



# MARINE INSURANCE: THE FIRST ANNIVERSARY OF THE UKRAINE CONFLICT

Update issued by Skytek: at 12:00 GMT on February 23<sup>rd</sup> 2023

## CURRENT EXPOSURE

On February 21<sup>st</sup>, 2023, Skytek recorded that **58 ships with an aggregating market value of \$440 million** remained trapped in Ukrainian seaports. The list of these vessels is available upon request (a sample is provided in Figure 2 below, with further fields available in the Excel format).

On February 25<sup>th</sup>, 2023, a year will have elapsed since the seaports of Ukraine have been closed for entry and exit. Under the Institute War & Strikes Clauses (IWSC), owners are entitled to claim a Constructive **Total Loss for the 58 vessels**, assuming that there insured under the IWSC, which remained trapped providing there has been no alternation in the Clause 3 (Detainment Clause) wording.

## SUMMARY OVERVIEW OF THE PAST 12 MONTHS

The year 2022 started with escalating political tensions in the Black Sea region, and, on February 16<sup>th</sup>, the Joint War Committee (JWC) added Ukrainian and Russian waters in the Black Sea and the Sea of Azov to Hull War, Piracy, Terrorism and Related Perils Listed Areas (HRA).

On February 24<sup>th</sup>, Russia initiated a military operation in Ukraine. The Russian navy started patrolling the areas and seaways were mined, effectively trapping the ships inside the seven seaports ports with access to the Black Sea and the Sea of Azov, thus freezing the commercial activity from the ports of Chornomorsk, Odesa, Yuzhny, Mykolaiv, Kherson, Berdiansk and Mariupol.

On February 24<sup>th</sup>, **Skytek recorded 102 ships** blocked in the inner waters of the Ukrainian ports, **valued at \$840 million** using Skytek's proprietary price modelling algorithm.

On July 27<sup>th</sup>, the United Nations (UN), Turkey, Ukraine and Russia, agreed to allow exporting of food products from three ports of Chornomorsk, Odesa and Yuzhny, to resume, via "**The Grain Initiative Agreement**".

Skytek tracked that from August 01<sup>st</sup> 2022 to February 21<sup>st</sup> 2023, 582 unique ships performed 860 voyages shipping just over 23 mil tons of food products from the three ports involved in The Grain Initiative Agreement.

## WAR-RELATED DAMAGED SHIPS

Using very high-resolution satellite imagery tasked and acquired as frequently as weekly over the areas impacted by the conflict, Skytek was able to identify vessels that were damaged, most likely during bombing activities in the area. This information can be provided in near-real time, globally, for assets that are difficult to reach physically.

A summary of the vessels damaged during this time is provided below:

- The Marshall Islands flag bulk carrier **Yasa Jupiter – IMO: 9848132**, while sailing from Dniepr to Constanta, was struck by a missile off Odesa, Ukraine, and suffered damage on February 24<sup>th</sup>, 2022
- The Moldova flag chemical tanker **Millennial Spirit – IMO: 7392610**, was shelled in the Black Sea on February 25<sup>th</sup>, 2022. The vessel became a Constructive Total Loss
- The Panama flag general cargo ship **Namura Queen – IMO: 9841299**, was struck in the Black Sea off the coast of Ukraine by a missile and suffered damage on February 25<sup>th</sup>, 2022
- The Bangladesh flag bulk carrier **Banglar Samriddhi – IMO: 9793832** was struck by a missile at navigating bridge level while anchored in Mykolaiv and was set afire on March 02<sup>nd</sup>, 2022. The Owners are reportedly claiming Constructive Total Loss for the vessel
- The Panama flag general cargo ship **Helt – IMO: 8402589**, sank off the coast of Ukraine on March 02<sup>nd</sup>, 2022, possibly after striking a mine, and becoming a Constructive Total Loss
- The Dominica flag general cargo ship **Azburg – IMO: 9102899** —was shelled and sunk on April 04<sup>th</sup>, 2022, alongside Mariupol port, becoming a Constructive Total Loss.
- The Liberia flag bulk carrier **Smarta – IMO: 9396567**, was shelled while alongside in Mariupol and became a Constructive Total Loss
- The Sierra Leone General Cargo Ship **Rusen Mete – IMO: 8516835**, was hit by a missile on March 24<sup>th</sup> 2022, at Berdiansk, becoming a Constructive Total Loss.

## CURRENT STATUS OF THE SHIPS IN UKRAINIAN PORTS

Over the past 12 months, Skytek continuously monitored the situation in and around the ports of Ukraine. We provided the insurance industry with valuable situational awareness knowledge of the area, supporting exposure and loss estimations valuable for decision-makers. To date, we note the following information:

- As of February 21<sup>st</sup>, 2023, the Grain Initiative Agreement enabled **45 of the 102** blocked ships to depart from Ukraine.
- On February 25<sup>th</sup>, 2023, a year would have elapsed since the seaports of Ukraine have been closed for entry and exit. Under the Institute War & Strikes Clauses (IWSC), owners are entitled to claim a **Constructive Total Loss for the 58 vessels**, assuming that there insured under the IWSC, which remained trapped providing there has been no alternation in the Clause 3 (Detainment Clause) wording.
- The port of Mykolaiv, with its five terminals, holds the highest aggregation by both number of vessels and exposure. None of the 27 vessels captured at the beginning of the military conflict could depart as of February 21<sup>st</sup>, 2023. Skytek places the aggregated value of the ships in Mykolaiv at **\$230 million**
- Using very high-resolution satellite imagery and proprietary vessel detection techniques, Skytek detects, identifies and tracks the ships in Ukrainian ports, even after they turned off the AIS trackers. Ships in Mykolaiv on January 10<sup>th</sup>, 2023 are represented in Figure 1 below. Further images, of different dates as well as different ports, are available upon request.



Figure 1 - Mykolaiv port overview of marine assets on January 10<sup>th</sup>, 2023

No	Asset Name	IMO	DWT	Asset detailed type	YOB	Flag	Class	Status	Arrived	Date
4	ALBY LIBERTY	9193707	45,251	Bulk Carrier	2000	Panama	LR	-	Mykolaiv, Nika Terra	12-Feb-2022
7	ARAYA	9224843	29,816	Bulk Carrier	2001	Malta	AB	Force Majeure	Mykolaiv, Nika Terra	17-Feb-2022
10	BANGLAR SAMRIDDIHI	9793832	38,894	Bulk Carrier	2018	Bangladesh	BV	War Loss Hostilities	Mykolaiv, Nika Terra	21-Feb-2022
11	BOLTEN ITHAKI	9691632	38,060	Bulk Carrier	2014	Marshall Islands	NK	-	Mykolaiv, Nika Terra	10-Feb-2022
15	CENGIZ BEY	9301342	11,817	General Cargo Ship	2004	Barbados	BV	-	Mykolaiv	18-Feb-2022
18	CHARIANA L	9154012	46,670	Bulk Carrier	1997	Marshall Islands	NK	-	Mykolaiv, Nika Terra	05-Feb-2022
22	DONGFUSHAN	9185853	20,963	Chemical Tanker	1999	Hong Kong	NK	-	Mykolaiv, Dneprobugsky	19-Feb-2022
26	FILIA JOY	9558153	53,473	Bulk Carrier	2009	Panama	BV	-	Mykolaiv, Nika Terra	14-Feb-2022
32	HACI EMINE ANA	8117847	8,170	General Cargo Ship	1984	Palau	PX	-	Mykolaiv	18-Feb-2022
33	HARALD MAERSK	9389502	38,004	Chemical/Products Tanker	2009	Denmark	AB	Laid up	Mykolaiv	14-Feb-2022
35	ITHACA PROSPECT	9512161	30,146	Bulk Carrier	2009	Panama	NK	-	Mykolaiv, Nika Terra	20-Feb-2022
45	MALLARD S	9427392	25,981	Open Hatch Cargo Ship	2010	Liberia	BV	-	Mykolaiv, Nika Terra	21-Feb-2022
49	MARIKA	9464534	28,343	Bulk Carrier	2008	Liberia	NK	-	Mykolaiv, Nika Terra	17-Feb-2022
50	MARYLAND	8418758	26,264	Bulk Carrier	1992	Liberia	RI	-	Mykolaiv, Nika Terra	13-Feb-2022
52	MTM RIO GRANDE	9314911	46,616	Chemical/Products Tanker	2007	Singapore	AB	Laid up	Mykolaiv, Nika Terra	07-Feb-2022
82	SKYMOON 1	8311522	3,252	General Cargo Ship	1984	Moldova	Withdrawn	-	Mykolaiv, Dneprobugsky	18-Feb-2022
85	SPRING PLOEG	9774707	19,999	Chemical/Products Tanker	2017	Cayman Islands	NK	Laid up 08 Mar 2022	Mykolaiv, Dneprobugsky	19-Feb-2022
88	STAR PAVLINA	9917490	82,361	Bulk Carrier	2021	Liberia	BV	-	Mykolaiv	10-Feb-2022
90	SUN AQUAMARINE	9370135	32,221	Open Hatch Cargo Ship	2008	Marshall Islands	NK	-	Mykolaiv	14-Feb-2022
92	TRF MIAMI	9416056	19,871	Chemical/Products Tanker	2008	Marshall Islands	NK	Laid up 23 Jun 2022	Mykolaiv, Dneprobugsky	27-Jan-2022

Figure 2 - sample details for vessels trapped in Ukrainian ports, February 21st, 2023

The list of these vessels is available upon request with further fields available in the Excel format)



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