

Insurance of property arrested under the *Admiralty Act 1988*

The Admiralty Act provides for the arrest of property (including vessels) by the Marshal in actions *in rem*. The Marshal will obtain indemnity insurance for the period the vessel is in the custody of the Marshal. The cost of that insurance will be an expense incurred by the Marshal payable by the party issuing the writ for the arrest of the vessel. The Court may require that party to undertake to pay the cost of that insurance at the time the writ is issued.

The Marshal does not at any time during the period of arrest hold commercial insurance for the benefit of any person who has an interest in the arrested property including cargo. Persons with an interest in the arrested property and their lawyers may wish to consider the question of insuring the amount of their interest against consequential risk, including risks occasioned by any movement of the vessel.

To assist practitioners in calculating premium rates, a table is provided below of some examples of premiums under the Marshals’ insurance policy for the 2016 calendar year. Practitioners should contact their local Marshal if they require further information about insurance.

	Estimated value of ship	Limit	Rate	Duration of arrest	Premium	Minimum	Stamp Duty based on 10%	Broker’s fee incl GST	Total premium
1.	\$5 mill	\$100 mill	1.5%	3 days	\$616.44	\$1,275.00	\$ 127.50	\$247.00	\$ 1,650.50
2.	\$5 mill	\$100 mill	1.5%	10 days	\$2,054.80	n/a	\$ 205.48	\$247.00	\$ 2,507.28
3.	\$10 mill	\$100 mill	1.360%	3 days	\$ 1,117.81	\$2,045.00	\$ 204.50	\$247.50	\$ 2,497.00
4.	\$10 mill	\$100 mill	1.360%	10 days	\$ 3,726.03	n/a	\$ 372.60	\$247.50	\$ 4,346.13
5.	\$20 mill	\$250 mill	1.386%	3 days	\$ 2,278.36	\$3,690.00	\$ 369.00	\$247.50	\$ 4,306.50
6.	\$20 mill	\$250 mill	1.386%	10 days	\$ 7,594.52	n/a	\$ 759.45	\$247.50	\$ 8,601.47
7.	\$40 mill	\$250 mill	1.049%	3 days	\$ 3,448.77	\$4,645.00	\$ 464.50	\$247.50	\$ 5,357.00
8.	\$40 mill	\$250 mill	1.049%	10 days	\$11,495.89	n/a	\$1,149.59	\$247.50	\$12,892.98

Notes

1. Stamp Duty is applied to all premiums as follows:

State	Stamp Duty
• Victoria	10%
• NSW	9%
• Queensland	9%
• SA	11%
• NT	10%
• Tasmania	10%
• WA	10%

2. GST does not apply to this class of risk, other than to the broker’s fee.