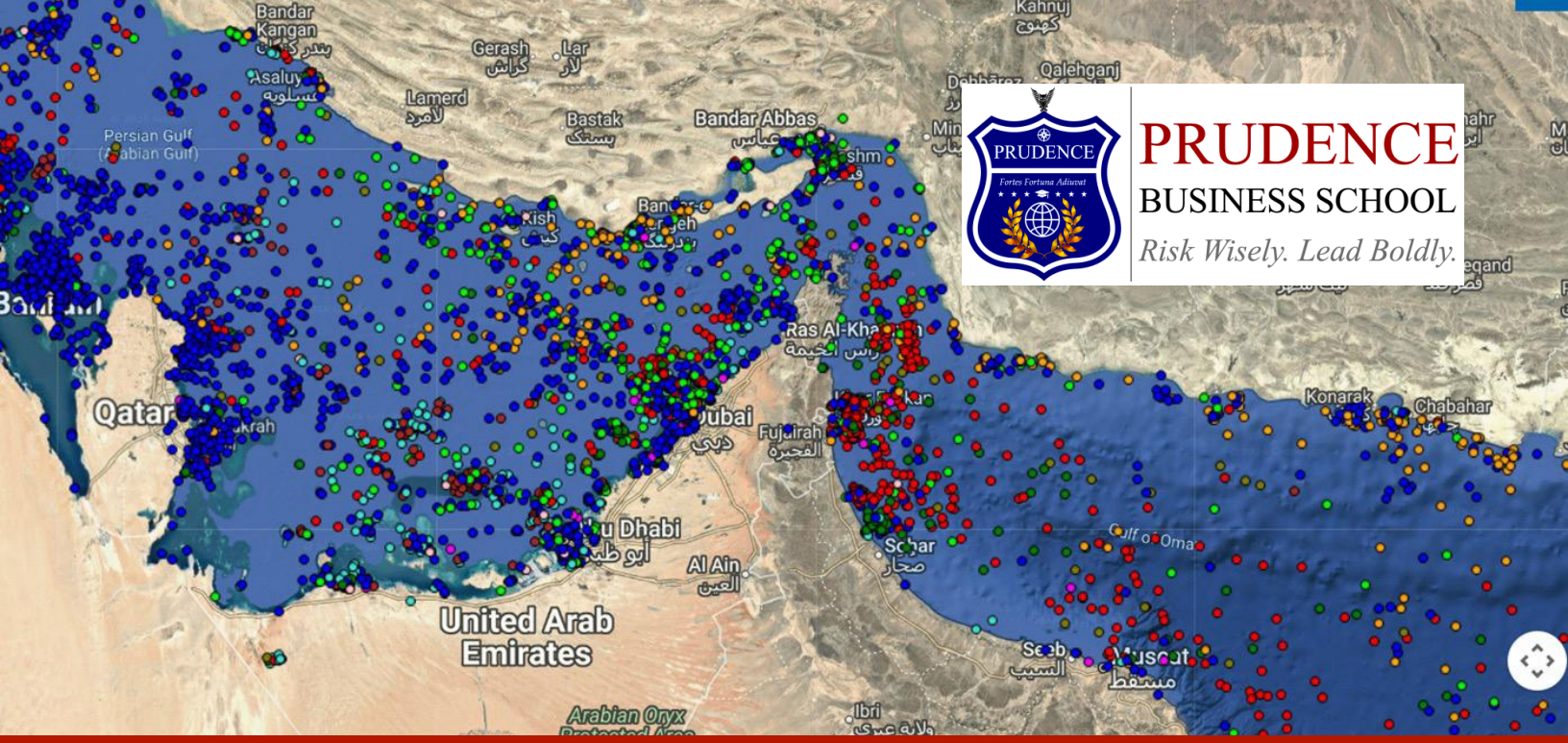


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Shipping under Fire

Hormuz, the Gulf and the Black Sea: Record Attacks, Spills Ashore and a War-Risk Market Under Strain



27 October 2026

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Shipping Under Fire

Hormuz, the Gulf and the Black Sea: Record Attacks, Spills Ashore and a War-Risk Market Under Strain

What two simultaneous maritime war zones mean for shipowners, cargo interests, trade financiers, freight traders and war-risk underwriters

28 **GULF ATTACKS IN OCTOBER** Record month since tracking began in 2017; 113 since 28 Feb	**30** **GULF SHIPS DAMAGED IN OCT** Combined 2.4M GT — highest monthly total of the conflict (Clarksons)	**570** **BLACK SEA SHIPS STRUCK** In 2026 to date; 387 in Q3 alone, more than four a day (Ambrey)
40 vs 24 **SEAFARERS KILLED** Black Sea versus Strait of Hormuz confirmed fatalities (IMO)	**15%** **BLACK SEA WAR-RISK RATE** Of hull value — almost double the Gulf; Hormuz 3–8% vs 0.25% pre-war	**$2–3bn** **EST. 2026 WAR CLAIMS** War, terror & political violence losses vs $1.5–2bn annual premium (Howden Re)
492 **SHIPS WAITING AT HORMUZ** Outside the Strait on 25 Oct, mainly off Fujairah and Khor Fakkan	**30+/day** **ESCORTED HORMUZ TRANSITS** On the US-facilitated southern route; ~90% are tankers (INTERTANKO)	**<10 vs 400** **GREATER ODESA PORT CALLS** Ships handled in September versus July (port operator TIS)

Dr. H.C. Barke
President & CEO
Doctorate in Risk Management & Insurance (Hons)
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WHARTON, University of Pennsylvania - Advanced Management Program (AMP-87)
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CPCU(USA), AMIM(USA), AIC(USA), ARe(USA),
ACII(London), Chartered Insurer(London), AIRM(London),
FIII, AIII(General), AIII(Marine), B.Com (Finance), LLB
PGDM(Marketing), MIWWHS(USA), MCPCUS(USA),
Dipl. Da Vinci's Vitruvian Man (IBC – Cambridge)
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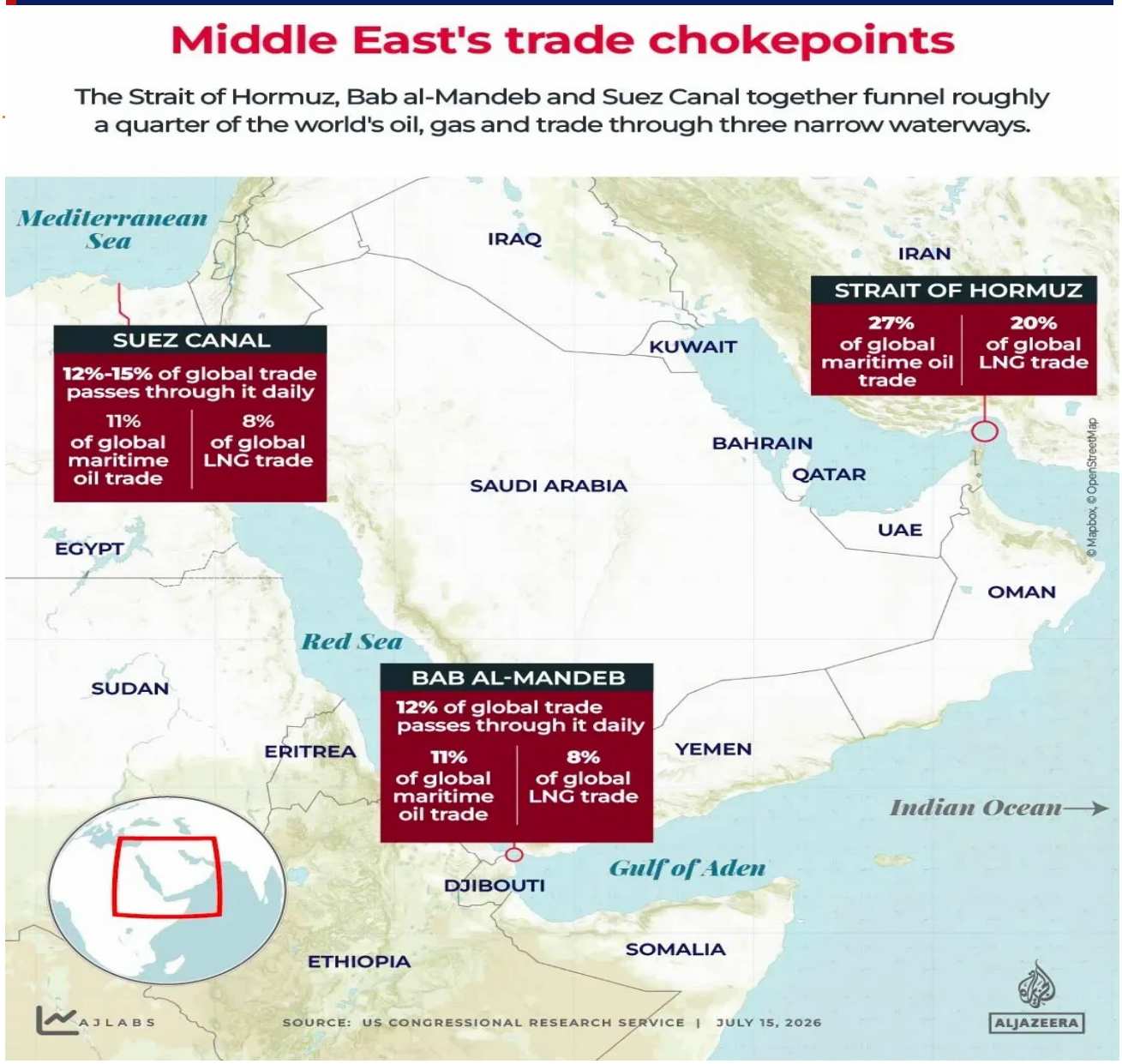
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Bottom Line Up Front

- **Two war zones, one market.** The Gulf just logged its worst month for ship attacks, while the Black Sea has quietly become the deadliest waterway for merchant crews. Owners, cargo interests and lenders now carry correlated war risk across both [1,4,6].
- **The Black Sea is deadlier than Hormuz.** About 570 ships have been struck there in 2026 and at least 40 seafarers killed, against 24 confirmed deaths in the Hormuz theatre; war-risk rates there run up to 15% of hull value [6,7,8].
- **Gulf losses are moving from damage to total loss and pollution.** Two ships sank near Hormuz in mid-October, and oil from the stricken VLCC Gem No.2 has closed beaches across three UAE emirates [4,9,10].
- **The war-risk market is repricing, not retreating.** Capacity remains available at a price, but estimated 2026 war claims already exceed the segment's annual premium, and the repricing looks structural [13,14].
- **Benchmarks, sanctions and crews are now part of the risk.** TD3C is on trial in London, Hormuz toll payments carry sanctions exposure, and crews are thinning as danger rises [2,14,6].
- **Action:** re-verify war covers and listed-area terms in both theatres, insure the waiting period, screen for sanctions on transit payments, stress-test L/C and collateral timelines, and review index-linked contracts.



01 Gulf & Hormuz: An October Record

October 2026 is the worst month on record for attacks on merchant ships in and around the Strait of Hormuz. Washington Institute data reported by Reuters on 23 October records **28 confirmed and reported attacks in October** and **113 since the US–Israeli war with Iran began on 28 February** — the highest monthly figure in a dataset running back to 2017 [1]. Shipbroker Clarksons separately counts **30 vessels of 2.4 million GT attacked and damaged in the Gulf in October**, again the highest monthly total of the conflict [4].

Counts differ because coverage and methods differ: the IMO lists around 120 incidents, UKMTO had logged 135 by 16 October, and the JMIC reports 156 confirmed maritime security incidents since 1 March [1,3]. The direction is not in dispute — and the losses are getting heavier:

- **From damage to total loss.** The Singapore-flagged container ship **GFS Pride** sank while transiting the Strait after a projectile strike and fire (all 21 crew evacuated), and the bulk carrier **Cape Dao**, hit on 23 September, sank nearby with one crew member killed — both within 24 hours of each other in mid-October [10,5].
- **Concentrated tanker damage.** More than 30 VLCCs have been damaged since February, 11 in October alone — about 3.5% of the world VLCC fleet [1].
- **Wider footprint.** JMIC (25 October) holds the Strait at **SEVERE** and the wider Gulf at **SUBSTANTIAL**, citing attacks near anchorages and ship-to-ship transfer areas, plus continuing IRGC hailing and routing pressure — especially on vessels transmitting AIS — and a warning to watch for attempted mining near the traffic separation scheme [3,4].
- **Late and contested reporting.** The tanker disabled outbound on 23 October was disclosed three days later [3]. INTERTANKO says Iranian claims of ships striking mines, and of the number of ships attacked, are not supported by credible evidence [5].

The US position is that escorted traffic is working: CENTCOM says more than **3,000 commercial vessels** have transited with US support over six months, that Gulf partners have exported over 1.5 billion barrels of crude since summer, and that primary transit routes are clear of mines [4]. INTERTANKO expects attacks to continue and judges that the US response is unlikely to go much beyond point defence of the Strait; a third US carrier group is due in early November, and the association expects little change before the outcome of the US midterm elections [5].

GULF INCIDENT LOG · KEY EVENTS CITED

Date	Location	Event	Ref.
28 Feb	Region	US–Israeli war with Iran begins	[1]
23 Sep	Off Oman	Bulk carrier Cape Dao struck; one crew member killed	[10]
5–11 Oct	Hormuz area	12 ships attacked — highest weekly total of the conflict (Marisks)	[1]
9–10 Oct	Off UAE	VLCC Gem No.2 hit in suspected drone attack; 22 Indian crew rescued	[1,4]
13–14 Oct	Strait of Hormuz	GFS Pride (container) and Cape Dao (bulk) sink after projectile strikes	[10]
22 Oct	~7 nm NE of Limah, Oman	LPG tanker struck by unidentified projectile; reaches Khor Fakkan	[3]
23 Oct	Strait (outbound)	Tanker disabled by unknown projectile; crew safe; disclosed 26 Oct	[3,4]
23–24 Oct	UAE coast	Oil leak confirmed; beaches closed in Umm Al Quwain, Sharjah (Al Hamriya), then all of Ras Al Khaimah	[1,9]
25 Oct	Region	JMIC: SEVERE / SUBSTANTIAL; ~492 ships waiting; CENTCOM commander overflies Strait	[3,4]
26 Oct	~63 nm SE of Al-Faw, Iraq	Vessel reported on fire; classed as suspicious activity	[3]
26 Oct	London	Mercuria v Baltic Exchange trial opens over TD3C	[2]



02 The Black Sea: Now the World's Deadliest Route

While global attention is fixed on Hormuz, the Black Sea has overtaken it as the most dangerous water for merchant crews. Maritime security firm Ambrey counts **more than 570 vessels struck in 2026**, and the IMO reports **at least 40 seafarers killed** — against 24 confirmed deaths in the Hormuz theatre. Some estimates put the attack rate at more than six times the Gulf's [6,7,8].

- **Escalation since summer.** About **387 ships were struck in Q3** — more than five times the previous quarter and over four a day. Ambrey attributes roughly 90% of strikes in the last 45 days to Russia, focused on ships serving Ukrainian ports; Ukraine claimed hits on more than 300 Russian-linked vessels in 11 weeks before its campaign slowed [6,8].

- **Into NATO waters.** Drones hit the chemical tankers **Wine Trader** and **Yara J** at anchor off Romania's Sulina on 15 October, leaving seven crew missing; the **Chelsea 3** was hit off Bulgaria on 13 October; and on 23 October a drone sank the Comoros-flagged **Khoryv** about 13 nm east of Constanța, killing one with three missing [6,8,11].

- **Security response.** NATO said on 20 October it would send patrol aircraft, radar, drones and intelligence specialists; Romanian F-16s have shot down drones over the sea, and Romania is building counter-drone and mine-countermeasure capability [7,8,11].

- **Trade collapse.** Greater Odesa handled fewer than 10 ships in September versus about 400 in July; Ukraine's seaborne farm exports fell to 1.4 million tonnes in August, roughly 75% below pre-war levels; Russian wheat shipments fell 52% year on year in September [6,8].

- **Insurance and fleet quality.** The Joint War Committee widened its Black Sea listed area in mid-September to almost the whole sea, excluding only Romanian, Bulgarian and Turkish territorial waters. Underwriters told the FT that war cover can reach **15% of hull value** — almost double the Gulf — pushing some owners to deploy vessels up to 50 years old because their lower hull values cut premiums [6,12].

- Unlike the Gulf, where record freight rates are drawing tonnage in, Black Sea margins are thinner and many owners are simply withdrawing [6]. The head of Ukraine's marine transport workers' union described calling at Ukrainian ports as "near suicidal" [6].



03 Two Theatres Compared

Measure	Gulf / Strait of Hormuz	Black Sea
Conflict	US–Israel–Iran war since 28 Feb 2026 [1]	Russia–Ukraine war since 2022; sharp escalation since summer 2026 [6]
Ships attacked	113 attacks since 28 Feb; record 28 in October; 30 ships (2.4M GT) damaged in October [1,4]	~570 vessels struck in 2026; 387 in Q3 [6,8]
Seafarer deaths	24 confirmed [6]	At least 40 [6,7]
Threat profile	IRGC projectiles and drones; mining threat; GNSS interference; routing pressure [3,4]	Drones, missiles and explosive boats; strikes on bridges and accommodation; heavy GNSS interference [6]
War-risk rate	3–8% of hull value (late Aug), from ~0.25% pre-war [13]	Up to 15% of hull value [6]
JWC listing	Entire Persian Gulf; no lifting without sustained safe passage and verified demining [13]	Almost entire sea, excluding Romanian, Bulgarian and Turkish territorial waters [6,12]
Traffic	~492 ships waiting; 30+ escorted transits a day vs 85–138 pre-war [3,5]	Greater Odesa <10 calls in Sept vs ~400 in July [6]
Security response	US-facilitated corridor; blockade of Iranian ports; third carrier group due early Nov [3,5]	NATO aircraft, radar and drones; Romanian F-16 intercepts [8,11]
Commercial pull	VLCC freight above US$1m/day draws tonnage in [1]	Thin margins; owners withdrawing or using older ships [6]

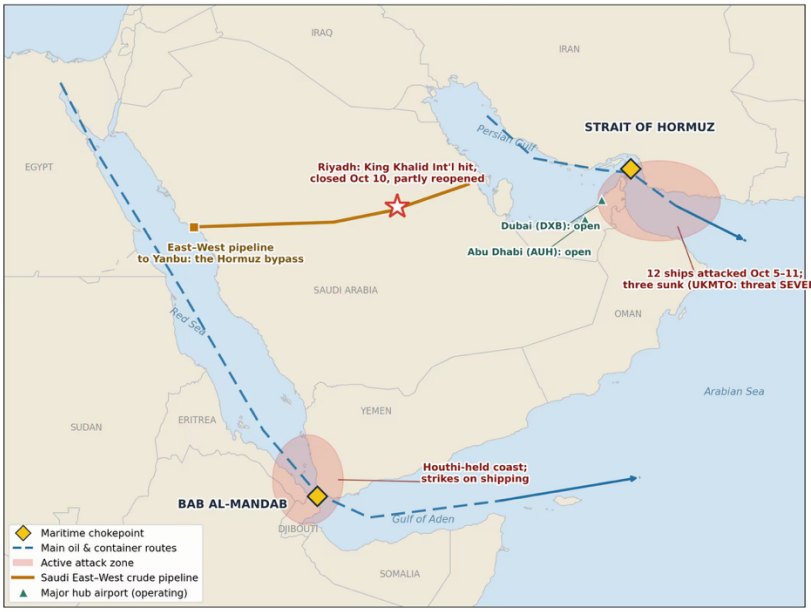
04 The War-Risk Market: Repricing Under Strain

For the Lloyd's and London war market, 2026 is the year war risk became a two-front portfolio problem. Hormuz transit rates rose from about **0.15–0.25% of hull value before the war to 3–10%** in the weeks after 28 February, then eased to roughly **3–8%** by late August — still a premium of several million dollars on a single transit for a large tanker [13,14]. In the Black Sea, rates of up to **15%** are now quoted [6].

- **Capacity exists, at a price.** The Lloyd's Market Association has said cover remains "available for a price" [13].
- **Claims outrunning premium.** Howden Re estimates 2026 war, terror and political-violence claims at **US$2–3 billion**, above the segment's US$1.5–2 billion annual premium, and expects the repricing driven by the Red Sea and Hormuz to be permanent [13,14].
- **Listed areas will not shrink soon.** The JWC Gulf listing covers the whole Persian Gulf and is unlikely to be lifted without sustained incident-free passage, a settled political situation and formal evidence of demining [13]. The Black Sea listing was widened in September [12].
- **Sanctions overlay.** OFAC designated Iran's Persian Gulf Strait Authority in May and warned in August about sanctions risk from Hormuz passage payments; the LMA has issued model wording allowing insurers to cancel cover if a toll payment comes to light [13,14].
- **Route wording risk.** Policies written around the US-recommended corridor may not automatically extend to an Iranian- or Omani-approved route, should the proposed Iran–Oman transit framework proceed [13].

Two Straits, One Squeeze: Hormuz and Bab al-Mandab Under Fire

A fifth of the world's oil passes these two bottlenecks. In October 2026 both are under attack at once, and pressure on one shifts traffic and risk to the other



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05 The Survivability Gap: Rules Built for Accidents

The engineering question raised by both theatres is uncomfortable: were these ships ever designed, equipped or crewed to survive weapon strikes? The international framework answers a different question [1].

Instrument	Designed for	Where war damage breaks it
SOLAS fire safety	Accidental internal fires detected early and fought with intact systems	A missile or drone breaches fire boundaries, ruptures fuel and cargo lines, severs cables and damages fire mains at once
ISM Code	Company procedures, drills and exercises for identified emergencies	Most safety management systems drill fire, flooding and blackout separately, rarely together
ISPS Code	Preventing unauthorised access, stowaways and terrorism	Offers no guidance on restoring power or fighting damage after a strike

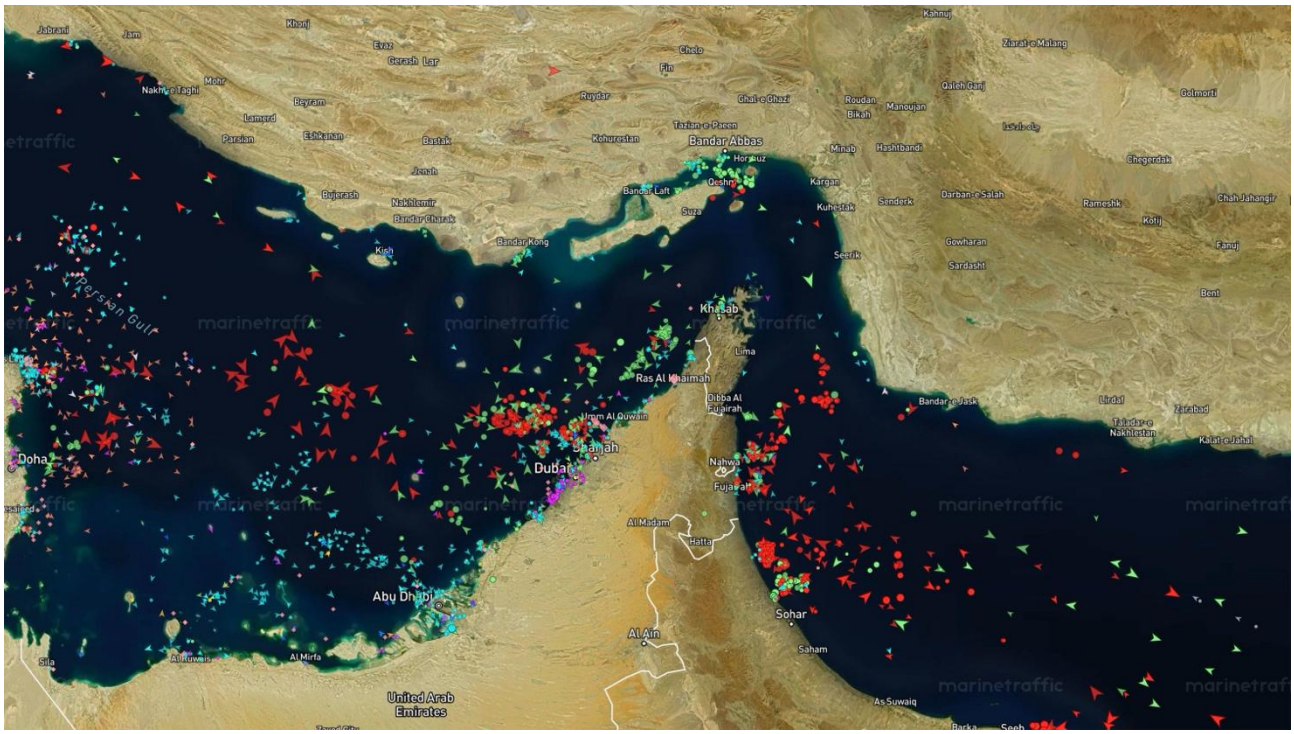
Electrical power is decisive: emergency generators and switchboards are separated against engine-room fires, not blast and fragments. **Fuel isolation** depends on valve controls that may not survive the first hit. On tankers, **holed cargo tanks** add flooding and stability problems [1]. The Black Sea adds a new factor: analysts report attackers deliberately targeting **bridges and accommodation blocks**, raising crew casualties and making protected muster spaces and abandonment planning critical [6].

- **Combined-casualty drills** — fire, flooding and loss of power together, with key officers and a control position deemed lost [1].
- **Engineering reviews** — emergency cable routing, emergency fire-pump protection, local valve control, and damage-sized portable pumps and patching kits [1].
- **Integrated pollution response** and special attention to gas, chemical and dangerous-goods carriers — several of October's victims in both seas were chemical or LPG tankers [1,3,8].
- **Navigation without satellites** — GNSS interference is forcing Black Sea masters back to paper charts, so ECDIS fallbacks and traditional navigation skills need drilling [6].

06 People: Stranded, Underpaid and at Risk

The crew dimension is now a material operational and reputational risk. In the Gulf, the IMO said in August that up to **400 ships and about 6,000 seafarers** were unable to leave safely, after a brief evacuation scheme was suspended in June [15]. In the Black Sea, the ITF reports crews increasingly drawn from Syria, Egypt, Azerbaijan and Benin; contracts seen by the FT show Syrian seafarers paid as little as **US$800 a month**, doubled pro rata in the war zone, with death benefits of US$25,000–50,000 [6].

For charterers, cargo owners and financiers, this matters beyond ethics: crew shortage, fatigue and coerced service degrade decision-making exactly when damage control matters most, and raise the risk of detention, claims and reputational fallout for everyone in the chain [1,6].





07 Pollution Comes Ashore: The Gem No.2 Test Case

On 23 October the UAE Ministry of Climate Change and Environment confirmed teams were containing oil leaking from a tanker, closing Umm Al Quwain's beaches and coastal areas; Sharjah closed Al Hamriya beach, and Ras Al Khaimah shut all beaches the next day [1,9]. Reuters, citing Copernicus satellite images from 24 October, reported the slick had **expanded** towards the Umm Al Quwain shore [4]. Authorities have not named the vessel, but Reuters and international agencies identify the **VLCC Gem No.2**, hit on 9–10 October [1,4].

Where the 1992 Civil Liability and Fund Conventions apply, both contain **exemptions for pollution resulting from acts of war or hostilities**. That can shift clean-up and third-party costs onto war-risk P&I arrangements, governments and coastal economies, and invites disputes over causation evidence while the cause remains officially unconfirmed. At MEPC 84 the IMO adopted resolution MEPC.406(84) condemning Iran's attacks on merchant ships [1].



08 Benchmark on Trial: Mercuria v Baltic Exchange

A London trial opened on 26 October in which **Mercuria Energy Group** argues that the **Baltic Exchange** should have suspended **TD3C** — the Ras Tanura-to-China VLCC rate that underpins charters and billions of dollars of freight derivatives — once Hormuz exports were choked [2].

Mercuria's case	Baltic Exchange's defence
Fear of losing the benchmark to a rival drove continued publication; panel brokers and the Exchange's own assessor doubted a meaningful assessment was possible	Competitive risk did not drive decisions; Hormuz passage remained possible, the market was consulted, and all obligations were met
Seeks a declaration that the Exchange breached its obligations and ought to have suspended TD3C	Mercuria held large index-linked exposures it failed to risk-manage; the claim reflects "instability and opportunism"
Initially cited losses in the hundreds of millions of dollars; the latest claim removes any estimate	CEO Mark Jackson says the claim is without merit

Why it matters: every index-linked charter, FFA and hedge priced off TD3C carries **benchmark-disruption risk**. Map exposures, check market-disruption and fallback clauses, and prepare for possible methodology changes or suspension triggers on conflict-affected routes [2].

09 Reading the Traffic Data

Sources still disagree on how much is moving through Hormuz, so no single figure should drive pricing or credit decisions:

Measure	Figure	Ref.
Pre-war average daily transits (IMF PortWatch / JMIC 2025)	~85 / ~138 per day	[1,3]
Transits on 18 October (IMF PortWatch)	4	[1]
Transits 19–25 October (MarineTraffic)	130 — up 8.3% week on week	[4]
US-facilitated southern route (INTERTANKO)	30+ per day, ~90% tankers	[5]
US-facilitated transits 22–24 October (JMIC)	101 in total	[3]
Escorted transits over six months (CENTCOM)	3,000+	[4]
Ships waiting outside the Strait (25 October, JMIC)	~492	[3]
Overall flows (Bloomberg, citing most trackers)	Close to pre-war levels	[2]

The gap reflects escorted versus total counts, single-day snapshots versus weekly figures, and different definitions of a transit. **Reconcile at least two independent sources** before setting rates, approving trade finance lines or marking freight positions. Elsewhere, INTERTANKO reports Houthi maritime activity remains subdued and Red Sea capacity is gradually returning — yet Xeneta notes Far East–North Europe container spot rates rose 6.8% in a week and remain about 67% above pre-crisis levels [5].

10 Implications by Stakeholder

Stakeholder	Key exposure	Priority actions
Shipowners & managers	War hull losses including sinkings; crew casualties and stranding; pollution liability; Black Sea attacks on bridges and accommodation	Combined-casualty drills and survivability reviews Confirm war P&I and crew war cover Black Sea: protected muster and GNSS-loss procedures
Cargo owners & traders	Cargo war losses on tankers, LPG and chemical carriers; uninsured delay; Black Sea grain disruption and rerouting	Confirm cargo war cover for each leg and listed area Price delay and demurrage separately Review force-majeure terms in Black Sea grain and oil contracts
Trade finance banks	Collateral in two war zones; L/C expiry during disruption; borrower stress; sanctions on transit payments	UCP 600 Art. 36: extend expiry dates proactively Require evidence of war cover at drawdown Screen for payments to designated Hormuz authorities
Freight & derivatives desks	TD3C basis and methodology risk; Black Sea freight volatility	Inventory index-linked positions Review disruption and fallback clauses
Underwriters & reinsurers	Correlated war losses across two theatres; aggregation at anchorages; claims above premium; ageing Black Sea tonnage	Monitor anchorage accumulations in both seas Tighten vessel-age, survey and drill-evidence requirements Apply toll-payment cancellation wording

11 The PRUDENCE Action Plan

Twelve steps for boards, risk committees and trade finance credit functions this week:

1. **Re-verify every war cover** — listed-area status in both the Gulf and the expanded Black Sea zone, notice-of-cancellation periods, additional premiums and breach-of-warranty terms.
2. **Insure the waiting period.** Anchorages and STS areas off Fujairah, Khor Fakkan and Sulina are now inside the threat envelope.
3. **Separate delay from damage.** Quantify demurrage, loss of market and hire exposure, which standard cargo and hull clauses do not cover.
4. **Run a combined fire–flood–blackout drill** on every vessel trading either theatre before its next voyage.
5. **Commission survivability reviews** of emergency power, fire pumps, valve controls and protected muster spaces.
6. **Pre-agree salvage and pollution response**, recognising that tugs and responders may themselves be targets.
7. **Screen transit payments for sanctions.** Treat any payment to Iranian strait authorities as a red flag for cover and compliance.
8. **Check route wording** so cover follows the corridor actually used, including any new Iran–Oman routing.
9. **Stress-test trade finance documentation** — L/C expiry, presentation periods, insurance-document requirements and collateral control.
10. **Map TD3C-linked exposures** and review fallback clauses ahead of the Mercuria judgment.
11. **Reconcile traffic data** from at least two independent sources before pricing cover, freight or credit.
12. **Engage your broker early.** Capacity is available but priced for risk; well-evidenced submissions secure better terms.

30-Day Watchlist

- November attack tempo in the Gulf versus October's record, and whether further sinkings follow
- Arrival of the third US carrier group in early November and the post-midterm US posture [5]
- Spread of the Gem No.2 spill and how pollution liability is allocated [4,9]
- NATO's Black Sea deployment and whether strikes continue inside Romanian and Bulgarian waters [8,11]
- The Mercuria v Baltic Exchange judgment and any TD3C methodology change [2]
- JWC listed-area changes, war-risk rate moves and any Iran–Oman corridor arrangement [12,13]

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Superscript numbers in the text refer to this list. Underlying data are as cited in these sources: Washington Institute for Near East Policy, IMO, UKMTO, JMIC, CENTCOM, Ambrey, Clarksons, Marisks, MarineTraffic, IMF PortWatch, Copernicus/European Space Agency, Xeneta, TIS, Howden Re, Marsh, the Lloyd's Market Association and the UAE Ministry of Climate Change and Environment. Analysis of CLC/Fund Convention war exemptions and UCP 600 Art. 36 is PBS commentary.

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Appendix: Gulf & Hormuz Visual Summary

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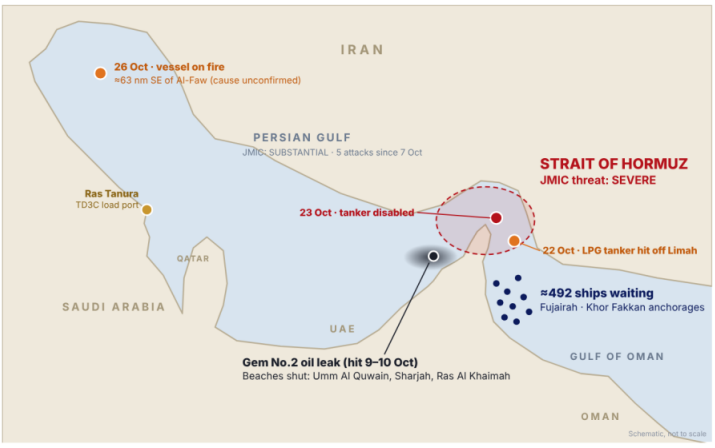
Hormuz Under Fire: October's Record Toll

The worst month on record for attacks on merchant ships, oil on UAE beaches, and the world's tanker benchmark on trial in London — what it means for owners, cargo interests, financiers and underwriters.

28	113	30+	22+	492	$1m+
ATTACKS IN OCTOBER	ATTACKS SINCE 28 FEB	VLCCS DAMAGED	SEAFARERS KILLED	SHIPS WAITING	DAILY VLCC FREIGHT
Highest month since tracking began in 2017 (Washington Institute)	JMIC: 156 confirmed security incidents since 1 March	11 in October alone; ≈3.5% of the world VLCC fleet	In 80 verified Hormuz attacks to Sept (IMO); +5 on Honour 25 off Somalia	Outside the Strait as of 25 Oct — Fujairah & Khor Fakkan	Rates pulling tonnage into the Gulf despite the threat

INCIDENT MAP · LATE OCTOBER 2026

Where the risk has landed



JMIC ADVISORY · 25 OCT

Threat levels

SEVERE — **Strait of Hormuz** — further deliberate attacks highly likely

SUBSTANTIAL — **Wider Persian Gulf** — anchorages & STS areas exposed

Live hazards: projectiles & drones, possible renewed mining, GNSS/electronic interference, IRGC radio direction towards Iranian-controlled routes.

TRAFFIC · SHIPS PER DAY

The Strait is still choked

Pre-war avg (PortWatch)	~85
18 Oct (PortWatch)	4
2025 avg (JMIC)	~138
22–24 Oct US-escorted	~34

Data divergence: Bloomberg reports flows "close to pre-war levels" while JMIC/PortWatch show a fraction. Reconcile sources before pricing cargo, freight or credit.

1 Escalation is spreading

Attacks now reach beyond the Strait into Gulf anchorages and STS zones; the danger has also surfaced off Somalia.

- 12 ships hit in one week (5–11 Oct, Marisks)
- LPG carrier struck 22 Oct; tanker disabled 23 Oct
- Attacks disclosed days late — reporting lag is itself a risk

2 Rules built for accidents

SOLAS fire safety assumes an internal fire, found early, fought with intact systems. A missile defeats all three at once.

- Emergency power, fire mains & quick-closing valves fail together
- ISPS targets intrusion, not blast damage control
- Fix: combined fire-flood-blackout drills & engineering reviews

3 Benchmark on trial

Mercuria is suing the Baltic Exchange in London, arguing TD3C (Ras Tanura–China VLCC) should have been suspended.

- TD3C underpins charters & billions in freight derivatives
- Baltic rejects the claim and blames unhedged index exposure
- Index-linked contracts face basis & fallback-clause risk

What it means for the insured & the financed

War Hull & Machinery
Expect higher additional premiums, short notice of cancellation, and closer scrutiny of crew drills and damage-control readiness.

Cargo War Risk
Strikes on laden tankers and LPG carriers trigger cargo war claims; delay and loss of market remain uninsured under standard cargo clauses.

P&I & Pollution
War exemptions in CLC/Fund regimes shift spill costs to war P&I covers and states; UAE clean-up is the live test.

Trade Finance
Waiting fleets strain L/C expiry dates, demurrage and collateral control; anchored cargo is not safe cargo.

Freight & Derivatives
TD3C litigation exposes benchmark and fallback risk in FFAs, index-linked charters and hedges.

PRUDENCE action checklist

1. **Re-verify war cover** — listed areas, notice periods, breach-of-warranty terms.
2. **Run combined-casualty drills** — fire, flooding & blackout together.
3. **Audit emergency power & fire pumps** for blast and fragment survivability.
4. **Insure the waiting period** — review anchorage, STS and delay exposures.
5. **Stress-test L/C & collateral** timelines for multi-week delays.
6. **Review TD3C-linked contracts** for disruption and fallback language.
7. **Pre-agree salvage & pollution response** in a contested zone.
8. **Give masters clear guidance** on abandon vs. shelter and GNSS loss.

30-day watchlist

- November attack tempo vs. October's record
- Gem No.2 spill spread and liability allocation
- Mercuria v Baltic Exchange ruling and any TD3C methodology change
- Mining or GNSS-spoofing incidents in the Strait
- Throughput of the US-facilitated transit system
- Flag-state / class sharing of damage data

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