

Marine Insurance Coverage Experience



For more than 30 years, the lawyers of K&L Gates have been developing and implementing innovative legal strategies to assist businesses in obtaining insurance, and giving them advice on coverage for a wide range of liabilities and losses. Nearly 100 of the firm's lawyers practice in what has become, according to *Business Insurance*, one of the world's largest policyholder-side insurance coverage groups.

K&L Gates' insurance coverage lawyers have extensive experience advising policyholders involved in maritime activities, including coverage for losses, liabilities, and potential exposures

arising from damage to ships, cargoes, seaport terminals, and pipelines, as well as pollution and environmental issues, under various types of marine insurance policies, including open cargo, hull and machinery, marine liability, and protection and indemnity ("P&I") policies, as well as general liability policies. Some of our recent clients, in addition to our traditional maritime- and transportation-related clients, have included international trading companies that buy, sell, and transport a variety of goods, including fertilizers, grains and other bulk cargoes, chemicals, metals, and petroleum products, as well as global manufacturers involved in the sale and delivery of products around the world.

Our lawyers have substantial experience dealing with international insurers regarding coverage claims under marine and general liability insurance policies. We have particular experience in resolving marine insurance disputes with Lloyd's of London's underwriters and various company markets worldwide. We also rely on our extensive substantive knowledge in the maritime law arena, in addition to our experience in marine insurance coverage matters. Our lawyers have extensive experience in dealing with collisions and/or allisions, personal injury and/or death claims, United States Coast Guard regulatory and enforcement matters, oil spills and resulting Natural Resource Damage Assessment ("NRDA") claims, as well as the regulations pertaining to federal and state requirements and potential environmental exposures arising out of activity in those particular jurisdictions.

Our recent experience with marine insurance issues and disputes includes:

- Representing an oil trading company in litigation seeking coverage under a marine open cargo policy for the loss of its petroleum products caused by an explosion and fire at a seaport terminal.
- Representing a company seeking coverage from its P&I club (and its general liability insurer) for defense and indemnity costs incurred in defending a class action lawsuit alleging third-party damages caused by a fire at a seaport terminal.
- Representing a company seeking coverage for damage to a shipment of lead and silver caused by a fire (and, eventually, seawater contamination) on the transporting vessel while at sea.
- Representing a chemical company in an international arbitration regarding, among other things, disputes with underwriters regarding self-insured retentions and stop-loss coverage issued as part of marine liability policies.

- Represented a shipping line in a claim for coverage pursuant to uniform equipment interchange agreement with a trucking company.
- Representing a vessel owner against hull and machinery underwriters for the constructive total loss of a vessel, as well as resulting “sue and labor” expenses.
- Successfully representing a vessel owner and its underwriters against the U.S. government in respect to a mystery spill in coastal waters alleged to have emanated from our client’s vessel.
- Representing a vessel owner whose vessel ran aground (resulting in a major spill) in dealing with the owner’s insurance underwriters; the various governmental authorities involved; third-party claimants; trustees, both state and federal; and filing timely claims and successfully recovering over \$85 million from the Oil Spill Liability Trust Fund.
- Representing a vessel owner client in respect to another major oil spill regarding insurance coverages, cleanup claims, settlement of third-party claims, dealing with authorities on both civil and criminal issues, dealing with federal and state trustees, resolving NRDA claims, and in dealing with hull and machinery underwriters.
- Representing a terminal operator in respect to liability arising out of a failure in cargo handling equipment in a suit brought by the owner of the equipment, and rendering advice regarding related insurance coverage issues.

In addition to K&L Gates’ experience assisting clients with coverage issues and potential exposures arising directly under marine and general liability insurance policies, our lawyers have assisted clients in obtaining coverage under non-marine policies for marine-related losses and liabilities. For example, our lawyers have advised international trading companies on coverage issues under their directors and officers, general liability, and employment practices liability policies for a variety of issues arising from their trading activities. Recently, we represented a company seeking defense and indemnity costs for litigation in which it was sued for allegedly contributing to the contamination of Puerto Rico’s drinking water by using a common additive (MTBE) in the gasoline that it sold to a buyer in Puerto Rico.

With our extensive experience advising on and obtaining insurance coverage for policyholders, our firm is well positioned to assist companies in the maritime and transportation industries with any insurance coverage issues or disputes they may encounter.