

To: Concerned in Cargo / Containers

14th May 2018

“MAERSK HONAM” – Update Regarding Salvage Security and General Average

As mentioned in our previous advice dated 7th March 2018, whilst the vessel was on passage from Singapore to Suez Canal and thereafter to a number of European ports, a fire broke out on board. Shipowners have requested assistance from salvors from Smit Singapore Pte Ltd and Ardent Maritime Netherlands BV under a Lloyds Open Form contract dated 7 March 2018.

The above circumstances give rise to General Average. Shipowners have declared General Average (GA) and have appointed Richards Hogg Lindley to collect the necessary GA security. Salvors have also requested Richards Hogg Lindley to assist with collection of Salvage Security.

The vessel is currently at Jebel Ali, where salvage operations are still ongoing and are expected to terminate on or around 18th May. On termination of the services under the LOF, the Salvors are entitled to salvage security.

In order to expedite the collection of salvage security and to facilitate oncarriage of cargo to destination however, Salvors have now set an early security demand, as follows.

A) SALVAGE SECURITY

Security is required by Salvors in the amount of 42.5% of the CIF value of cargo and containers. This security is to be provided in one of 3 ways, as follows:

1) To be lodged with the Salvage Arbitration Branch of Lloyd's, London. These guarantees are to be arranged by cargo insurers' UK representatives / correspondents direct with Lloyd's whose contact details are as follows:

Corporation of Lloyd's	Tel:	+44 (0)20 7327 5407
Salvage Arbitration Branch	Tel:	+44 (0)20 7327 5408
One Lime Street		
London EC3M 7HA	Email:	kevin.clarke@lloyds.com
United Kingdom		diane.bowles@lloyds.com
Website - www.lloydsagency.com		

OR

2) By means of an ISU 1 guarantee provided by cargo insurers with a Standard & Poor's rating of at least "A-" who are based within the United Kingdom, or Western Europe

This form should be completed and signed by the cargo insurance company on letterheaded paper and sent by email to Richards Hogg Lindley, together with a copy of the cargo invoice.

OR

3) If cargo is not insured, or if cargo insurers cannot provide security in either of the above two formats, then a cash deposit needs to be arranged as salvage security. Please see section C below for details.

Richards Hogg Lindley
4th Floor, Royal Liver Building,
Pier Head, Liverpool
L3 1JH

T: +44 151 227 2175
F: +44 151 227 2179
E: info-liverpool@rhl-ct.com
www.rhlg.com

B) GENERAL AVERAGE SECURITY

As mentioned in our last notice, General Average (GA) security is required as follows:

1. Copy of the **cargo invoice**,
and
2. An **Average Bond** completed and signed by owners of the cargo
and
3. either:
 - a. for insured cargo: An **Average Guarantee** completed and signed by cargo insurance company (*This form should be completed and signed / stamped by the cargo insurers. This form will not be accepted if it has been completed and signed by the cargo owners themselves*)
or
 - b. for uninsured cargo: A **cash deposit** of 11.5%

C) CASH DEPOSIT INSTRUCTIONS

As mentioned above, for uninsured cargo a cash deposit of 42.5% is required as salvage security. An additional 11.5% is also required as General Average security.

The total deposit required is therefore **54%**. The deposit is to be calculated based on the cargo CFR value (cost of the cargo including the cost of sea freight).

The deposit can be paid into the bank account of our Liverpool office (for parties based in Europe or Africa) or our Singapore office (parties based elsewhere).

Please instruct your bank to quote this reference: "**HONAM**", and the container number(s) the deposit relates to, and send us a copy of the bank remittance advice by email so that we can identify the incoming payments.

Liverpool Office Bank Account

Currency: United States Dollars
*Account Name/Beneficiary: Charles Taylor Adjusting Ltd Client Account
Bank: Natwest Bank
Address: PO Box 192
116 Fenchurch Street
London EC3M 5AN
IBAN: GB73 NWBK 6073 0127 0357 94
IBAN BIC/ SWIFT: NWBK GB 2LXXX

**Richards Hogg Lindley is a trading name of Charles Taylor Adjusting Ltd*

Singapore Office Bank Account

Currency: United States Dollars
Account Name/Beneficiary: RICHARDS HOGG LINDLEY - CLIENT A/C
Bank: HSBC Singapore
Address: 21 Collyer Quay
#01-01 HSBC Building
Singapore 049320
Account Name number: 260-002712-180
SWIFT: HSBCSGSG

Please note that the Salvage security deposit funds (42.5%) will be held until the Salvage remuneration has been agreed or awarded. If the final amount due is less than the deposit paid, then there will be a refund of the difference due back to depositors at that time.

The GA deposit funds (11.5%) will be held until the General Average adjustment has been completed. Only at that time will the final amount due in General Average be known. If the final amount due is less than the deposit paid, then there will be a refund of the difference due back to depositors. This will be a lengthy process due to the nature of this case.

The completed security documents should be sent by email to Richards Hogg Lindley:

	Parties based in Europe or Africa to contact RHL Liverpool:-	Parties based in all other locations to contact RHL Singapore:-
Email:	info-liverpool@rhl-ct.com	singapore.ga@rhl-ct.com
Address:	Richards Hogg Lindley 4 th Floor, Royal Liver Building Liverpool L3 1JH United Kingdom	Richards Hogg Lindley 140 Cecil Street #15-00 PIL Building 069540 Singapore
Phone:	+44 (0)151 227 2175	+65 6506 2897/8

Please quote the ship name (MAERSK HONAM) plus your container number and bill of lading number in all email correspondence.

RHL Casualty Website

Blank security forms, further news and information including release procedures for cargo will be made available at: www.rhlg.com/clients. Select the vessel's name (MAERSK HONAM) from the dropdown menu and enter the password which for this case is: XHNMK73

Delivery of Cargo

Cargo can only be released after acceptable General Average and salvage security has been lodged.

A list of containers for which acceptable security has been provided will be loaded onto our website.

Once acceptable security has been provided, please address any questions regarding delivery / forwarding arrangements to the relevant shipping line. Further details regarding the shipping lines plans for delivery of cargo may be added to our casualty website in due course.

Note regarding LCL / Groupage cargo

Freight forwarders should URGENTLY provide a full breakdown of any LCL / Groupage containers as soon as possible in order to readily identify all the individual shipments within the container. This breakdown should include house bill of lading numbers, cargo descriptions, cargo weights plus details of the shippers and receivers of the goods.

Please treat this as a matter of utmost urgency to avoid unnecessary delay: cargo cannot be released until the General Average and salvage security requirements have been met.