Protection & Indemnity Insurance

14 July 2026

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Overview of P&I Insurance

What is P&I?

Protection & Indemnity

Think of it as;

Waterborne GL + Workers Compensation.

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Protection & Indemnity
Forms Comparison

SP-23	1983
SP-38	1955
AIMU P&I Clauses	Form 23 – 1983

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Loss of Life, Injury and Illness

SP-23	Any person, excluding employees under Compensation Act - also specifically provides liability for stevedores handling cargo
SP-38	Any person, excluding any claim under Longshore or WC
AIMU P&I	Any person, excluding employees under USL&H or WC

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Loss of Life To Whom

Passengers

People on other vessel

People on land/dock

Crew

……anyone

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Legal Remedies for Crew

Maintenance & Cure
Unseaworthiness
Jones Act
Death on the High Seas Act
Wrongful Death

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Legal Remedies for Crew
Maintenance and Cure

Maintenance = food and lodging

Actual expenditure of food and lodging until maximum recovery

Cure = medical services

Reasonable medical expenses

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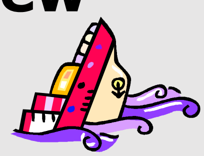
Legal Remedies for Crew
Unseaworthiness



Must show proximate cause was a defective condition of the ship or its equipment.

Hull, cargo handling equipment, hand tools, ropes and tackle, provisions, the method of cargo storage, the lack of certain types of equipment, and the competency and size of the crew.

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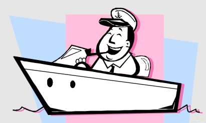
Legal Remedies for Crew
Jones Act - (Merchant Marine Act 1920)

Permits a seaman to sue his employer for his illness or injury suffered while in the course of his employment due to the negligence of the employer.

Employer's duty to provide the seaman with a reasonably safe place to work.

Employer's responsibility is absolute, non-delegable & includes ship even if the employer is not owner of vessel.



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Legal Remedies for Crew
Death on the High Seas Act (D.O.H.S.A 1920)

Seaman and non-seaman

Limited to monetary damages
no punitive

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Legal Remedies for Crew
Wrongful Death - Under General Maritime Law

U.S. Supreme Court decision (Moragne v. State Marine Lines, 1970) established a remedy for wrongful death for the personal representatives of seamen or passengers of a vessel within territorial waters. (12 nautical miles (~13.5 land miles) from shore)

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Damage to Other Vessel or Property on Board Caused by Collision

SP-23	Excess of Hull Policy (damage not fully covered by hull policy). Excess Collision Liability to Limit
SP-38	Excludes damage covered by Hull policy, whether or not Assured has one. No Collision Liability
AIMU P&I	Excludes damage to another vessel or any property aboard. No Collision Liability

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Damage to Other Vessel or Property on Board NOT Caused by Collision

SP-23	Included
SP-38	Included
AIMU P&I	Included, but adds exclusions for nuclear & pollution damage

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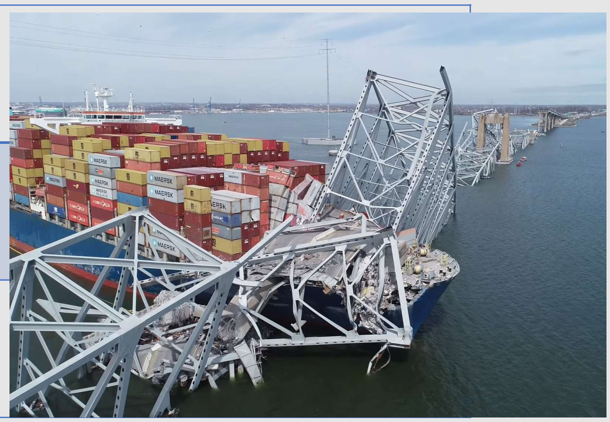
Damage to Docks, Piers etc.

Collision with fixed property/objects is an Allision.

SP-23	Included
SP-38	Included
AIMU P&I	Included



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Wreck Removal

SP-23	Includes removal of wreck – not limited to insured vessel when compulsory by law & not covered by Hull Policy
SP-38	Includes removal of wreck only
AIMU P&I	Included same as SP-38 but also includes "attempts" to remove

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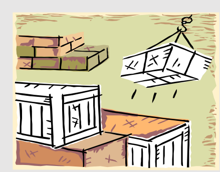
Cargo Legal Liability



SP-23	Covered. Excluding mail, parcel post. Includes baggage & personal effects of Passengers
SP-38	Excludes any claim for cargo on board vessel
AIMU P&I	Same cargo exclusions as SP-38 except on Cross Liability claim. Can add by endt. Form AIMU-24

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Customs, Immigration Or Other Fines Or Penalties

SP-23	Included except Assured and/or managers held to highest degree of care.
SP-38	Same as SP-23
AIMU P&I	Same as SP-23

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Cargo's Proportion of General Average

SP-23	Included if not recoverable by any other source
SP-38	Not Included
AIMU P&I	Not Included

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Liability Any One Accident or Occurrence

SP-23	Limits Liability To Amount Insured Per Occurrence, INCLUDED DEFENSE COSTS Called "Aggregate" --- Misleads
SP-38	Same as SP-23 But Spells Out Loss, Damage, Cost, Fees, Expenses Included In Limit Per Occurrence
AIMU P&I	Specifically Spells Out (Lines 20-22) Defense Costs Part Of Limit Of Liability. "Combined Single Limit"

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Deductibles

SP-23	No standard provision. MUST be added by endt.
SP-38	Lines 32-35. Blanks for deductibles – one for BI & one for PD
AIMU P&I	Lines 23-28. Same as SP-38 but adds that deductible includes costs & expenses

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Endorsements

Pollution Exclusion & Buy Back
Radioactive Contamination
Punitive Damages
Automatic Acquisition Clause
Excess Collision Liability
Excess Tower’s Liability
Navigational Warranty
Swimming Diving Exclusion
War P&I

TRIA
In Personam Liability
Schedule of Vessels
Additional Insureds
Tankerman’s Liability
Dredge Clause
Crew Warranty/Named Crew
Combined Single Limit
Voluntary Wreck Removal

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Other P&I Forms

Builders Risk
Club Rules
Boat / Yacht

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Questions?

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