to the heavily indebted company.

When a shipping company enters receivership, ports may refuse access to its vessels due to concerns that the business will not be able to pay port fees. Reports have emerged that a number of Hanjin vessels have been turned back from ports in China, Spain and the United States as a result of the receivership move.

In the event that a vessel has to cease trade at their next port of call, or is directed to an interim port, further services are likely to be suspended, with cargo owners directed to remove their cargo and arrange on-forwarding of the goods to their final destination at their own cost.

Is this insured?

The majority of import/export policies insured in Australia include Institute Cargo Clause (A) 1.1.09. This contains specific exclusions and terms of cover which may apply in the event of insolvency or financial default by the owners, managers, charterers or operators of a vessel. Individual policy terms and conditions will dictate the level of coverage that is provided.

WHAT SHOULD YOU DO?

If you are concerned about cargo onboard Hanjin vessels or require further information, please contact your Marsh representative.

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