

Piracy – General Average & Insurance



Shipping industry has seen ransom demands made by pirates soaring to tens of millions, and vessels being detained for months. As a result multitude of diverse interests such as ship & cargo owner, crew, charterers & shippers look upon all encompassing insurance policy which would provide indemnity against all losses or damages suffered by them following a pirate attack.

INTRODUCTION

Piracy has been with us as long as seagoing but the situation has escalated in the recent years as today's pirates use state of art weapons instead of cutlass and cannons. They comb coastal water in high speed boats and operate on high seas from mother ships. Traditionally, pirates would simply seize the ship and/or cargo and most of the attacks were planned on smaller vessels with an intention to ransack vessel's crew for whatever cash or moveable assets found onboard. Today, the pirates have upgraded their weaponry and professionalised their operations by assailing every type of vessel from oil tankers to private

yachts. They have even attacked passenger vessels and cruise liners.

The modus operandi followed in the recent piracy cases reported is mostly kidnapping and hijacking of crew alongwith vessel and cargo followed by ransom demand for release of the same. The attacks have increased significantly in both number and brutality. The extortion money now claimed generally run into millions. The level of violence towards the crew has increased alongwith the number of crew injuries. The psychological burden on crew and passengers when attacked by pirates is immense. Irrespective of the financial cost of the threat of piracy to property, the risk to life is clearly unacceptable.

Piracy attacks have focused the attention of the diverse maritime interests on the need for certainty of cover with the right insurer and to clarify the ambiguity in the insurance coverage offered against risk of piracy under various insurance policies. The risks associated with a pirate attack can be insured under hull & machinery, war, cargo, P&I, loss of hire and kidnap & ransom insurances. This paper will briefly deal with scope of cover of such insurances in relation to a pirate attack.

WORLDWIDE PIRACY FIGURES

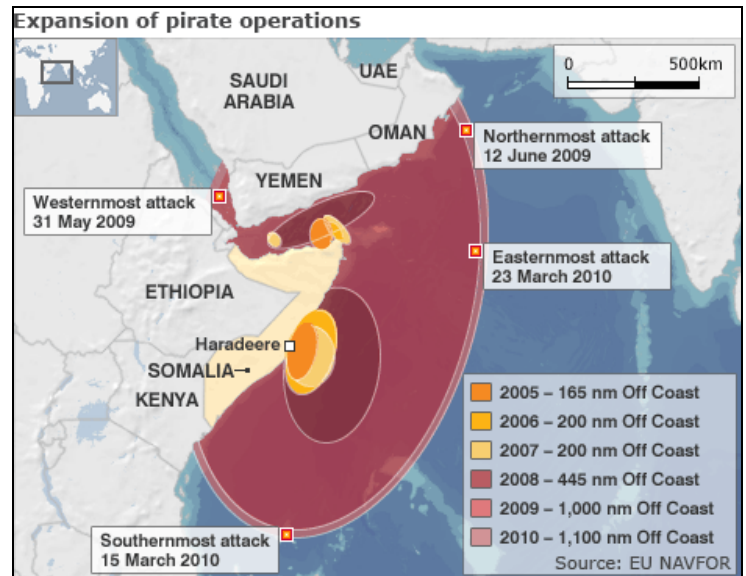
Ships trade from one part of the world to another. Piracy is a crime which often transcends territorial waters in countries where maritime law enforcement is weak. Attacks against ship in the current hot spots in Southeast Asia, Somalia, Bangladesh and West Africa, all have their own unique features, driven largely by local, political and economic conditions.

2009 is the third successive year that the number of reported incidents has increased two fold with 239, 263 and 293 incidents reported in 2006, 2007 and 2008 respectively. The world wide piracy figures in 2009 surpassed 400, with a total of 406 incidents of piracy and armed robbery having been reported. The last time the piracy figures crossed 400 incidents was in the year 2003. Of the total attacks by pirates in 2009, 153 vessels were boarded, 49 vessels were hijacked, attempted attacks on 84 vessels and 120 vessels were fired upon. A total of 1052 crew were taken as hostage, 68 crew members were injured in various incidents and 8 crew members were killed.

Of the 400 incidents reported in 2009, Somalia accounts for more than half and the total number of incidents attributed to the Somalia pirates alone stands at 217 in 2009 with 47 vessels hijacked and 867 crew members taken hostage. Further, 2009 has also seen a significant shift in the area of attacks which were reported off Somalia.

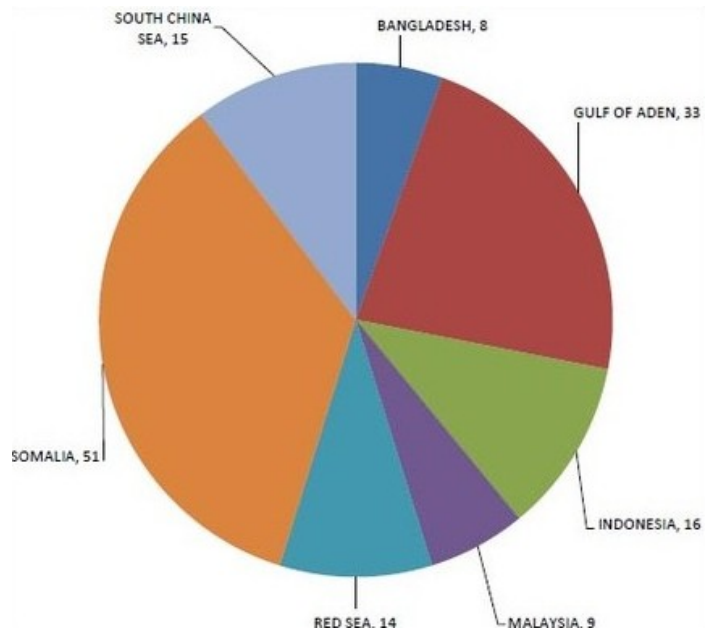


Whilst in the year 2008 attacks were predominantly focused in the Gulf of Aden, the year 2009 witnessed more vessels being targeted along the east coast of Somalia and in the Indian Ocean. Many of these attacks have occurred at a distance of approximately 1,000 nautical miles off Mogadishu which means that pirates are assisted by mother ships which pose as fishing vessels or dhows to avoid detection.



Somalia is not the only hot spot; number of pirate attacks in areas other than Gulf of Aden/Somalia, such as, Nigeria, Indonesia, Malacca Straits, Singapore Straits, Bangladesh & South China Sea has also increased in the year 2009.

The following seven locations recorded 146 of the incidents from a total of 196 attacks reported in the period January-June 2010.



DEFINITION OF PIRACY/TERRORISM

Pirates – the very word conjures up visions of rogues with peg legs and eye patches, swinging cutlasses under a black skull – crossbones flag, and all those brave and famous heroes from adventure films. Armed robbery against ship is as old as maritime navigation itself and – like commerce, transport, and political condition has evolved and developed over the century. Even today, the risk of pirate attack remains ever present for shipping companies, cruise operators, cargo owners and marine insurers.

The act of piracy today ranges from simple armed act to internationally organised crime to acts of terrorism. Often seafarers are themselves the bounty, with the high ransom of a successful kidnap providing all – too – attractive a proposition.

Piracy is defined in United Nations Convention on the Law of the Sea (UNCLOS), 1982 Article 101 as:

“Piracy consists of any of the following acts:

- (a) any illegal act of violence or detention, or any act of depredation, committed for private ends by the crew or the passenger of a private ship or a private aircraft, and directed:
 - (i) on the high seas, against another ship or aircraft, or against persons or property on board such ship or aircraft;
 - (ii) against a ship, aircraft, persons or property in a place outside the jurisdiction of any State;
- (b) any act of voluntary participation in the operation of a ship or of an aircraft with knowledge of facts making it a pirate ship or aircraft;
- (c) any act inciting or of intentionally facilitating an act described in sub-paragraph (a) or (b).”

In straight forward terms piracy is a criminal activity for the personal benefit or profit of the person or persons committing the act of piracy. Piracy is not terrorism though of late piracy has been increasingly linked with terrorist attacks at sea.

In contrast, terrorism has a political objective, aim or agenda of seeking by the use or threat of violence, to coerce or induce a government or population to change its policies or programmes. Terrorism is defined under the English Terrorism Act-2000 (as amended by Terrorism Act-2006):

- (1) In this Act “terrorism” means the use or threat of action where:
 - (a) the action falls within subsection (2),

- (b) the use or threat is designed to influence the government or an international governmental organisation or to intimidate the public or a section of the public, and
- (c) the use or threat is made for the purpose of advancing a political, religious or ideological cause.

(2) Action falls within the subsection if, it:

- (a) involves serious violence against a person,
- (b) involves serious damage to property,
- (c) endangers a person’s life, other than that of the person committing the action,
- (d) creates a serious risk to the health or safety of the public or a section of the public, or
- (e) is designed to seriously interfere with or seriously to disrupt an electronic system.

(3) The use or threat of action falling within subsection (2) which involves the use of firearms or explosives is terrorism whether or not subsection (1) (b) is satisfied.

Terrorism is also defined based on some survey as an anxiety inspiring method of repeated violent action, employed by semi-clandestine individual, group or state actors, for idiosyncratic, criminal or political reasons, whereby – in contrast to assassination – the direct target of violence are not the main targets.

OVERVIEW OF PIRACY COVERS

The losses attributable to piracy primarily affect marine hull/war, cargo, loss of hire and P&I insurance. Most recently, insurance industry has seen special kidnap and ransom cover being offered to the shipowners.

Type of insurance policy, definition of insured peril, terms & conditions of the policy vary considerably from country to country but the coverage concept essentially remains the same. For this paper, we confine to English terms and conditions of marine insurance policy wordings.

Hull & Machinery / War Risk Policy

Until 1937, piracy was one of the named insured perils in the combined Lloyd’s Hull & Cargo policy, popularly known as SG (Ship & Goods) policy. Following the Spanish civil war, piracy was excluded from standard policies and allocated to insurance for war perils after 1937. Later on piracy was again shifted from war perils to hull vide Institute Time Clauses – Hulls, 1983 hull policy wording. Violent theft by persons outside the vessel is also covered under this policy. It is difficult to draw a distinction between “violent theft by a person outside the vessel” and “piracy”, since the latter would, undoubtedly incorporate the former in many cases.

As per Rule No.8 of the Rules of Construction of policy under the First Schedule of the Marine Insurance Act, the term “pirates” includes passenger mutiny and rioters who attack ship from the shore.

Piracy has a much larger definition in terms of insurance law than in terms of penal law. It is sufficient for the act to be at or on the sea. An attack in a port or inland waterway can also qualify as an act of piracy according to insurance law. It was held in the ruling of Singapore High Court in *Bayswater Carriers Pte. Ltd. v. QBE Insurance (International) Pte. Ltd.*, 2005 that attacks by pirates within the port are also covered by piracy insurance. In this case, a tug was attacked and subsequently abducted in an Indonesian port. The insurer refused to indemnify the loss on the grounds that piracy is only possible on the high seas and not in a port. The Court found in the favour of policy holder and held it is not essential for the attack to take place on the high seas in order to qualify as piracy. The only criteria to be met are the use and/or threat of force before or during the act. In addition to this the motive of the pirates should be of a private nature for the attack to be covered.

For the purpose of insurance coverage under the ITC Hulls-1/10/83, piracy is intended to cover acts ranging from breaches of copyright to violent acts of any person who boards the ship with an intention to steal; covering damage to, or loss of, the ship resulting from such actions. It is not intended to embrace loss or damage arising from any perils excluded by Clause 23 to 26 (i.e. war, strikes, malicious acts & nuclear exclusion) even though they may be carried out by persons who may be legally termed as “pirates”.

In 2005, optional clauses were introduced by Joint Hull Committee which excluded piracy from hull policy, together with a corresponding write-back clause for the risk to be covered under the war policy. This option was, however, not widely used by the markets, until the situation off the Somalia coast escalated in 2008.

Under the Japanese and Norwegian hull form the physical loss or damage to the insured vessel caused by a pirate attack is covered under the war risk policy.

There has been a constant debate on whether piracy should be covered under hull & machinery policy or to be covered under the special war and SRCC clauses. Depending on market practice, piracy is insured as a war peril or a regular hull peril. Under both these insurances, claim may arise from total loss of insured vessel due to theft or scuttling or damage incurred during a pirate attack or in pursuit of the seized vessel.

War hull policies allow underwriters to exclude or cancel certain high risk areas from automatic coverage and to charge additional premium for cover in these areas on per transit basis, or restrict or totally exclude individual trading areas from the cover. Since middle of 2008, Gulf of Aden has been one such named high risk area for war underwriters.

It should be noted that hull policy does not cover physical loss or damage to the insured ship due to act of terrorism, whereas, war risk policy does cover such acts of hostilities subject to certain exclusions depending on the market practice.

Cargo Insurance

Marine cargo insurance was also written on the basis of Lloyd’s SG policy with the result that piracy was sometimes covered under regular marine perils under the cargo cover and sometimes under war risk insurance. In January 1982, Institute Cargo Clause (ICC) (A) was introduced which is an “all risk” form of cover under which piracy was covered as a regular marine peril by explicitly exempting it from the war perils exclusion as per Clause 6.2 of ICC (A), which states that in no case shall the insurance cover loss, damage, or expense caused by capture, seizure, arrest, restraint or detainment (piracy excepted), and the consequences thereof or any attempt there at. It should be noted that piracy and theft are not covered in the similar manner, under ICC (B) & ICC (C) which are “named peril” clauses and not “all risk” such as ICC (A).

Until 2008, most pirate attacks were low level, targeting the ship’s monies and crew possession including moveable items. However, pirates hijacking the vessel alongwith the cargo and shipowners paying millions of dollars as ransom has seen cargo insurer paying number of claims towards GA contribution arising from such attacks. The London Joint Cargo Committee has also been prompted to introduce an optional wording that allows the cargo underwriters to cancel the risk of piracy at 7 days notice. Cover may be reinstated following agreement between the parties on revised additional premium rates, conditions or warranties. This attempt to introduce a special cancellation clause for piracy has not been very successful due to the reason that only a fraction of global cargo consignments are affected despite the dramatic increase in pirate attacks off Somalia and further it is difficult for marine cargo insurers to identify single transit to enhanced risk areas for which an increased war or piracy risk premium may be charged.

P&I Insurance

P&I insurance is primarily a third party liability cover for shipowners, charterers and operators. It protects the assured or the P&I Club member from unjustified third party claims and indemnifies legitimate claims. Subject to the terms of entry in the P&I Club, an owner of a vessel has cover against liabilities arising under the contract of carriage for delayed delivery or damage to cargo, or injuries or death of crew members, collision, pollution and wreck removal.

In general, the laws of the seas and relevant conventions do not attribute any liability to the owner or operator, if any third party loss or damage inflicted by or attributable to their vessel was caused by the willful misconduct of outside third parties such as, pirates. However, if these liabilities arise as a consequence of, or are caused during a pirate attack or seizure, they will be covered in a normal way under the Club’s Rules.

Piracy is not an excluded cause of liability under the Club's Rules; however, it needs to be ascertained whether the cover is available under the P&I rules depending on the facts of any incident, and whether the vessel has been employed in an unlawful, imprudent, unsafe or unduly hazardous or improper trade. Further, the cover for liabilities arising as a consequent of a pirate attack is subject to limits and particular terms applicable to the chartered entry to the Club.

In principle, P&I covers the cost for which a shipping company is legally liable e.g. if a member of a crew is injured or killed in the pirates' attack the shipping company must bear the cost of treatment and pay pension to the surviving dependents. Though any ransom paid by the owners is not included in the Standard P&I cover the shipping company can apply for indemnification of these expenses at the Club's discretion, within the framework of Omnibus rule. Under this rule, the directors of P&I Clubs decide whether indemnity is to be paid in an individual instance. A major issue for P&I insurer in 2008 was the growing demand for discretionary reimbursement of otherwise uninsured ransom payments.

Marine hull & cargo insurers have also suggested that P&I Club's share in the payment of ransom under the GA type settlements on the grounds that ransom is also paid in respect of hijacked crew members. The Clubs are also facing potential claims for hijacked crew members where the demand for damage is for period the crew were held captive.

If a piracy incident triggers the P&I Club war exclusion by virtue of the weapons of war provision, the consequent liabilities are likely to be covered by war risk underwriters. The wordings used in Club rules "or other similar weapons of war" indicates that such other weapons should be of a similar nature to those previously defined. The specifically identified weapons of war are mines, torpedoes, bombs, rockets, shells and explosives and show an intention that something more than guns, rifles and conventional ammunition would be needed to trigger the operation of the exclusion.

Loss of Hire Insurance (LoH)

Generally, a loss of hire insurance covers a shipowner's or charterer's loss of income due to physical damage to the ship caused by triggering of an insured loss under the hull policy. Cover is for defined maximum number of days and daily indemnity is fixed and agreed at the inception of policy cover. The cover is subject to the deductible of number of days which also is agreed at the inception of cover. Generally, two weeks of deductible period is applicable under major forms of cover.

Revised Loss of Hire Insurance wordings which came in force from 2008, covers loss of income or obligation to pay charter hire if the vessel is held by pirates, even though there is no physical damage to the vessel.

Kidnap & Ransom Cover

Hijacking a ship and demanding a ransom for the ship or the kidnapped crew is the modern form of piracy. Kidnapping and ransom is today's "big business". Buying cover in case a vessel is hijacked or individual crew members are kidnapped is a tightrope act between the need to cover potential and an incitement for pirates to engage in further and possibly even more extensive kidnapping.

Kidnap & Ransom insurance covers ransom money paid for insured crew and provides extensive loss prevention consultancy plus services of a specially trained crisis management team which advises the shipping company on the steps to be taken at the time of a pirate attack and possibly even take over negotiations with the kidnapers. There is a wide range of products and the cover may be offered worldwide or regional basis and on annual or on a declaration per transit basis. Most of the shipowners opt for regional version which provides cover for transit in specified high risk areas.

Kidnap & Ransom insurance covers:-

- Ransom money upto the sum insured including related costs that are incurred for safe and quick release of the vessel, crew and cargo.
- Negotiations with hijackers by specialist negotiators to enter into effective communication.
- Delivery and drop of ransom money.
- Arranging and paying for professional help for traumatised crew.
- Providing assistance on loss prevention measures such as crew emergency drills, providing riding guards in danger zones, ship's security etc.
- Protection to shipowners against increase in premium from existing H&M or War underwriters as a result of loss due to piracy.

There is generally no deductible with kidnap and ransom insurance.

PIRACY & GENERAL AVERAGE

A vessel with cargo onboard is being detained by pirates in Somalia and a ransom of US\$.3M has been demanded by the hijackers for the release of the vessel, its cargo and crew. Do these expenses qualify as general average and, if so, what is the basis of contribution?

Loss or damage to ship caused due to a pirate attack is a PA loss, whereas, the payment of ransom to pirates for release of vessel and cargo is considered to be GA expenditure to be shared by ship and cargo. Loss of life of crew member or injury, crew repatriation and other liabilities which may arise following a pirate attack is covered under P&I.

In the legal case *Hicks v. Palington* (1590), Moore's (QB) R297, it was held that cargo abandoned to pirates by way of ransom constitutes a sacrifice i.e. legally the subject of a GA contribution at common law.

In most piracy situations affecting cargo, the shipowners or their P&I Club or hull insurers will be obliged to negotiate and pay ransom money and related expenses. In rare cases, cargo interest is involved in initial stages of negotiating a ransom payment and the release of the cargo with the vessel.

Recovery in GA is possible only when there is a "GA act" as defined in Rule A of YAR (York Antwerp Rules-1994) which reads as follows:-

Quote:

"There is a general average act, when, and only when, any **extraordinary sacrifice or expenditure** is **intentionally** and **reasonably** made or incurred for the **common safety** for the purpose of **preserving from peril** the property involved in a **common maritime adventure**."

Unquote:

Thus, there are 5 essential elements necessary to constitute a GA act and it is necessary for each of these 5 features to be present for a sacrifice or expenditure to be treated as general average:-

1. There must be a common adventure i.e. ship, cargo and freight; if at risk should be involved in the maritime adventure.
2. The act must be for common safety i.e. all property involved in the common adventure is saved from a common peril.
3. The sacrifice or expenditure must have been voluntarily, intentionally or deliberately made or incurred.
4. The sacrifice or expenditure must be extraordinary in nature i.e. it should not be an expenditure incurred in the ordinary course of voyage.
5. The extraordinary sacrifice or expenditure must be reasonably made.

Subject to all elements (appearing in bold) of this definition being present, ancillary cost incurred in respect of securing the release of the vessel and cargo following a pirate attack, such as, payment of ransom money, payments to a negotiating team, cost of transportation of ransom money, insuring the ransom money as well as initial search expenses qualify as GA expenditure and the hull & cargo underwriters will bear their respective share of pro-rata contribution.

In the example quoted above, all the 5 elements necessary to constitute a GA act are present –

- The vessel and cargo are clearly on a common maritime adventure and as they are in control of pirates they are in position of common peril.

- The pirates may have scuttled the vessel or misappropriated either or both the vessel and cargo or threatened the safety of the crew and operations of the vessel. Accordingly, the cost of search and payment of ransom including ancillary costs are incurred for common safety of ship and cargo.
- Howsoever unfavourable it would be for shipowner to pay the ransom money, it is still an expense intentionally and voluntarily made during the time of common peril, in order to secure the safe release of vessel and cargo. It should be noted that whilst the crew is coerced by the pirates those who pay ransom do so voluntarily as the best means of saving life and property at sea.
- Ransom money paid is extraordinary in nature and are not the usual expenses that the parties to the contract of carriage incur under the contract of affreightment.
- The shipowners are required to act reasonably in taking steps for release or regaining the possession of the vessel. Whether the charges incurred for release are properly and reasonably made is a question of fact to be judged by reference to what a prudent owner might do in light of circumstances always taking into account the risk of loss of life or injury to crew, damage to vessel and its cargo. It is advisable for the shipowner to keep the charterers, cargo interests, insurers and P&I Clubs informed and take their agreement at each step.

It is noteworthy that expenses including crew wages and maintenance and fuel consumed during the prolongation of voyage occasioned by the vessel being hijacked by the pirates i.e. in steaming to escape detection and whilst being detained pending negotiations and release of the vessel fall outside general average being excluded by Rule C of the YAR-1994 which reads as follows:-

Quote:

"Demurrage, loss of market, and any loss or damage sustained or expense incurred by reason of delay, whether on the voyage of subsequently or any indirect loss whatsoever, shall not be admitted as general average".

Unquote:

The shipowners will endeavour to recover a contribution in general average from cargo interests after obtaining the required GA security documents duly executed viz; GA Bond from cargo interest and/or GA Guarantee from cargo underwriters. In case the cargo is not insured the shipowner will also obtain a GA deposit from the cargo interest. General average sacrifice and expenditure are to be borne by the different contributing interest upon the basis of value at the time and place when and where the adventure ends. The contributing interests include the vessel, cargo, bunkers if at the risk of charterers, containers in case of container carriers but not human life. In a piracy case, ransom is often paid for the release of vessel and its cargo as well as its crew and the question arises as to whether a proportion of ransom should be borne by the employer of the

crew. If GA is accepted and ransom payment is shared on as if GA basis, then the question of the key target of the pirates is raised i.e. is it the crew, the ship or the cargo? If the answer is yes for the crew, it is argued that P&I should contribute, subject to there being no express exclusions in the Club rules. The shipowner may probably argue with his P&I Club that the ransom is a sue & labour charge incurred to avoid liability for death or injury to crew.

Although a shipowner will generally be able to recover a GA contribution, a number of provisos apply and the most important being whether the GA act was a result of carrier's own fault in providing an unseaworthy ship as defined under Article 4, Rule 1 of Hague-Visby Rules, i.e. failing to discharge the burden of proving the exercise of due diligence. The key question for cargo owner or subrogated underwriter is to assess whether a duty existed in a specific instance for the carrier to provide armed guards onboard vessels on certain routes where pirate attacks are known to occur or to ensure whether vessels routing avoids known pirate infested areas or is specifically planned through waters known to be guarded by an international task force.

So, a shipowner who sends his ship to Gulf of Aden e.g. would be well advised to make sure that he has properly equipped and trained officers and crew to deal with the risk of piracy. If he is unable to demonstrate the exercise of due diligence to make the vessel seaworthy in this regard, he may well find himself faced with a rejection by cargo of any GA contribution claim.

As regards coverage under insurance policy, there is an implied warranty of seaworthiness in respect of voyage policy under Section 39 of MIA 1906, which provides that "where, with the privity of the assured the ship is sent to sea in an unseaworthy state, the insurer is not liable for any loss attributable to such unseaworthiness". Therefore, the question which is asked in case of a pirate attack is whether shipowners have trained and equipped the crew to properly deal with a pirate attack and if not, would this constitute breach of warranty of seaworthiness under this section.

Most shipowners have their vessels insured subject to Institute Time Clauses Hull-1/10/83 and the cargo interests cover their cargo under Institute Cargo Clauses A-1/1/82. Both these sets of clauses provide for the insurance being subject to English law and practice with cover for piracy as an insured peril and general average (including salvage, sue & labour charges etc.). Ocean going vessels are also entered mostly with international group of P&I Club which normally covers the unrecoverable proportion of cargo or some other parties proportion of GA contribution, which is unrecoverable solely by reason of owner being in breach of contract of carriage.

LEGALITY & JURISDICTION

There has been much debate on the prudence and legality of paying ransom to the kidnappers. Whilst paying ransom in order to release the ship and crew from the kidnappers may appear to be the only solution to the shipowner, he also needs to look into the aspects of whether payment of ransom is considered illegal in the applicable jurisdiction. If payment of ransom is considered illegal, owners may have difficulty in recovering the contribution from P&I or hull and cargo insurers under general average and it is unlikely that any right of contribution can be enforced.

In contrast, the kidnap and ransom insurers pay such ransom amount even if there is a legal ban on ransom payments in particular jurisdiction.

Under English law, payment of ransom is not illegal per se and can be admitted in GA subject to all the 5 elements of GA being present. However, funding to support terrorism directly or indirectly is considered illegal.

ROLE OF AVERAGE ADJUSTER IN A GA CLAIM ARISING OUT OF PIRATE'S ATTACK

The responsibility of having an adjustment of GA prepared rests with the shipowner who will appoint an average adjuster seeking his professional advice on the many problems involved from the time he first hears that the ship has been missing or hijacked. The shipowner who has initially funded the ransom money and other associated expenditure has a maritime lien on cargo for GA contribution with respect to such expenditure incurred. This lien is a possessory lien and until satisfactory security in lieu of GA contribution is not given by cargo interest the shipowner may not deliver the cargo.

Pending preparation of the adjustment, security will have to be collected from the concerned in cargo in the form of average bond by the cargo receiver in conjunction with an unlimited average guarantee by reputable insurer in lieu of cash deposit. In cases where cargo is not insured or the GA guarantee provided is not considered to be satisfactory, the average adjuster in addition to GA bond will also collect GA cash deposit from the cargo interests. This deposit is put into a bank account and held as security deposit alongwith any interest accrued thereon.

In the adjustment of general average, the average adjuster apportions the general average sacrifice and expenditure between the various contributing interests in proportion to their contributory value or arrived value as is commonly known. The shipowner can recover the hull's proportion of GA under the ship's insurance reduced in respect of underinsurance, if any. Shipowner can also recover cargo's contribution of GA from the concerned in cargo by enforcing the GA security documents.

CONCLUSION

GA is a recognised and accepted way of dealing with sacrifice and expenditure incurred to save and recover property involved in marine adventure. GA came into existence even before Marine Insurance and such extraordinary sacrifice and expenditure has been apportioned from the times of Rhodians. Despite this there has always been a concern on whether money paid to criminals for the same purpose i.e. common safety should be allowed in GA. Since the payment of ransom money complies with the defined tests of GA and also has a support of the Courts there is a growing consensus that the ransoms paid in piracy cases are GA.
