

Dali disaster could drive P&I insurance to the edge



The outfall of the fateful allision between the 9,971 TEU container ship, Dali, and Baltimore’s Francis Scott Key Bridge in the early hours of March 26 could last ‘many years’ and test global shipping’s mutual insurance system to its limits, according to marine insurance experts.

Paul Bartlett | Mar 27, 2024

They cite the location of the incident in the litigious United States, the collapse of the bridge, the impact on US east coast trade and the Port of Baltimore, the collapse of a vital regional transport link, and the deaths of at least six bridge maintenance personnel and as key issues.

The incident also raises a wide range of questions. Why was the ship not accompanied by tugs in the narrow channel of the Patapsco River as it left

Baltimore bound for Colombo in Sri Lanka? Why did the ship lose power not once but twice as presumably the auxiliary diesel generators failed soon after the ship lost main engine power? Why were the foundations of the bridge not protected against such an accident?

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There will also be questions relating to the ship's maintenance. Container ships present a major challenge because they are deployed on such tight schedules. Specialist contractors therefore often attend to service components during short port calls.

Specifically on the P&I issue, experts say that it is too soon to say whether the P&I sector's complex and layered structure of insurance and reinsurance up to \$3.1bn might be breached. But it is widely thought that the largest-ever P&I claim to date, the \$1.5bn Costa Concordia incident, could well be exceeded.

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The ship is owned by Grace Ocean Pte Ltd and operated by Singapore ship manager, Synergy Marine Group, which manages about 660 ships. It is time-chartered to Maersk which has no involvement in the ship's operation and is likely to join claimants as it loses the use of a vessel, incurs delays to laden boxes, and must arrange alternative delivery for the ship's containers.

The Patapsco River channel remains closed today as the ship lies midstream draped with sections of the broken bridge. Four vessels are trapped in Baltimore Port, according to reports, while another 20 ships are waiting offshore to arrive.