UNIVERSITY OF PIRAEUS

DEPARTMENT OF MARITIME STUDIES

MSc

IN SHIPPING MANAGEMENT

PIRACY & INSURANCE MARKET CHARACTERISTICS DURING THE YEARS AND THE NEW CHALLENGES PRESENTED IN THE INSURANCE MARKET INDUSTRY

Ioannis Bourdis

Thesis

has been submitted to the Department of Maritime Studies of the University of Piraeus as a requirement for the obtainment of the MSc degree in Shipping Management.

Piraeus
January 2025

DECLARATION OF AUTHENTICITY

The person, who submits the master' dissertation is fully responsible for the definition of the fair use of the material, which is based upon the following factors: the purpose and nature of the use (commercial, non-profitable or educational), the nature of the material which is used (part of the text, boards, shapes, pictures or maps), the percentage and the significance of the part, which is used in comparison to the whole, under copyright text, and of the possible consequences of this use in the purchase or the overall value of the under copyright text.

ADVISORY COMMITTEE

This dissertation has been approved by the Three-Member Examination Committee or the Assembly of the Department of Maritime Studies at the University of Piraeus, in accordance with the Regulations of the Master's Program in Maritime Administration.

The members of the committee were:

- Associate professor Dionysios Polemis (Supervisor)
- Associate professor Ioannis Lagoudis
- Assistant Professor Vasileios - Christos Naoum

The approval of this Thesis by the Department of Maritime Studies, University of Piraeus does not imply in any way endorsement of the author's opinions.

ACKNOWLEDGEMENT

I would like to thank my research supervisor, Mr. Dionisios Polemis, as marine shipping lecturer, for his selfless resolve to share his knowledge throughout the postgraduate studies period and particularly for his guidance and suggestions for the completion of this dissertation.

Above ground, I would like to thank my parents for their invaluable moral and patience during my years of studies.

TABLE OF CONTENTS

ABSTRACT

The resurgence of piracy over the past twenty years has caused global alarm, as efforts are made to effectively address this issue. It is important to note that modern piracy differs significantly from the piracy of the 16th, 17th and 18th centuries. Unlike their historical counterparts, who engaged in piracy for political and expansionist motives, today's pirates are driven primarily by personal gain.

The regions that pose the highest risk for piracy are Southeast Asia, the Western Ocean and the Gulf of Guinea. While there are national and international legal frameworks to address this crime, the most important legislation is the International Convention on the Law of the Sea. Unfortunately, this convention does not include specific sanctions for pirates, leaving it to individual countries to enforce their own laws and punish captured pirates accordingly. However, it is important to recognise the far-reaching economic consequences of maritime piracy, which create economic challenges for all those involved in maritime activities.

Keywords: Piracy, Shipping, Insurance Market, Marine Insurance

ΠΕΡΙΛΗΨΗ

Η αναζωπύρωση της πειρατείας τα τελευταία είκοσι χρόνια έχει προκαλέσει παγκόσμια ανησυχία, καθώς καταβάλλονται προσπάθειες για την αποτελεσματική αντιμετώπιση αυτού του φαινομένου. Είναι σημαντικό να σημειωθεί ότι η σύγχρονη πειρατεία διαφέρει σημαντικά από την πειρατεία του 16ου, 17ου και 18ου αιώνα. Σε αντίθεση με τους ιστορικούς προκατόχους τους, οι οποίοι εμπλέκονταν στην πειρατεία για πολιτικούς και επεκτατικούς σκοπούς, οι σημερινοί πειρατές κινούνται κυρίως από προσωπικό όφελος.

Οι περιοχές που παρουσιάζουν τον μεγαλύτερο κίνδυνο για πειρατεία είναι η Νοτιοανατολική Ασία, ο Δυτικός Ωκεανός και ο Κόλπος της Γουινέας. Παρόλο που υπάρχουν εθνικά και διεθνή νομικά πλαίσια για την αντιμετώπιση αυτού του εγκλήματος, η σημαντικότερη νομοθεσία είναι η Διεθνής Σύμβαση για το Δίκαιο της Θάλασσας. Δυστυχώς, αυτή η σύμβαση δεν περιλαμβάνει συγκεκριμένες κυρώσεις για τους πειρατές, αφήνοντας στα επιμέρους κράτη την ευθύνη να εφαρμόσουν τους δικούς τους νόμους και να τιμωρήσουν τους συλληφθέντες πειρατές. Ωστόσο, είναι σημαντικό να αναγνωρίσουμε τις ευρείες οικονομικές συνέπειες της ναυτικής πειρατείας, οι οποίες δημιουργούν οικονομικές προκλήσεις για όλους όσοι εμπλέκονται σε ναυτιλιακές δραστηριότητες.

Λέξεις κλειδιά: Πειρατεία, Ναυτιλία, Ασφαλιστική Αγορά, Ναυτική Ασφάλιση

ABBREVIATIONS

ACT	NATO'S ALLIED COMMAND TRANSITION
AMS	ALLIANCE MARITIME STRATEGY
AU	AFRICAN UNION'S
BMP5	BEST MANAGEMENT PRACTICE
CCTV	CLOSED-CIRCUIT TELEVISION
CGPCS	CONTACT GROUP ON SOMALI PIRACY
CSO	COMPANY SECURITY OFFICER
DCOC	DJIBOUTI PLATFORM FOR ACTION
EASF	ARMY FOR EAST AFRICA
EEZ	EXCLUSIVE ECONOMIC ZONE
EU	EUROPEAN UNION
EU MSS	MARITIME SECURITY STRATEGY
EU PESCO	PERMANENT STRUCTURED COOPERATION
GA	GENERAL AVERAGE
GDP	GROSS NATIONAL PRODUCT
GOA	GULF OF ADEN
H&M	HULL & MACHINERY
HNDGS	HELLENIC NATIONAL DEFENCE GENERAL STAFF
HRA	HIGH-RISK AREA
ICC	INTERNATIONAL CHAMBER OF COMMERCE
IHC	INTERNATIONAL HULL CLAUSES
IMB	INTERNATIONAL MARITIME BUREAU

IMO	INTERNATIONAL MARITIME ORGANIZATION
ITCH	INSTITUTE TIME CLAUSES (HULLS)
JHC	JOINT HULL COMMITTEE
K&R	KIDNAP AND RANSOM
LOH	LOSS OF HIRE
MIA	MARINE INSURANCE ACT 1906
MIO	MARITIME INTERDICTION
MRCB	SUPPORT MARITIME REGIONAL CAPACITY BUILDING
MSO	MARITIME SECURITY OPERATIONS
NATO	THE NORTH ATLANTIC TREATY ORGANIZATION
NETF	NATO EDUCATION AND TRAINING FACILITIES
NMIOTC	MARITIME INTERDICTION TRAINING CENTRE
NMIP	NORWEGIAN MARINE INSURANCE PLAN (2006)
OEF	ONE EARTH FUTURE
OHQ	OPERATIONS HEADQUARTERS
P&I	PROTECTION AND INDEMNITY
SAT	SECURITY ARMED TEAMS
SC/UN	UNITED NATIONS SECURITY COUNCIL
TIF	TAX INCREMENT FINANCING ACT
UNCLOS	UNITED NATIONS CONVENTION ON THE LAW OF THE SEA

CHAPTER 1
INTRODUCTION

1.1 DEFINITION OF PIRACY AND ARMED ROBBERY

Numerous scholars broadly agree that the primary challenge in eradicating piracy stems from the lack of a universally accepted definition of the term. Armed robbery is frequently intertwined with piracy, as both share similarities in their criminal nature as maritime offenses. However, despite their similarities, the legal implications for these acts differ significantly (Chang, 2010). It is important to emphasize that, under the UNCLOS treaty, piracy is defined as a crime against the internationally recognized right to freedom of navigation on the high seas or in areas beyond the sovereign jurisdiction of a Coastal State. Consequently, this implies that crimes occurring within territorial seas, internal waters, or archipelagic waters are excluded from this conventional definition and cannot be classified as acts of piracy (Dillon, 2005). The UNCLOS framework allows criminal acts within the Exclusive Economic Zone (EEZ) to be considered piracy if they align with Article 58(2) of UNCLOS (Marciniak, 2012). Many recent attacks occur not on the high seas but while vessels are at anchor or within territorial waters; these incidents fail to meet the "piracy criteria" under international law. For this reason, the International Maritime Bureau (IMB) of the International Chamber of Commerce (ICC) has adopted a broader definition of piracy in its maritime security guidelines, including armed robbery at sea.

According to the International Maritime Organization (IMO), the official definition of armed robbery against ships is: "any unlawful act of violence or detention or any act of depredation, threat thereof, other than an act of piracy, directed against a ship or against persons or property on board such ships, within a state's jurisdiction over such offences" (Chang, 2010).

For the sake of clarity, unlike, piracy as defined under the UNCLOS provisions, which can only occur on the high seas, armed robbery at sea can only occur in territorial waters within twelve miles of a nation's coastline, over which only the affected state can take the appropriate measures to repress any kind of illegal act. Any other exercise of jurisdiction of third states over the seized pirates could be interpreted as severe limitation of the Coastal State sovereignty (Mejia, 2012). Therefore, armed robbery is used to describe acts that are considered piratical in nature, but due to their location in specific maritime areas, they fall outside the scope of the international definition of piracy under UNCLOS.

1.2 REGIMY OF INTERNATIONAL LAW AGAINST PIRACY UNDER UNCLOS

The initial definition of piracy in international law, as adopted by the IMO, is based on Article 15 of the 1958 United Nations Convention on the High Seas and Article 101 of the 1982 UNCLOS. The definition includes several key components, namely illegal act of violence, detention or depredation, committed for non-public and non-political reasons by the crew or passengers of private ship against another ship or persons or property on such ship, occurring on the high seas or in areas beyond any state's jurisdiction (Todd, 2010). Although the concept of piracy is widely recognized in international law, the aforementioned elements present inherent restrictions (Marciniak, 2012).

The challenge related to the motive of private gain requirement is that the UNCLOS treaty does not offer a clear definition of what constitutes private interest (Douglas and Burgess, 2010). The U.S Federal Ninth Circuit Court decision in the case of Institute of Cetacean Research V. Sea Shepherd Conservation Society (2012) represents one of the most debated decisions concerning the interpretation of the concept of private ends. In this instance, the assault by the international non-profit marine organization on a vessel carrying Japanese researchers hunting whales was deemed an act that fits within the definition of piracy. It was noted that even though the perpetrators believed they were acting in the interest of the public good, their motives were not considered public (Institute of Cetacean Research v. Sea Shepherd Conservation Society, 2012).

The involvement of at least two ships in a piracy attack is another point of contention in the international definition of piracy under UNCLOS (Rubin, 1998). The hijacking of the "*Achille Lauro*" serves as an example of this issue. In 1985, the Italian cruise ship was taken over by four men from the Palestine Liberation Front while in international waters, approximately thirty miles from the Port of Said in Egypt. The main purpose of the hijackers was to secure the release of fifty Palestinians imprisoned in Israel in exchange for the passengers and crew they held hostage (Claiborne, 1985). However, Israel did not comply with their demands and refused to engage in negotiations. Ultimately, the "*Achille Lauro*" incident was not classified as piracy under the international law; although the act was carried out for private purposes, the condition of involving another ship was not fulfilled.

1.3 PIRACY AND TERRORISM AS GLOBAL CRIMES AND THEIR CONNECTIONS

Piracy and terrorism share several common elements. Both are characterized by actors disconnected from state authority, forming entities that operate beyond national borders and

primarily target civilians, often resulting in destruction or death. A second point of convergence is their funding**,** especially in cases where, as some reports suggest, Somali pirates are financing Islamic extremist organizations. A former member of the United Nations Monitoring Group for Somalia documented instances of cooperation between Somali pirate groups and the extremist group Al-Shabaab, particularly in the fields of arms trafficking and supply**.** In these instances, one group tolerates the other to advance its own interests, despite the absence of a shared ideological agenda (World Bank, 2013).

It is worth highlighting some peculiarities in the correlation between the two phenomena. Some researchers have identified the pirates and terrorists as "enemies of humanity", as both operate outside the boundaries of "legitimate behaviour". However, many conclusions from the investigations suggest that the two acts (piracy and terrorism) are not identical, mainly due to the intentions of the perpetrators behind each act. While piracy initially existed as a form of private use of force, it is now part of a broader terrorist context (Hong & Ng, 2010).

The view holds special significance, as paralleling the two manifestations of violence defines the enemy party as being outside legitimate logic and conventional warfare. In this sense, the enemy party fanatically desires destruction for destruction's sake, positioning itself outside the protection of both written and unwritten laws of the constitutional state. On one hand, the pirates create an asymmetrical relationship between themself and the organized state; on the other hand, the actions of terrorist organizations or movements occur within a country. To date, no corresponding maritime terrorism has been recorded, possibly due to the specific nature of the environment. Action at sea requires specialized knowledge, appropriate means and infrastructure, as well as the ability to operate and survive outside land, along with other tactics that have not yet been part of the interests of political violence organizations or terrorist groups.

Pirate attacks are motivated by economic factors that terrorism rejects if they are not accompanied by ideological considerations. It should also be noted that the targets of terrorism mainly have to do with the representatives of all forms of power, especially state power. Therefore, ships, which are not symbols of state or non-state power, are probably not prime targets for terrorists. Pirates have existed since humans first created sea routes, without being connected to any form of orderly state. A pirate can be said to behave like an exemplary terrorist, operating in small groups, constantly attacking, using extremist violence and relying on terror and surprise. Consequently, if the pirate uses violence for purely personal reasons, he remains an opponent of the constitutional state and any form of legitimate power. Thus, while

piracy analysts do not readily accept the entry of terrorist organizations into pirate attacks, the possibility of this happening cannot be ruled out by anyone (Bosi, 2012).

1.4 THE HISTORICAL PHENOMENON OF PIRACY THROUGH THE CENTURIES

Piracy has been a significant issue for maritime civilizations for over 4,000 years. Throughout history, pirates have viewed maritime trade as either simple plunder, a method of warfare, or as their rightful entitlement. Throughout history, most nations have used three main strategies to address piracy: collaboration, suppression, or tolerance.

From the ancient Cilician pirates of Greece and Chinese pirates to the Barbary pirates of North Africa, Caribbean pirates, contemporary Somali pirates, those in the Malacca Straits, the South China Sea, and West Africa, pirates have typically operated outside or in partnership with state authorities.

Looking back at the ancient world, pirates pursued sailors while humanity capitalized on maritime trade. Piracy was a common aspect of life in the Mediterranean during this period. For centuries, pirates raided ships and coastal towns, looting and enslaving their inhabitants.

The Sumerians, the Minoan kings, the Egyptians, the Greeks, and others all dealt with piracy. King Minos' Cretan fleet was specifically constructed to defend against Lucan (Turkish) pirates.

1.5 PIRACY AND SIMIRAL ACTS OF VIOLENCE

As previously noted, the international definition of piracy under the general provisions of the UNCLOS treaty is fairly limited in both scope and application. This lack of clarity has a substantial impact on the different interests at stake, especially in marine insurance law. The determination of whether marine insurance policies cover piracy as an insurable risk depends on how piracy is defined and how it is distinguished from other similar acts, which are often categorized separately based on the attacker's internal motivations and specific characteristics of the act in question (Gliha, 2018). From this perspective, the most prevalent illegal acts will be outlined below, along with their current characteristics, which are often confused with piracy. This aims to clarify, as much as possible, the differences between them.

1.6 THE CAUSES OF THE PHANOMENON

Maritime piracy is typically characterized as an opportunistic crime; thus, pirates, similar to other criminals, tend to avoid engaging in piracy in challenging environments. However, when

they gain control over a broader area, the likelihood of piracy increases, along with the intensity of the attacks. The primary drivers behind the rise of piracy include social acceptance, chronic unemployment, insufficient legal frameworks from governments, and the ethnic piracy occurred due to tensions between states. Each of these factors contributes to the sustenance of criminal enterprises.

1.6.1 SOCIAL ACCEPTANCE OF PIRACY

Even in today's shipping industry, there are ports where ships are subject to an unofficial tax by the local population. This indicates a rise in social acceptance of piracy, with communities seeing it as a way to survive and make money. Typically, this involves stealing equipment or cargo without direct contact with the crew. This type of crime has been present since the beginning of maritime trade and generally doesn't have a major economic impact on big companies. However, theft can result in significant losses, especially when it involves crucial tools or supplies needed for a successful voyage.

1.6.2 CHRONIC UNEMPLOYMENT

In this context, we are not referring to the type of unemployment experienced by residents of developed nations. In developing countries, chronic unemployment signifies that many individuals may never find work. As a result, some individuals may occasionally resort to piracy as a form of informal work while waiting for a better opportunity to arise in the future. Analysts present compelling arguments regarding this issue. One way to encapsulate this is through the phrase “feed or shoot”. While this argument may be extreme, it effectively highlights the two opposing sides of the situation, demonstrating that poverty serves as a primary motivator for piracy. The life of a pirate is arduous and frequently culminates in death, suggesting that despair is often a precursor to engaging in piracy (Nikita, 2012).

1.6.3 INSUFFICIENT LEGAL FRAMEWORKS

Only recently have pirates begun facing legal consequences for their actions. In 2011, the pirates on the *S/V Quest*, a small civilian sailing vessel, were arrested for the murder of four U.S. citizens in the Indian Ocean and tried in a U.S. federal court in 2013. The combined operations of the European navies in the Arabian Sea led to the arrest of numerous individuals and the conviction of several.

Legal strategies for combating piracy are continuously changing. Some pirates are being prosecuted in their own countries, while others are subject to the laws of the country where the

hijacked ship is registered. The legal system needs to adapt to allow international law to impose harsh penalties on pirates. Currently, there are many loopholes, and the rewards from piracy may be greater than the risks involved.

1.6.4 ETHNIC PIRACY DUE TO TENSIONS BETWENN STATES

Political tensions and disputes between states or groups can lead to a type of ethnic piracy. This form of piracy often arises from conflicts over territorial boundaries or regional resources, with Somalia being a notable example.

1.7 THE EMERGENCE OF SOMALI PIRACY

Somali piracy can be traced back to the collapse of the nation's government in the early 1990s. With the disbanding of the coast guard, the country lost its ability to patrol its extensive coastline of 3.025 kilometres and its 200 nautical miles of Exclusive Economic Zone (EEZ), a crucial area for fishing. As defined by the 1982 United Nations Convention on the Law of the Sea (UNCLOS), an EEZ is the maritime region where a state holds the rights to explore and exploit marine resources, including energy production from water and wind (United Nations, 1982)

The absence of proper governance has allowed foreign fishermen to take advantage of Somalia's plentiful fisheries with advanced technology and quality vessels, leading to a form of “reverse piracy”. It is estimated that the illegal fishing in this area amounts to EUR 300 million each year, a significant amount for a country of nine million people, making up over 5% of Somalia's Gross National Product (GDP). Along with poachers from Europe and Asia entering these waters, other ships are also illegally dumping toxic industrial waste in Somali waters, directly violating United Nations environmental regulations.

There are reports indicating that nuclear waste may have been illegally dumped in the maritime zone near Somalia, potentially causing long-term contamination of the entire area. This poses a serious health risk to local residents and endangers individuals who consume fish caught in these waters. The pirates claim to be protecting Somalia's fisheries, regulating both licensed and unlicensed foreign trawlers to safeguard their resources and livelihoods. Ship owners in this region are aware that their vessels are violating international fishing laws, leading them to quickly offer bribes to avoid detection.

Interestingly, pirate groups in Somalia use the “Somali National Voluntary Coast Guard” as a justification for their actions, operating like a criminal organization when there is no official

government. Many people involved in these activities think they need to protect natural resources, viewing the ransoms they receive as a form of “legitimate taxation”. However, experts argue that modern pirates are not just poor fishermen; instead, they are fighters from different factions in Somalia, competing for power in the country and trying to gather financial resources to overthrow the government (Osei-Tutu, 2013).

CHAPTER 2
MARINE INSURANCE

2.1 THE HISTORY OF MARINE INSURANCE

Being the oldest form of insurance, marine insurance was treated separately from other types of insurance. The legislation was enacted in 1906 and remains in effect and widespread, although it has been supplemented over the years by further statutes. Of particular interest is the fact that, despite many recommendations for repealing the Marine Insurance Act 1906 (MIA), a British statute that regulates marine insurance, it remains vital since it applies not only to English Law but also to practically all marine insurances. The challenge of achieving perfection—although likely impossible—alongside the judiciary's role in highlighting the deficiencies of various regulatory frameworks, underscores the need for a comprehensive evaluation of the legislation governing this field (Noussia, 2005).

2.1.1 THE FIRST APPEARANCE OF MARINE INSURANCE

It is the oldest of many forms of damage protection and thus has aroused much interest over the years. The ancient Phoenicians, Greeks and Romans were known to have borrowed the idea of insuring against some of the risks of maritime business, either from various scintillating schemes of insurance or in schemes of loans or mutual guarantees. It is said to be the form of loan now known as Bottomry, the oldest form of insurance in the form of a loan and its historical charge dates back to Babylonian merchants in 4000-3000 BC. It may be defined as a mortgage on the ship, so that if that ship is lost, the lender shares in the loss since they have invested money in preparing the ship for sailing. If, however, the ship arrives safely at its port of destination, not only does the lender get their loan back, but they also receive a certain premium agreed upon earlier.

It is probable that the origins of Bottomry in the insurance sector represent not only the oldest form but also the most widespread type of marine insurance, primarily due to two key factors: the transaction's remarkable simplicity and the desire to circumvent legal penalties associated with usury. This particular type of marine insurance known as Bottomry eventually evolved into the modern marine insurance system that is in use today (Green, 2014).

2.1.2 THE LOMBARDS

Throughout the centuries, various types of marine insurance flourished in Europe. The Hanseatic merchants from Northern Europe established an insurance hub in Bruges, which is

recognized as the first “Chamber of Insurance”. The first city statute for insurance on ships was in 1432 in Barcelona. The first marine insurance-like form in Great Britain was introduced by merchants of the Hanseatic League (Lower German Commercial and Defence Confederation) and later put into practice by German colonists, who became the first known marine insurers in London. For many years, they had no competitors.

In their final years of operation, they faced competition from another group of foreign immigrants. Known by the street on which they were based in London: “the Lombards”, they were the first to initiate marine insurance by effectively marketing Bottomry loans. The Lombards ceased operations when England's foreign commerce passed into English hands. It must be emphasized that it was the Lombards who rendered marine insurance a viable practice in shipping, thus rendering it acceptable to the business community at large and amenable to the promulgation of rules and regulations rest (Noussia, 2005).

2.1.3 EARLY BRITISH MARINE INSURANCE

The early years of the 17th century marked the dawn of a new era for marine insurance in Britain (Haueter, 2013/2017). During the initial phase, which began with the advent of the rise of foreign trade and ended in the mid-16th century, marine insurance was conducted mostly, if not entirely, by foreigners; and later British themselves took over the reins.

The first statute enacted by the British government and approved by Parliament was the “Elizabethan Act of 1601”, “An Act Concerning Matters of Assurances Amongst Merchants” notably the first statute on record specifically on maritime conveyance insurance. This act (Act 1601) also established an Insurance Court to deal with conflicts between those taking out policies. However, this Court was rather rashly treated by the shipping community and legal circles of London, so it ended up having little effect and being of little use (Neptunus, 2005).

2.1.4 THE FOUNDING OF LLOYDS

There are no known incorporated companies or firms providing marine insurance before 1666, with the exception of the private enterprises of bankers, moneylenders, and others who provided marine insurance as an adjunct to their existing businesses. After this period, many coffee houses gradually emerged in the City of London as insurance offices. Within a few years, they were popping up all over London and their patrons were primarily there for business dealings.

Bowman opened London's first coffee shop in 1652 at St. Michael's Alley in Cornhill, London. Lloyd's Coffee House was first situated on Tower Street and subsequently moved to Lombard Street around 1691 or 1692. This man, in conjunction with the surfacing of a weekly newspaper on shipping affairs — 'Lloyd's News'— was the owner, made the coffee house a resort for members of shipping companies. In 1771, a committee of members elected to act for subscribers took the first formal action by which underwriters organized their market, bringing about the publication of the first Lloyd's Act in 1871 and thus creating the Maritime Insurance Charter, which was the first structured body in the world for freight underwriting purpose (Wright and Fayle, 1928).

2.1.5 THE DEVELOPMENT AND EVOLUTION OF THE SYSTEM AND THE LAW OF MARINE INSURANCE UP TO MIA 1906

The *Elizabeth Act* was amended in 1601, over 100 years later, and a new marine insurance law was born. The first Amendment Marine Insurance Act 1745 followed, leading to the law being in 1788. Legislation in 1795, in 1894, specifically the 'Codification of Marine Insurance' bill passed by the House of Lords upon Lord Herschel's suggestion formed the 1906 Act, "An Act for the Codification of Marine Insurance Law".

In its inception, the principles of marine insurance law were allowed to develop through the market and the courts, as no early marine insurance laws enunciated them. These principles were later embodied in the Marine Insurance Act 1906 (MIA 1906). The MIA 1906 is, for the most part, a restatement of some 200 years of judicial precedent, and there is no modern equivalent of the legislation as noted above. The Act, however, purports to be mandatory in several places and will be permissible in the absence of agreement from the counterparties. The charter, however, did contain a clause that nullified the description under MIA 1906 (Jenks, 2011).

2.1.6 THE FACTORS OF CREATION OF THE MARINE INSURANCE ACT 1906

It is clear that the passage of the Marine Insurance Act 1906 (MIA 1906) was made urgent by the needs and problems of everyday market life, especially those of the commercial community, which was desperately trying to codify the law on marine insurance, closely linked to commercial enterprises. Commercial needs had hitherto been based on common law, so the enactment of legislation regulating marine insurance was absolutely necessary. The commercial community demanded that the alleged insured risks be legally protected. In

addition, the boom of speculators betting on marine insurance at the time highlighted the need for legal protection, effectively outlawing “unsecured” contracts.

In the UK, the Maritime Insurance Act of 1906 (MIA 1906) was largely codified in the cases that existed at the time. Although many consider it outdated today, the extent to which it addresses a wide range of legal issues relating to maritime law and insurance practices is remarkable. In addition, its combination with the provisions of the London Institute of Insurers is even more powerful. Many supported the idea of abolishing MIA 1906 to create new code. Codification was by no means an easy task. Given the success of the MIA 1906 and the lack of guarantee that the new regime would completely remove all uncertainty, we conclude that the completeness of the statute is impossible and that it would be unwise to abolish MIA 1906 and replace it with other similar legal texts in this sense. Moreover, since it has been implemented in practice, the market is particularly satisfied, not only because many of the real questions raised are resolved with reference to market data, but also because the courts have played an important role in clarifying situations that are not actually mentioned. English courts have managed their decisions to produce flexible outcomes through justice and in this sense have been able to modernize maritime law on marine insurance (Derrington, 2013).

2.2 CURRENT LEGISLATION ON MARINE INSURANCE

2.2.1 GREEK LEGISLATION

In Greek law, marine insurance is described by the provisions of Articles 463 to 506 of the Commercial Law (NTUA). The Code of Private Maritime Law (KID) complements the provisions of the Commercial Law. The publication of the Code of Private Maritime Law was made with the Government Gazette vol. A' No. 32, on 28 February 1958, and it entered into force on the first of September 1958 (Greek Government, 1958). In regulating the issues of marine insurance of the KID, all new changes to the Civil Code resulting from the incorporation of recent jurisprudence were taken into account and adapted to cover developments in the operation of the shipping business. However, we cannot say that radical innovations were made because, by analogy with British law, the ground was not sufficiently ripe for major changes.

In the title relating to marine insurance in the KID, the legislator included certain provisions from the draft “Insurance Code 1948”, which had been considered successful, but at the same time Article 257 stipulates that the articles of the Commercial Law on insurance (land) contract also apply, provided that they are not incompatible with marine insurance and do not differ from the KID.

The provisions of Greek marine insurance law, despite the existence of European directives aimed at harmonizing national law with corresponding European law, are not strict enough, resulting in many abuses of the terms of the marine insurance contract. For this reason, many English marine insurance companies sometimes require that the term according to which the insurance will be governed by English law or even a term of jurisdiction of an English court be included in their marine insurance contracts with foreign shipping companies (Koukoumis, 2009).

2.2.2 ENGLISH LAW

Under English law, marine insurance complies with the Marine Insurance Act 1906 (MIA 1906). In addition, common low provisions are used, as long as they do not clearly contradict the MIA 1906. In British law, which is generally customary, an important role is played by business ethics, which regulate many matters that are not expressly provided for in the law. Their validity is so high that they prevail even when there is indirect regulation by law. Also relevant to marine insurance are the provisions of the Law of 1909, "*On the Avoidance of Insurance Contracts with a Gaming Character in Marine Insurance*", the Law of 1911 "*On Maritime Contracts*" and the Law of 1930, "*On the Rights of Third Parties against Insurers*" (Paparistodimos, 2005).

2.3 BASIC PRINCIPLES IN MARINE INSURANCE

2.3.1 PRINCIPLE OF GOOD FAITH

This principle obliges both parties (the insurer and the policyholder) to behave strictly honestly, not only during the negotiation and conclusion of the contract but also throughout its duration; without the observance of this principle, the insurance contract cannot function. Marine insurance, in particular, is governed by the principle of Supreme Good Faith.

2.3.2 INSURANCE INTEREST

Insurance interest is the financial or legal link between the insured and the insured object or right, such that damage or destruction of the object or infringement of or loss of the right, results in the property damage to the insured.

2.3.3 THE OBLIGATION OF THE INSURED TO DECLARE ANYTHING ENLIGHTENING

The insured must disclose to the insurer (the company) all information that would allow the insurer to accept the risk (and its terms) or reject it.

2.3.4 CONCEALMENT AND MISREPRESENTATION OR DECEPTION

It is the concealment of essential facts and/or the erroneous or untrue statement of those facts that could affect the judgment of insurers.

2.3.5 SUBSTITUTION

Insurers have subrogation rights against the responsible third party for the damage or loss for which the insurer has compensated the insured. Recovery is a matter of bargain, but at no point should the insurers recover more than what they have paid out.

2.3.6 GUARANTEES

Terms by which the protection of insurers is provided and are explicitly mentioned (express warranty) or implied (e.g., the Airworthiness Clause and Legality Clause) and are essential terms (conditions) in the insurance policy (Prokopiou, 2011).

2.4 BASIC CONCEPTS OF MARINE INSURANCE

2.4.1 P&I CLUBS

Shipowners' mutual insurance bodies for the purpose of protecting and compensating their members for liability to third parties.

2.4.2 UNDERWRITES

Organizations that undertake compensation for damage to the vessel and engine of the ship derive their name from the process of signing the insurance policy, by which they accept the insured risk against an agreed premium.

2.4.3 LOSS

The fact of partial or general damage to the ship and/or cargo due to an unavoidable accident.

2.4.4 SHIPOWNER'S LIABILITY

The responsibility borne by each shipowner and the compensation he must pay for a loss. It is divided into partial and total liability.

2.4.5 MARINE INSURANCE OF VESSELS

The insurer undertakes to compensate the insured in the event of loss resulting from a marine casualty. Great Britain is the first and largest marine insurance market due to its specialization

in covering large and complex business risks. The contracting parties to the policy are the shipowner and the insurance institution. In the case of major risks, liability is shared between more than one insurer. There is no legal obligation for ship or cargo insurance except for over 2000 tons, for compensation in case of marine pollution from oil spillage (Paparistodimos, 2005).

2.5 P&I CLUBS

The organization of the Clubs is basically engraved on the standards of a Société Anonyme. There is a General Assembly of Members which is formed once a year and elects the Board of Directors. The Council shall determine the general policy of the Club and the benefits and responsibilities or risks covered by it. The details of the organization vary somewhat from one Club to another, according to the "Statutes" or Articles of Association, as opposed to the "Rules" that govern only the insurance offered. The Board of Directors supervises the day-to-day operations of the Mutual Insurance Cooperative by appointing a Club Manager for this purpose. Many of the clubs appoint to this position a London Broker who may have specialized in such activities and may have contributed substantially to its establishment and good operation.

The Clubs are controlled by committees of shipowners' representatives and are managed by specialists who collect premiums and manage claims. Depending on the allowance given on an annual basis, the members' contribution for the following year fluctuates accordingly. The contact of shipowners with the Clubs is done directly and thus brokers and brokerage fees are avoided (Kasimis, 2008).

2.5.1 THE DIVISION OF THE CLUB INTO FOUR GROUPS

1. Group I Protection: This covers deaths, collisions or damage to another ship or fixed object, as well as crew expenses such as illnesses, hospital treatment, transportation of bodies, etc.
2. Group II Indemnity: This covers the obligations of shipowners according to their contracts for transported cargoes, such as shortages during delivery, damage or destruction during transport, etc.
3. Group III Freight, Demurrage and Defence: This covers the legal costs of any claims by shipowners against charterers under the charter agreement. This department proposes suitable lawyers to its members; however, in many cases, it undertakes to pressure charterers to pay the claim.

4. Group-War-Risks: This covers mine hazards as well as other risks from wars. In the event of an attack, it covers the shipowner until the ship approaches a port of refuge. This includes insurance against piracy (Kasimis, 2008).

Most Mutual Cooperatives are based in London, although there are other notable Clubs with impeccable organization and management, but which are also connected to the reinsurance network of London Clubs.

2.5.2 CLUB REGISTRATION AND TERMINATION

The entry of tonnage of a ship in the Club implies membership in the Club. In addition to shipowners, charterers of all categories can become Club Members. The same applies to the ship's managing company. The club may reject the application for registration without the obligation to justify its refusal. This discretion stems from the fact that since there is a principle of reciprocity between Members with regard to damages, the image of the poor results of a Member's registered tonnage is inevitably reflected in the total results of the Club. Members are certainly not prepared to cover the excess losses of another Member with an excessive loss ratio "over a number of years". This also justifies the behaviour of those in charge of being selective in admitting new Members. The details regarding the date of registration and voting rights of a Member are provided by the Articles of Association of the Cooperative (Club's Articles of Association).

Termination of entry may be initiated either by the Member or by the Club. A Member may terminate the registration of one or more ships by giving notice with a specified period before the end of the financial year. If the Club makes significant changes to the terms of the insurance, the Member may terminate the registration of the tonnage on notice of a certain number of days after becoming aware of them or after the changes came into effect. From the Club’s perspective, registration may be terminated upon notice in accordance with the Articles of Association.

Here, too, the Cooperative is not obliged to justify its decision. However, it goes without saying that it must have good reasons to do so, either due to excessive and frequent damages related to the specific registration, which distort the overall picture of the Club’s results, or due to Members’ inconsistency in fulfilling obligations. Of course, there are other reasons for termination of registration, such as the actual or constructive total loss of the registered ship or its requisition, which are regulated accordingly by the provisions of the Articles of Association (Papamanoli, 2007).

2.5.3 PREMIUMS, CONTRIBUTIONS AND FINANCES OF THE CLUBS

The P&I Club is a non-profit organization and its Members participate in all its losses and management expenses based on their registered tonnage. Determining the premium attributable to each Member for each insurance year is not easy. The damages that fall under it, in order to close them all, require a long period of pending, well beyond the year in which the incidents that caused them took place. The following procedure shall be followed for the collection of contributions by each member:

Based on the available statistical data referring to each category of ship, its age, and the type of cargo carried, but often in combination with the specific results of a certain number of closed years regarding a ship or fleet owned or managed by a Member, a preliminary premium per Gross Tonnage is derived which is prepaid by the Member. The preliminary contribution is called “advance call” or “advance premium” and is determined before the beginning of the underwriting year. The method of calculation and the criteria for the advance levy shall be carried out with all possible transparency.

In subsequent years, or even before their end, if necessary, upward adjustments can be made to the contributions corresponding to each insurance year, because these were considered insufficient in the light of the actual events that caused the losses (paid or outstanding). As a result, Members are required to pay a supplementary premium or back call, which is collected pro rata of the initial contribution (advance call).

This procedure may be repeated for a number of years following the year referred to in the advance call, either because the calculation of the initial contribution was insufficient, or because the outstanding claims forecasts for the year in question were underestimated, or because many unforeseen events occurred dramatically in that insurance year. Successive back calls can continue for an extended period, ultimately resulting in additional contributions totalling a multiple of the initial contribution (advanced call).

Thus, some Clubs, to avoid unpleasant friction with their Members, either overestimate the advanced call from the outset and make an effort to make correct forecasts of outstanding claims reserves from the outset or make appropriate reinsurance arrangements to protect themselves against catastrophic events or use a combination of both. Some Clubs also promise the final closure of accounts for each insurance year within three years by limiting their management costs, carefully selecting their Members and securing appropriate reinsurance arrangements.

On the reinsurance side, most Clubs participate in a Pooling Agreement known as the London Group to spread large risks among themselves. In addition, each Club has the option, at its discretion, to use excess of loss protection reinsurance to ensure adequate security.

In case of termination of registration, the additional contribution is determined definitively and once after negotiation and mutual agreement between the Club and the Member. It is not excluded that a member may have "received" benefits from the Club, regardless of the payment of compensation for damages that occurred during his participation as a Member.

2.6 FACILITIES AND SERVICES PRIVIDED BY THE CLUBS

Although, in principle, they are not obliged to do so, the Clubs often provide a guarantee (put up security) in the form of a letter of guarantee (Letter of undertaking), to avoid or lift the detention (arrest) of the ship for claims related to the covered liabilities or obligations of the ship under the Club and for as long as the dispute as to whether and to what extent the ship is liable pending settlement either amicably or through the courts. The guarantee is not given for debts of the Member to third parties (shippers, consignees, port authorities, etc.).

2.7 LEGAL PROTECTION

It is important to make an extensive reference to the legal protection offered by the Clubs to their members, known as Freight, Demurrage and Defence, which includes the following:

1. The provision of legal advice and assistance on the spot for their members, including Masters and agents of registered ships, when needed. Cooperatives (clubs) are represented in almost all ports, but additionally provide advice from their central administration.
2. Assisting Members in the recovery of any valid claims, through judicial process or arbitration, if necessary, as well as support in dealing with claims to which the ship appears to be at fault.
3. Compensating members for all legal costs incurred, with the approval of the Management, for any matter related to the operations of the ship, except in the cases mentioned above.

The vast majority of cases handled by the Club under this category concern e.g., disputes arising from shipping contracts, such as bills of lading, charter agreements, contracts with stevedores and repairers, crew belongings, and salvage agreements. This category also covers

disputes with shipyards, provided that the ship under construction was already registered at the time when the events giving rise to the dispute took place.

Another notable group that falls into this category includes claims for or against members concerning loss of profit during the immobilization of the ship under repair as a result of collision damage. It should be reiterated that membership in the various categories of coverage is negotiable. The member has the ability to reduce the cost of this insurance either by limiting the cases he wishes to have insurance protection from the Club, or each incident to be subject to a more or less remarkable one (Kasimis, 2008).

CHAPTER 3
THE COST OF PIRACY

3.1 THE DIFFICULIES OF CALCULATING COSTS

Calculating the financial impact of piracy presents significant challenges. A separate actuarial study conducted by the General Insurance Research Organization (2010) highlighted the considerable difficulty actuaries face in accurately pricing shipping insurance. One major issue is the incomplete nature of the claims data provided by ship-owners. Ship-owners are often reluctant to disclose the full scope of piracy incidents to avoid attracting further attacks. However, without access to accurate and comprehensive data, it becomes impossible to determine the actual costs of piracy. Furthermore, strong disagreements exist between shipping industry representatives, governments, and insurance companies regarding the true financial burden of piracy. According to One Earth Future (OEF), some of the most difficult obstacles in calculating piracy costs include:

1. Data limitation: As previously mentioned, determining the exact number of pirate attacks is quite challenging due to the absence of any mandatory system requiring ships and their management companies to report every incident. Vessels are often reluctant to report attempted attacks or minor incidents, especially when the perceived risk is minimal or poses no significant threat to the continuation of their voyage. Even if a standardized reporting process were introduced, the complexity and global nature of the issue would shift responsibility to various organizations—whether state, multinational, or private—for ensuring the full exchange of information and collaboration necessary to produce consistent reports on piracy incidents. Achieving consensus on cost figures, however, would likely remain elusive, as past experience has shown that stakeholders such as shipowners, insurers, and governments often struggle to agree on the financial impact and are even less inclined to make such data publicly available.
2. Underreporting of Piracy Incidents: While the IMB and IMO are generally considered the leading sources of piracy-related information on a global scale, many incidents still go unreported. It is estimated that as many as 50% of pirate attacks remain unrecorded. In certain instances, shipowners may instruct captains not to report attacks, either to avoid negative publicity or to prevent delays caused by investigations. Some experts

suggest that only 30-40% of pirate assaults on merchant vessels are officially reported, highlighting the significant gap in available data.

3. Distinguishing the Effects of Piracy from Broader Economic and Political Instability: It is highly challenging to isolate the specific impact of piracy on macroeconomic indicators, such as reductions in foreign direct investment, tourism declines, or increases in commodity prices. Piracy often occurs in regions marked by political instability or in failed states that are economically disadvantaged and underdeveloped. Compounding the issue is the global economic downturn, which adds further complexity. It becomes difficult to determine whether changes within the maritime industry are directly attributable to piracy or are instead a consequence of broader economic deflation and reduced demand for shipping services (Bowden, 2010).

3.2 PIRACY AS A MARINE OR WAR RISK

One key issue that needs to be addressed and clarified in marine insurance law is whether piracy should be classified as a marine or war risk. If an act is considered to fall under a war clause, it would be excluded from standard marine insurance policies and instead covered by war risk insurance (Gliha, 2018; Mody, 2010). However, as mentioned earlier, there is a challenge in practice when it comes to defining what constitutes an act of piracy as opposed to similar violent acts. In other words, determining what qualifies as a marine peril versus a war peril is difficult. Consequently, it is crucial to understand under what situations piracy is sufficiently covered according to the terms and conditions of the acquired marine insurance policy (Dillon, 2005). The complexity is compounded by the fact that different sectors of the insurance industry take different approaches to this issue (Gliha, 2018).

Piracy is classified as a war risk under the Norwegian Marine Insurance Plan (2006) (NMIP), which makes no distinction between piracy, terrorism, or other malicious acts for the purpose of coverage. Therefore, liabilities, expenses, and losses resulting from piracy are treated as war risks and are included in the NMIP coverage. In contrast, UK marine insurance law treats piracy as a marine peril for hull insurance, while terrorism is classified as a war peril. It can be covered through different clauses, which will be explored in detail below (Gliha, 2018). Additionally, In the context of cargo insurance, piracy was originally considered a marine peril and was later classified as an all-risk peril, in line with the Marine Insurance Act of 1906. It is crucial to emphasize that the differentiation between marine and war risks is critical in the marine insurance industry, especially regarding the legality of ransom payments as an insured loss,

provided that such payments are authorized and allowed within specific legal systems (Gliha, 2018).

3.3 MODERN DAY PIRACY AND MARINE INSURANCE COVERAGE

3.3.1 PIRACY COVERAGE UNDER THE KIDNAP & RANSOM (K&R) INSURANCE

There is uncertainty about the extent to which ransom payments can be reimbursed under the Hull and Machinery (H&M) marine risks or war risk insurance policies. If multiple parties have interests in the maritime venture, the ransom paid can be recovered through the general average contribution. If only one party is involved, it can be claimed under the sue and labor clause. Nevertheless, provided that the required conditions are met in each instance, before evaluating whether recovery is possible under the mentioned categories and to what extent, a new marine insurance product called Kidnap and Ransom (K&R) has been developed in the shipping industry. This was designed to address the uncertainties and conflicting perspectives that emerge in these situations.

Kidnapping for ransom is an undeniable issue that has led to the development of kidnap insurance. The K&R marine insurance policy was created to offer comprehensive coverage that addresses the specific needs of shipowners, particularly regarding the reimbursement of ransom payments resulting from kidnappings based on the terms and limits outlined in the contract (Brown, 2010). In Particular, K&R underwriters offer coverage for the secure transport of ransom during transit, cover the fees and expenses of independent negotiators until a financial settlement is reached, and include the costs incurred by crisis management experts who are trained and specialized in advising the insured on how to effectively respond to the piracy incident and the appropriate steps to take afterward (Mody, 2010). Expenses arising after a kidnapping incident, such as medical treatment, wage and salary replacement, relocation expenses for both the insured and the victim’s family, compensation for death or permanent physical disability during captivity, and potential reputational harm to the company, are also included in the coverage (Marsh, 2011).

It is important to note that K&R policies are activated only when specific conditions and restrictions are met. The insured needs to keep the existence of the policy confidential to avoid the risk of the contract being voided by the insurers. Maintaining strict confidentiality is critically important, as K&R insurers aim to prevent the submission of any fraudulent claims related to kidnapping and ransom. While they represent only a minor proportion, fraudulent claims come with exceptionally high costs (Marsh, 2011). In the event of a vessel's capture

during a piracy incident, this obligation is waived as necessary to safeguard the shared interests of all parties involved in preserving the maritime venture (Brown, 2010). In such situations, K&R underwriters' consent to lift the confidentiality requirement, recognizing that in the event of a piracy incident, preserving secrecy could significantly harm the interests of other insurers. These insurers must be informed and work together in a coordinated manner to ensure an efficient and effective response to the situation (Mody, 2010). For example, in a scenario where the ransom payment exceeds the agreed limit set under the K&R policy and surpasses the vessel's insured value, it becomes critically important for the H&M marine or war risk insurers to step in and provide coverage beyond that established limit. This ensures that all financial obligations arising from the piracy incident are adequately addressed and that the vessel owner's interests are fully protected (Marsh, 2011). Conversely, K&R insurers are not liable for any physical damage or loss that should be covered by traditional insurance policies, such as hull insurance, war risks insurance, or P&I insurance. In this regard, the shipowner carries the ultimate responsibility of carefully assessing and ensuring that the existing insurance arrangements are comprehensive enough to adequately cover any damage or loss that may occur as a result of a piracy attack. This responsibility highlights the necessity for shipowners to maintain a thorough and proactive approach to risk management, ensuring full protection against all potential threats (Brown, 2010).

3.3.2 PIRACY COVERAGE UNDER CARGO INSURANCE

Historically, piracy related to marine cargo insurance was classified as either a marine or war risk, depending on the terms outlined in the SG form (Mody, 2010). Following the Spanish Civil War in 1937, piracy was solely categorized as a war peril. However, the classification of piracy shifted once more with the introduction of the Institute Cargo Clauses in 1982 (Dunt, 2016). At this time, although not explicitly mentioned, piracy is considered a marine peril under both the ICC (A) 82 and 09 policies, as these policies provide coverage for all risks except those specifically excluded (Todd, 2010). Piracy is specifically excluded under clause 6.2 of the ICC (A) when it falls under the War Exclusion Clause (Hodges, 1996). The responsibility of demonstrating whether the damage resulted from a marine or war peril rests with the insured, as established in *Feuiltault Solution Systems Inc. v. Zurich Canada et al*. (Bolger, 2012). It is crucial to emphasize the precise interpretation of the term "all risks," a concept that was elucidated in the landmark case of *British & Foreign Marine Insurance Co. Ltd. v. Gaunt*. In this case, it was expressly clarified that the scope of coverage does not extend to every possible form of loss or damage, but rather is limited to those that arise from an unexpected or fortuitous

event or casualty. A similar issue was examined in the recent case of *Nelson Marketing International INC. & Sun Alliance Insurance Co. of Canada*, where the Judge decisively upheld that the loss in question must stem from an accidental occurrence or external unfavorable conditions. Consequently, the term "all-risks" is subject to particular constraints, including exclusions for inherent defects or intentional misconduct by the insured, as well as any other exclusions explicitly outlined in the policy (Gilman and Merkin, 2008). It should be mentioned that, similar to hull insurance policies, the issue of whether loss or damage to cargo resulting from a piracy attack is adequately covered under the ICC (A) 82 or 09 depends on how the act is interpreted. If the incident is classified as a riot, terrorism, or malicious act by individuals, it will be excluded under clauses 7.2, 7.3, and 7.4 of the ICC (A). In a similar vein, the risk of piracy is excluded under the ICC (B) or ICC (C) 82 and 09, which only cover the specific “named perils” outlined in the policy, and piracy is not one of the insured risks (Mody, 2010). It is also important to highlight that piracy coverage is subject to a seven-day notice of cancellation by the cargo underwriters, allowing them to apply higher premium rates or revise the terms and conditions of the policy (Gliha, 2018).

3.3.3 HULL & MACHINERY (H&M)

Under the hull and machinery insurance policy, a shipowner is protected against any type of loss or damage caused to the vessel by an insured peril. The extent of the recovery is based on the vessel's agreed value, which is explicitly outlined in the policy (Mody, 2010). The specific terms and conditions under which a shipowner can obtain insurance are outlined in several ICH forms currently in use, including the Institute Time Clauses - Hulls 83 and 95, and the Institute Voyage Clauses – Hulls 83 and 95. However, the 83 version remains the most commonly preferred option to date. In 2002, the International Hull Clauses (IHC) were officially implemented by the Joint Hull Committee (JHC), in collaboration with leading average adjusters and brokers. This initiative was designed to enhance the level of precision and certainty in the handling of claims, thereby ensuring a more structured and effective approach to addressing issues arising within the realm of hull insurance. The updated IHC 2003 version is presently in use (Hudson et al., 2012). While the contractual parties hold the authority to modify the terms and provisions of the IHC 2003 insurance policy, any inclusion of new clauses, exclusion of existing ones, or significant changes to the current terms must be executed with utmost care (Lindley, 2003).

Under U.K. insurance market, piracy is classified as a marine risk and is explicitly covered under various clauses. In particular, piracy is recognized as a covered risk under clause 6.1.5 of both the ITCH 83 and 95, as well as clause 4.1.4 of the IVHC 83 and 95. Additionally, piracy is included within the coverage of clause 2.1.5 of the IHC 2003. Nevertheless, none of the aforementioned clauses offer a precise definition of the term "piracy" within the context of marine insurance law. Consequently, if the violent act in question does not align with the legal definition of piracy, the shipowner may face significant challenges in recovering the incurred loss or damage under the hull insurance policies (Todd, 2010). In response to this, and as a means of addressing the ambiguity surrounding the definition of piracy, it would be wise to examine how the courts have approached this issue in various legal cases.

3.3.4 PIRACY COVERAGE UNDER LOSS OF HIRE (LoH) POLICY

As outlined previously, ransom payments can be reclaimed under hull, war risks, or a K&R policy, provided that such a policy is in place. However, it is important to note that none of these insurance policies extend coverage for the loss of hire or earnings incurred due to a vessel being detained as a result of a piracy attack (Paulsen, 2009). Traditional Loss of Hire (LoH) insurance policies come into effect when the agreed hire rate is no longer payable under the charter party contract, typically due to the vessel being removed from service (Marsden and Green, 2018).

The issue of whether an act of piracy falls within the scope of an off-hire clause remains a subject of extensive debate, with ongoing discussions about the precise circumstances under which such an event can be deemed an off-hire occurrence. It is evident that a range of complex legal questions have arisen concerning the interpretation and application of various off-hire clauses, particularly in relation to piracy incidents (William, 2011). The primary issue that needs to be resolved is determining which contractual party bears the risk during a period of detention by pirates, and under what conditions the charterer has the right to make a valid deduction from the hire (Marsden and Green, 2018).

The determination of whether an act of piracy can be classified as an off-hire event hinges entirely on the precise wording and formulation of the off-hire clause within the various charter party agreements. In the event of a legal dispute, it ultimately depends on the interpretation the Court applies to the provisions outlined in the clause (Williams, 2011). To ensure adequate protection of both the shipowner's and the charterer's rights and interests in the event of a piracy

attack and the resulting loss of earnings, it is essential to purchase a standard LoH policy or extend the coverage of the existing K&R insurance policy (Marsh, 2011).

3.3.5 PIRACY COVERANGE UNDER GENERAL AVERAGE AND LABOUR COSTS

As previously noted, when a ransom is paid following a piracy incident to secure the release of the vessel, crew, and cargo, cargo interests may later be required to contribute to the amount paid if the shipowner declares a General Average (GA) event (Sakellaridou, 2009). The key question that arises is whether such a contribution from the cargo owner can be recovered under existing cargo insurance policies, either as a general average contribution or as a sue and labor expense, especially if the cargo owner personally contributes to the ransom payment.

Regarding the general average contribution, it should be emphasized that all the cargo insurance policies mentioned above offer coverage. However, if the cargo interests have purchased either the ICC (B) or ICC (C) policy, their contribution towards the ransom paid to the pirates by the shipowner may not be recoverable from the cargo insurers. This is because piracy is not covered under these policies, as it is considered an uninsurable risk (Lewins and Merkin, 2011).

Nevertheless, the contribution of cargo owners towards a ransom, if declared as a general average (GA) event, could be recoverable, provided the ICC (A) policy has been purchased, as this policy explicitly covers the risk of piracy (Steer, 2009). Furthermore, as discussed earlier, ransom payments can be recovered under the sue and labour clause, provided the payment made to the pirates was reasonable and did not surpass the value of the goods.

Given this context and recognizing that failing to pay the ransom could lead to a total loss under the cargo policy, it is reasonable to argue that such a direct contribution may qualify as a legitimate sue and labor expense. As a result, the amount paid could be eligible for reimbursement by the cargo insurers (Lewins and Merkin, 2011).

3.4 PREMIUM CALCULATION MODELS FOR PIRACY

Such a complex phenomenon as piracy certainly poses a challenge to the insurance market regarding how to calculate its premiums. On the one hand, the particularities of the marine environment and ships, the difficulty of gathering sufficient economic data and broader information in general, as well as the highly variable factors that affect the phenomenon, make the creation of a model capable of establishing an overall premium for piracy a rather difficult task.

3.4.1 PREVIOUS MODELS

The factors that have taken into account for calculating the premium in this model are the ship's value (Hull value), the previous involvement of the ship in piracy (No Claims Bonus), the additional insurance of the crew or not, for kidnapping and ransom (K&R Insurance) and finally the use or not, on the part of which armed guards for protection.

Upon observing it, we will find that when calculating, it is taken for granted that the insured ships are not involved, so they all receive 50% of the discount on premiums. Six possibilities are then considered:

1. The ship must have made additional insurance for kidnapping and ransom of the crew (additional 20% discount on insurance premiums). Thus, the premium is set at 30% of 10% of the ship's value (0.03 *Hull Value).
2. The conditions of paragraph (1) must apply and in addition it must have armed guards. He then receives an additional 10% discount, and the Premium value is set at 0.02* Hull Value.
3. Not to have additional insurance for kidnapping and ransom, then he does not receive any additional discount other than the initial one for no previous involvement and thus the value of the premium is set at 0.05* Hull Value.
4. If the data of paragraph (3) apply but he has hired armed guards for protection, then he will receive an additional discount of 10% and the final premium will be set at 0.04* Hull Value.

Finally, the organization has estimated that 12.5% of ships fall into category (1) above, 37.5% into category (2), 12.5% into category (3) and 37.5% into category (4).

3.4.2 MODIFICATION OF THE ORIGINAL MODEL

In 2012, OBP published in its corresponding financial report on piracy a modification of its previous model. This amendment does not change the parameters that remain as in the original; rather, it addresses the differences in the discount of premiums in each category. Thus, keeping constant the discount for non-involvement of the ship in the past in a piracy incident constant at 50% of the maximum premium, the final premium that will arise per category is:

1. 0.025%*(Hull Value), in the first category (K&R)
2. 0.015%*(Hull Value), in the second (K&R and guards)
3. 0.05%*(Hull Value), in third (without K&R, without guards)

4. 0.03% * (Hull Value), in fourth (without K&R, with guards).

3.5 RECOURING COSTS

Vessels that are slow and lack the ability to maneuver effectively are the most vulnerable to piracy threats. Consequently, steering clear of high-risk areas may ultimately prove to be a safer and more cost-effective strategy. For example, a ship might opt to circumvent the Gulf of Aden and the Suez Canal by navigating around Africa via the Cape of Good Hope to mitigate piracy risks.

Although specific data regarding the percentage of shipowners and masters who choose to reroute their vessels through this longer path is lacking, several companies have publicly reported the decision to redirect their fleets around Africa. For instance, *A.P. Moller-Maersk*, the largest shipping company in Europe, has rerouted all of its 83 tankers. Similarly, Norwegian companies such as *Stolt* (which operates a tanker fleet), *Odfjell* (with 90 tankers), and *Frontline*, one of the largest oil transporters globally, have also made similar diversions.

Oceans Beyond Piracy, which calculates these costs, assumes that about half of this ($18 billion) is a result of reduced shipping volumes related to the recent global economic downturn. Therefore, we can assume that approximately $10 billion of the traffic from ships passing through avoids this area due to the threat of piracy.

It carries an additional cost; for example, a supertanker travelling from Saudi Arabia to the U.S. via the Cape of Good Hope tacks on some 2,700 kilometres. Re-routing from Europe to the Far East will add about six more days to a liner's journey and up to 15 to 20 more days for a cargo ship. The increased transit time lost reduces the number of annual voyages a vessel makes from six to five, which is a reduction equal to 17% in annual capacity.

3.6 THE COST OF CRIMINAL PROSECUTIONS AGAINST PIRACY

All states are entitled to exercise universal jurisdiction over the crime of piracy. Any country can exercise criminal jurisdiction over an offense committed on the high seas; thus, universal jurisdiction is generally described as a "weak" or "passive" principle. The development of the law relating to piracy has been reinforced by several factors, the most crucial of which appears to be national interest. Economic reasons also contribute to the suppression of piracy, as well as perceived breaches of the peace, territorial incursions, and other existing laws. It is upheld by international cooperation such as UNCLOS.

This is instrumental in giving countries an easier method out when they're pursuing prosecution for piracy. Other challenges faced by countries as they engage in anti-piracy trials include logistics and costs related to manpower and infrastructure. Additional challenges include developing specialized capabilities and rules that address international crimes that fall under universal jurisdiction. Another reason that several countries have sought to engage in anti-piracy trials is the application of universal jurisdiction for such crimes. Some have had challenges running these gigantic and complicated international crime cases. It's why some have turned to decide to enact special legislation and treaties to help them hear some categories of cases. And a key component of the other category this report reviewed is the anti-piracy trials.

CHAPTER 4
LEGAL DIMENSION OF PIRACY

4.1 LEGAL DIMENSION

The nature of certain criminal offences justifies any State punishing the offender(s) for committing them. This category includes crimes that undermine the foundations of the international legal order, which is why states are committed to punishing the perpetrators as an example, because they and their actions brutally offend the international legal order. The least controversial examples of such crimes are war crimes, piracy, hijacking and other terrorist acts (Vamvoukos, 1991).

4.2 UNITED NATIONS CONVENTION ON THE LAW OF THE SEA

The international community's efforts to address the problem of piracy, which is believed to be the oldest form of illegal activity at sea, are evident in the definition established by the United Nations Convention on the Law of the Sea (UNCLOS). Issues related to piracy are a significant focus of the 1982 Montego Bay Conventions, specifically in Articles 100-107. This highlights the international community's interest in suppressing modern forms of piracy (Tsaltas et al, 2006).

Specifically, in relation to piracy, for a state to assert its authority to prevent and penalize this unlawful action, it is only necessary to meet the requirements set forth in Article 101 of the Constitution, which also serves as the most formal and up-to-date definition of piracy. However, it is concluded that the following three (3) elements constitute the legal form of the international crime of piracy (Tsaltas et al., 2006):

An act of violence, detention or depredation by the crew or passengers of a private ship on the high seas. The act in question must have been committed for private ends. It is directed against another ship or aircraft, against persons or property, in a place outside the jurisdiction of any State.

4.3 THE PRICIPLE OF UNIVERSAL JUSTICE

Legally, piracy, is a difficult concept because it is an offence both for the international legal order and for the internal legal order of a state. The essential difference lies in the right to exercise jurisdiction. In the first case, international law gives the right to warships of any state or other types of ships engaged in public service to take all necessary steps to suppress piracy.

In the latter case, States have the inalienable right to punish the guilty always in accordance with their national law.

Jurisdiction derives from the theory that pirates are enemies of mankind and have placed themselves outside the protection of the state of which they are nationals. Since the place where the offence is committed is on the high seas, any state can arrest and punish pirates (Vamvoukos 1991, 69).

In the definition of piracy, international law requires such acts be committed for selfish purposes. By definition, piracy cannot be committed by warships or other government vessels or aircraft, except when the crew mutinies and takes controls of the the ship or aircraft.

It is also understood that acts committed on board and those committed against the vessel itself or against persons or property on board do not fall under the definition of piracy. More importantly, the intentionally limited scope of piracy to acts on the high seas or in a place outside the territorial jurisdiction of a country means that this definition does not fall under the jurisdiction of any country. Piracy is considered an international crime, and pirates are considered enemies of humanity under customary and international law, particularly the Montego Bay Convention of 1982 (Vamvoukos, 1991).

In particular, as mentioned above, state can exercise sovereignty over the high seas. Therefore, any form of power over the merchant fleet can only be exercised by flag ships and only under certain conditions (Siousiouras et al, 2010). This is as per the 1958 Geneva Convention on the High Seas (Article 10) which refers to the freedom of navigation and the rights of states on the high seas, and the 1982 Convention on the Law of the Sea (Article 94) which clearly stated that is obligations of the flag state to effectively carry out controls and inspections on its ships.

These articles relate to the ability of states to exercise authority and oversee navigation through ships flying their flag and set the conditions for that authority.

According to this principle, ships sailing on the high seas shall be subject to law of the flag State which they fly, which grants them its nationality, establishes their legal status, and creates the basis for the exercise of legal jurisdiction over the high seas. The jurisdiction of the State is twofold. It concerns, on the one hand, both the ship as an object of operation, and its employees in terms of employment relations with their employer.

Article 94 outlines the flag state's obligations concerning safety at sea, ship conditions, and crews. It doesn't specifically list three cases where foreign warships or ships exercising public

authority can exercise jurisdiction over other vessels. For those kinds of rights, UNCLOS provides them under different articles. Specifically:

1. Right of Visit (Article 110): A warship can stop a foreign ship on the high seas if there are reasonable grounds to suspect it is engaged in piracy, human trafficking (slave trade), unauthorized broadcasting, or the ship is without nationality.
2. Right of Hot Pursuit (Article 111): If a foreign vessel commits an offense within a coastal state's territorial sea or other jurisdictional zones and tries to flee to the high seas, that state's warships or authorized vessels can pursue and apprehend the ship.
3. Piracy (Article 105): Any state can seize a pirate ship or aircraft on the high seas or in places outside the jurisdiction of any state. The seizing state can also arrest the persons involved and bring them to justice in its courts.

4.4 PIRACY

International law governing piracy has established the principle of universal jurisdiction, which means that all states have the authority to start legal proceedings to address specific serious crimes, regardless of where they occurred or the nationality of the perpetrator or victim (Siousiouras et al, 2011).

However, there is controversy in the international community regarding the adequacy and effectiveness of the legal framework concerning the arrest and prosecution of pirates. It is considered that this controversy is fictitious and is due to the lack of political will of some States to prosecute, artificially impeding jurisdiction, and effectively relinquishing this right.

Additionally, some states do not have sufficient laws in place to align their domestic criminal law with international legal standards. Moreover, the hesitance to apprehend pirates has resulted in a practice of releasing them only after they have been disarmed, leading to their quick return to illegal activities within a short period of time (Kontoulis 2010).

4.5 NATIONAL LAW

Greek legislation has generally been harmonized with international legislation regarding the offence of piracy. In particular, the Public Maritime Code and the Penal Code contain provisions for the prosecution of pirates, while the TIF has been ratified by law10 since 1995. In addition, Law 3922/2011 defines the responsibilities of the Coast Guard, while specific provisions of the Hellenic Navy outline the duties of the Naval Force Commander in case of intervention against acts of pirates.

4.6 BOARDING – HOT PURSUIT

The boarding and continuous pursuit, as well as the provisions of the TIF concerning the arrest of pirates and the seizure of ships, acquire particular importance in the implementation of action against piracy that warships or ships exercising public authority are entitled to undertake, as exceptions to the principle of flag state jurisdiction.

According to International Law, the right to board is considered legal in a period of war and therefore presupposes a legal regime of war. According to the TIF, the right of boarding may be carried out either by warships and military aircraft or even by authorized state ships or aircraft that bear visible distinctive features (Articles 107-110 of the Constitution). Article 110 of the Treaty on the High Seas (TIF) outlines specific circumstances under which a foreign-flagged merchant ship may be boarded. Here are the five cases mentioned in the article:

1. Piracy: When a ship is suspected of engaging in piracy or has committed acts of piracy.
2. Slaving: When a ship is suspected of being engaged in the slave trade or the transportation of slaves.
3. Unauthorized Broadcasts: When a ship is broadcasting without authorization from a coastal state.
4. Illegal Fishing: When a ship is engaged in fishing activities in violation of international regulations or conservation measures.
5. Violation of Customs Regulations: When there are reasonable grounds to suspect that a ship is violating customs regulations or engaging in smuggling activities.

With respect to the case of hot pursuit, as stated in the relevant customary law (Article 111 of the Constitution), the coastal State is entitled to engage in hot pursuit on the high seas of a foreign merchant ship if there are reasonable grounds to believe that the ship has breached the State's rights within its maritime jurisdiction. However, in order to exercise this lawful right on the high seas, hot pursuit must begin within one of the maritime zones under the jurisdiction of the State and continue uninterruptedly outside them, on the high seas, until the foreign ship is apprehended or enters the territorial sea of its flag State or a third country.

4.7 ARREST – SEIZURE OF A SHIP

In the TIF, and in particular in Articles 105, 106, and 107, there are explicit provisions relating to the rights of States to seize ships and arrest pirates. In particular, each State has the right to

seize a pirate ship or aircraft on the high seas or in any other area not subject to the jurisdiction of another State, or to take possession of a ship or aircraft seized because of piracy and under the control of pirates. It is noted that this right is extended to include the arrest of persons on board, as well as the seizure of all property on board. In addition, it is specified that the courts of the State that made the seizure or arrest are competent both to impose penalties and to apply measures for the ship, the aircraft, or its assets in accordance with Article 105 of the TIF. (Tsaltas et al. 2006).

In the event that the attachment was carried out with insufficient or incorrect information–i.e., the State exercising the right of attachment was misled or attempted unlawful interference for political reasons–in accordance with the provisions of the TIF (Article 106), liability is attributed to the State that carried out the seizure. This liability translates into an obligation to compensate for any loss or damage caused by the seizure.

In addition, Article 107 of the TIF stipulates that the act of seizure may be carried out exclusively by warships and aircraft, or with visible insignia, which clearly indicates that they are performing state service and are authorized to do so (Tsaltas et al., 2006).

4.8 LEGAL FRAMEWORK FOR ANTI-PIRACY OPERATONS

Operations that can be carried out to combat and suppress pirate attacks are internationally part of the broader scope of maritime security operations. The basic international legislation that legalizes maritime security operations and suppression of any illegal act at sea is based on the following institutional texts (Pollatos, 2012):

- Convention on the Law of the Sea, 1982 (UNCLOS).
- IMO Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation (SUA), as well as the 2005 Protocol of Revision to the Convention, which cover issues not provided for by the 1982 TIF, with regard to new forms of crime at sea.
- UN Convention against Transnational Organized Crime, 2000.
- UN Security Council Resolutions (UNSCR), as adopted to date, to tackle piracy in Somalia and Guinea.
- Decisions - NATO and EU directives for member states.

4.9 NATO & MARITIME SECURITY

The Alliance Maritime Strategy (AMS) was adopted in May 2011 and focuses on how maritime power can help solve critical challenges facing the Alliance, in line with NATO's Strategic Doctrine. In addition, it defines the roles that member states' forces can assume in the maritime environment in order to contribute to the defiance and security of the Alliance.

From the above, it follows that for the Alliance maritime security is recognized as one of the four pillars of naval power's contribution to addressing current and future challenges and maintaining a secure maritime environment. According to the AMS, existing national and international legislation is sufficient to allow the Alliance to undertake a range of maritime security operations. Furthermore, maritime security is an enabling area for NATO to cooperate with allied partners, through a coherent approach involving international (UN, EU), state, military and non-governmental actors involved in the management of the marine environment.

In the context of Maritime Security, a NATO concept paper on maritime security operations, entitled 'MC Concept for NATO Maritime Security Operations (MSO)', was issued on 20 April 2011. This institutional document of the alliance contains two definitions of particular interest, those of "Maritime Security" and "Maritime Security Operations" (MSO), while due to its importance and semantics, the definition of "Maritime Security" is translated as follows (NATO MC 0588).

Maritime Security (MS) is the continuous situation in the marine environment in which international and national laws are respected, the right of navigation is preserved, and citizens, vessels, infrastructure and resources are safe. In addition, the MSO Concept specifies the "MSO Tasks" that NATO naval departments may undertake in the context of maritime security operations. However, it should be noted that NATO's actions to combat piracy in the context of maritime security operations are based on the following three MSO Tasks:

- Support for Uphold Freedom of Navigation.
- Maritime Interdiction (MIO).
- Support Maritime Regional Capacity Building (MRCB).

4.10 EU & MARITIME SAFETY

The EU is interested in promoting global maritime development and security by ensuring open and protected sea routes that are critical for trade and access to natural resources. This effort is outlined in the EU Global Strategy for the European Union's Foreign and Security Policy. As

a provider of global maritime security, the EU will pursue the further internationalization and implementation of the SFF and contribute to global maritime security, building on experience from the Mediterranean and Indian Oceans, while also expanding its capabilities in the South China Sea, the Gulf of Guinea and the Strait of Malacca. In this context, an EU Implementation Plan on Security and Defence was launched in November 2016.

4.11 EU MARITIME SECURITY STRATEGY

The elaboration of the EU Global Strategy, combined with its level of ambition, has now elevated to another level the implementation of the EU Maritime Security Strategy (EUMSS) adopted by the European Council under the Greek Presidency, in June 2014, to a new level. The EUMSS covers both internal and external aspects related to EU maritime security issues. At the same time, is acting as a coherent framework for contributing to a stable and secure international maritime environment, which the EU considers an invaluable source of growth and prosperity for the Union and its citizens.

The purpose of the EUMSS is to protect the EU's maritime security interests against a multitude of risks and threats in the international marine environment, which pose challenges to European states. As such, it recognizes first of all, issues of interstate competition, such as the threat or use of force against sovereign rights in the maritime zones of EU member states. However, the scope has been expanded to encompass actions from non-state actors, like terrorism, cross-border organized crime, piracy, armed robbery at sea, denial of freedom of navigation, organized migrant smuggling networks, arms and drug smuggling, and environmental security concerns such as uncontrolled exploitation of natural marine resources, uncontrolled fishing, marine pollution, climate change, and natural disasters. (European Union Web Page).

In this context, the EUMSS identifies the following five areas of application in order to strengthen the EU's response/response to maritime security issues:

- External action.
- Maritime awareness, surveillance and information sharing.
- Capability development.
- Crisis response, Risk management, protection of critical maritime infrastructure.
- Maritime security research and innovation, education and training.

Moreover, the EUMSS text comes to define the very concept of Maritime Security:

It may be defined as a state in the global maritime domain where international and national law is prevalent, maritime security is assured, and protection over citizens, infrastructure, transport, environment and resources of the sea are provided. Thereafter, in order to address the strands of the Maritime Security Strategy for the European Union, an EUMSS Action Plan was developed; endorsed by the Council of the European Union in 2014, it corresponds to the same five areas of implementation of EUMSS.

4.12 EU PERMANENT STRUCTURED COOPERATION (PESCO)

In December 2017, the European Council formally established the launch of the "Permanent Structured Cooperation on Defense and Security in the EU" initiative (PESCO), which is a framework agreement, as well as a structured process, based on and stemming from the provisions of the Treaty of Lisbon, with the aim of deepening defence cooperation among EU Member States and enhancing operational cooperation. readiness and contribution of their armed forces.

4.13 APPLICATION OF HUMAN RIGHTS LAW AFTER ARREST

The international community is very concerned about the arrest of the pirates and their subsequent criminal prosecution.

In contemporary international law, pirates are not considered belligerents under the law of war or illegal combatants. Some writers on international law have put forward that operations against pirates conducted within the territorial waters support of a coastal state may be classified as "armed conflict of a non-international character," the pirates would be entitled to protection under Article 3 of the Geneva Conventions (Siousiouras at al, 2010).

Rather, pirates benefit from the protections and entitlements extended to criminal defendants. Indeed, international law accords pirates protections, such as humane treatment, non-arbitrary detention, the right to be brought before a judicial authority without undue delay, the right to a fair trial, and non-transfer to a country where the death penalty is applicable, amongst others. These are treaty-based obligations imposed by States Parties, and most States in the Horn of Africa have awarded them (Siousouras et al, 2010).

Take, for example, the December 2014 ruling of the European Court of Human Rights in the case of Ali Samatar v. France, where it held that France had violated the rights of Somali pirates and should pay them compensation. These incidents occurred in 2008 when Somali pirates seized two ships, after which the French navy captured them.

However, they were detained without trial for more than 48 hours, in violation of French law. Since their trial took place after four (4) and six (6) days, respectively, it was considered a violation of their human rights (Kiss, 2015). For this reason, a possible approach is to precede arrangements and support at regional level (e.g., in Kenya), so that there is a fully functional and acceptable network of investigative and judicial capabilities that delivers justice in such cases (Siousiouras et al, 2010).

4.14 LITIGATION

To understand the provisions of international law on piracy, it is necessary to list three court cases that contributed to the formation of the Law of the Sea. The first case occurred on August 2, 1926, when the Turkish ship Boz-Court sank after colliding with the French ship Lotus north of Mytilene. When the Lotus arrived in Istanbul, the Turkish authorities prosecuted both the Turkish captain and the French commander of the ship. The Permanent Court of International Justice upheld the practice followed by the Turkish authorities and concluded that the flag state whose citizens have been affected can punish offenses committed on the high seas under its domestic law.

The 1952 Brussels Convention and the 1982 Convention on the Law of the Sea confirmed the exclusive competence of the flag State for a collision on the high seas and the shared competence of the State that committed the offence (Siousiouras et al, 2010). In the second case, on January 22, 1961, the Portuguese-flagged cruise ship Santa Maria was seized by gunmen who boarded as passengers. The occupiers killed crew members and declared their act to be part of the ongoing revolutionary struggle against Portugal's dictatorial regime in Salazar. After a long period of negotiations, the gunmen landed in Brazil and applied for asylum, a request that was accepted by the Brazilian government. Their act was not considered piracy because it occurred on the same ship and not against another ship (Marley, 2010).

Finally on October 7, 1985, four members of the Palestine Liberation Front hijacked the Italian ship Achille Lauro. Having originally boarded as passengers, at some point in the journey they seized control of the ship. Taking the passengers as hostages and threatening to blow up the ship if their demand for Israel release 50 Palestinian prisoners was not met, they subsequently murdered a Jewish-American passenger in a wheelchair and threw him overboard. The U.S. classified the act as piracy, but the perpetrators were convicted of terrorism by an Italian court. At that time, acts of terrorism on board ships were not international crimes. Because of this, the Italian government spearheaded the Rome Convention on Safety and the Suppression of

Tort on Navigation at Sea, filling the legal vacuum of the 1982 Convention on the Law of the Sea (Murphy, 2007).

CHAPTER 5
BEST PRACTICES IN MANAGING THE PHENOMENON OF PIRACY

5.1 RISK ASSESSMENT

The most recent version of the Best Management Practice (BMP5) was released in 2018 to assist ships in planning their voyages and in detecting, avoiding, deterring, delaying, and reporting attacks. While writing was involved the major stakeholders in shipping industry, non-governmental organizations, as well as the NATO, the Royal Navy, European forces in Somalia and Interpol. Prior entering into the high-risk area (HRA), ship management companies and ship's Masters are encouraged to conduct a detailed risk assessment of the probability and consequences of a pirate attack on their vessel using the latest available information (NATO Shipping Centre, 2018). The risk assessments should bring out the preventive, mitigating, and deterring measures. It gets linked with administrative controls and other complementary actions to ensure that no piracy incident occurs. Ships and navigation risk assessments need to be specific. Not general.

Key BMP5 risk assessment factors include:

1. Safety of the crew

The Master is responsible for ensuring that all appropriate measures have been taken for the safety of the crew and vessel and for contacting all appropriate parties and authorities. When taking steps to prevent illegal boarding and unauthorized access to the interior of the vessel, care must be taken to ensure that the crew is not trapped inside during an attack or during an emergency for example fire or flooding. The location of any Safe Muster Point and/or Citadel should be known to all crew members. This location should only be shared with relevant third parties such as military or law enforcement authorities responding to an incident.

2. Deck height:

If pirates are going to board the ship at the lowest point above the waterline, it's going to be relatively easy for them to do so. Usually, these points are at the ship's stern where the freeboard is at the lowest. Experience has shown that ships with less than 8 meters freeboard are much more likely to be attacked from pirate. High freeboard is considered as an additional protection measure since it makes more difficult the attempts of pirates that they are looking for a way to get on board more difficult. A large freeboard may not be enough to stop the pirates' attacks.

3. Vessel Speed

Increasing speed makes can be considered an effective way for a ship to repel a pirate attack. There are limited reports of pirate attacks on ships with speeds of more than 18 knots. However, you can develop your pirate tactics and skills to ensure that you can board the fastest moving ships. Therefore, it is recommended that the vessel to increase to maximum speed when passing through high-risk areas. It is crucial to increase the speed immediately after detecting a suspicious vessel and as soon as possible. If the ship is part of group transits and national convoys, then it may be necessary to adjust the speed in accordance with the instructions of the commander.

5.2 ADDITIONAL SHIP PROTECTION MEASURES

The installation on the outer decks of optics that will control the sea area around the ship to warn the master in good time of any suspicious activity. They should also be placed in visible places and models of people, dressed in bright colours, so that they can be perceived from afar, making the attackers believe that they have been noticed, so losing the advantage of surprise will initially thwart the attack and save time from the ship.

The shielding with railings of the windows of the ship's bridge, so that even if the pirates climb, they will find it very difficult to enter and be able to take control of the ship. It is also recommended to install a metal plated and or meshes in the areas around the bridge to divert access to it.

The placement of physical barriers around the vessel to make it as difficult as possible for pirates to board. In practice, you place barbed wire similar to that of camps on one or more levels in order to be effective.

The creation of a network around the ship, which will pour water or foam under pressure into the sea, to make it difficult for pirates to move near the ship.

The ship should be able to make small adjustments to its course while increasing speed to prevent the boarding skiff craft from approaching alongside the ship in preparation for boarding. These maneuvers will create additional waves and make the operation of small craft difficult.

A CCTV system may be installed on the ship to detect any suspicious movement in the vicinity of the ship or on board within the first few minutes in the unlikely event of pirates boarding.

Each ship must have a designated muster point, known as the citadel, which can accommodate all the ship's personnel. The whole concept of the citadel approach is compromised if any of the crew are left outside before it is secured.

The use of guards, whether armed or not, is now essential. The final decision is under the managing company of the ship and the Company Security Officer (CSO) taking into consideration the Master’s proposal and the results of the risk assessment that they have done. Various factors, including but not limited to the trading area, the latest incident in the area, and the weather conditions, are analysed and taken into consideration. The selection of guards assumes that the security company contractor is approved by the ship's managing company and fully complies with its standards, as they are potentially the ship's last line of defence.

CHAPTER 6
PROPOSALS TO ERADICATE THE PHENOMENON OF PIRACY

6.1 IMO ACTION TO COMBAT PIRACY

In recent years, the rise in piracy at sea has become a significant concern for the shipping community. As a result, the IMO has been set the combating piracy as a major objective (International Maritime Organization, 2013). However, the piracy has evolved too complicated and entrenched for one entity to control it effectively.

The United Nations, Governments, military, shipping management companies, and the seafarers have a significant role in industry to eliminate this specific crime. It takes a collective will, which is why the IMO decided to focus among the other to enhance a coordinated response to counter-terrorism, which enabled us to draw some very useful conclusions. A multi-pronged action plan has been devised by IMO to address issues at different levels.

The rationale for the IMO Action Plan is based on the fact that areas such as Pretoria, South Africa, the waters off the coast of Somalia, and the Indian Ocean are piracy "hot spots". A framework has been created for a common reference among all countries in the region. This is how the Djibouti Code of Conduct, was created and established by the IMO. It is an important component of the anti-piracy strategy, aimed at enhancing regional capacities in counteracting piracy in the Gulf of Aden (GoA) and the Indian Ocean. The countries that have signed the Code include Djibouti, Ethiopia, Kenya, Madagascar, Maldives, Seychelles, Somalia, the United Republic of Tanzania and Yemen. Comoros, Egypt, Eritrea, Jordan, Mauritius, Mozambique, Oman, Saudi Arabia, South Africa, Sudan and the United Arab Emirates.

6.2 THE WORD BANK'S PROPOSALS

A recent analysis from the World Bank regarding the human and economic impacts of the piracy issue poses the question, "Can Somalia not 'buy' a way out of piracy?" In addition, "The international community cannot rely solely on law to defeat piracy at sea or on land" (World Bank, 2013).

In Mogadishu airport in 2013, with the backing of Somali President Hassan Sheikh Mohamud, the World Bank's new report was launched: "Piracy in Somalia: Ending the Threat and Rebuilding the Nation". The title implies that a sustainable solution to stop piracy will require the restoration of a stable Somali state that can offer essential services throughout the country to alleviate poverty and generate opportunities. We also need to acknowledge the complexity

and instability of local politics in shaping how to provide better health, education, nutrition, and other services to Somalis, especially those living in areas where piracy is rapidly increasing (Diop, 2013).

As explained in the report, “the solution to Somali piracy is first and foremost political” (World Bank, 2013), says Makhtar Diop, World Bank Group's Vice President for Africa, and Kaushik Basu, World Bank Group's chief economist. The report confirms that the international community can and should support Somalia by providing expertise beyond just firepower and financial resources. It should focus on understanding how Somalia's dynamic behaviour influences the rules of resource allocation, and ultimately how to achieve national political stability. This is crucial in finding solutions to the piracy problem.

Somali pirates primarily engage in ransom schemes targeting shipping companies. They heavily rely on shore-based support and infrastructure, including mechanisms for providing food, water, fuel, and drugs. Additionally, “militias” are responsible for guarding seized vessels during ransom negotiations.

To operate effectively, Somali pirates require access to coastal areas and protection from the criminal factions. The fact that pirates may anchor their skiffs along Somalia's coastline reflects their ability to gain the support from government officials, business interests, tribal leaders, armed groups, and local communities.

At anchorage areas, pirates are able to utilize a combination of negotiations and physical force to guarantee unrestricted access to the coast for extended periods. the local commanders (chiefs) are the main culprits behind Somali piracy, as they pocket a significant amount of the pirates' earnings. Without the ability to moored the captured ships, the pirates would not have been able to accomplish their goals.

The Director of Somalia, South Sudan, and Sudan at the World Bank, emphasizes the importance of collaborating closely with the governments of Somalia, South Sudan, and Sudan to restore essential services to the Somali people and to guide the country towards development and prosperity (World Bank, 2013).

Understanding the history of piracy in cities and communities along the Somali coast will provide the new government in Mogadishu and the international community with valuable insight into the necessary development strategies and partnerships needed to combat piracy in the region. Establishing a successful new Somali government will be crucial in taking control

of the situation in East Africa. It is imperative that the current approach to anti-piracy be reassessed and adapted.

According to a joint report by Interpol, the World Bank, and the United Nations, pirates profit only 1 in 300 annually cases of ransoms. Current land or sea policies to deter Somali piracy are likely to be ineffective or unsustainable. Ground interventions, such as local economic development and law enforcement initiatives, aim to discourage young people from becoming pirates by increasing the attractiveness of alternative careers or threatening to face lengthy prison sentences if caught. Analysts are warning that pirates may start offering higher wages to impoverished and jobless teenagers and young people in Somalia, thus putting them at risk of being captured or killed at sea. The shipping industry's belief that increased security can only be attained by using heavy weaponry, guards, and naval patrols is incorrect. They strongly believe that repression is the only successful solution, but it comes at a certain cost when enforced.

Quy-Toan Do (2013), senior economist in the World Bank's Research Department and vice president for Africa at the World Bank, wrote in a report on combating this phenomenon, “The high cost of these countermeasures may not be sustainable in the long term, given the heavy reliance on land for piracy off the coast of the Horn of Africa. The long-term solution would involve making political agreements with local leaders who have the power to stop piracy on land and create the conditions to solve the problem” (Diop, 2013).

6.3 THE POSITIONS OF OTHER ORGANISATIONS

At a conference held in Dubai on September 11-12, 2013, with the theme “Combating Maritime Piracy”, Jon Huggins, the Head of the Oceans Beyond Piracy Programme at the One Earth Future Foundation, proposed another alternative (One Earth Future Foundation, 2013).

Ongoing efforts to enhance regional capabilities raised several issues unrelated to repression, but rather focused on preventing this phenomenon through the establishment of regional structures in the Somali state. His proposal is similar to that of the World Bank mentioned earlier.

6.3.1 THE NEED FOR A COHERENT FRAMEWORK

The shipping industry strongly wants to get back to safe waters without armed guards; eliminating pirates through their business model on land is one way to do this. Many as these coordination mechanisms are for counteracting piracy, all of which are directed at developing

permanent solutions have no basis in consensus. Some of the issues are pertinent to the nature of the challenge, and several interested parties are trying to work together to address complex challenges without clear responsibilities and obligations. While some stakeholder groups supported efforts that resulted in a relatively successful risk reduction at sea, a lack of coordination between the groups limited any headway toward lasting solutions.

He said that one sector that has worked well with best management practices is the shipping industry, but it does not work if there are no stakeholders. Local Somali authorities have managed to minimize piracy attacks in their region, as Vestergaad (2013) observed. They, however, could not actively contribute to the formulation of long-term solutions to combat piracy because of their reluctance to cooperate with other international actors working in the area. Governments and international organizations come together under the CGPCS to understand the entire problem and take some political initiatives with the Government of Somalia to address the issue (Vestergaad, 2013).

Despite all these many efforts, some challenges have been overcome through the resources brought into the country and maritime industry when trade lanes are at stake. A common approach is very important because initiatives from the parties are very expensive and often uncoordinated and contradictory. It can hardly fulfil the diverse policy requirements of all relevant countries and international organizations and the stakeholders cannot be expected to keep offering resources at the same level in the coming years as the number of recorded attacks decreases. This means that, even without an agreed strategic plan, these actions should be coordinated more effectively to ensure lack of duplication and mutual interference.

The strategy being the One that has been or is being developed by Somali representatives with the international community's assistance can be revised or is likely to serve. As, after it is taken and signed as a cooperation and coordination anti-piracy capability. For it to take effect, structural adjustments shall be done with the countries agreeing and signing upon them with international organizations. Because of this, the regional capacity development strategy may lay claim of right on future development. It may also take this as addiction good practice by international cooperative initiatives with the maritime region of Somalia which did not help in restoration bilateral issues no end left-Handed (Houben, 2013).

Although there may just be public sparring over a comprehensive plan, it is realistic to expect that major donors and international organizations will be able to, in consultation with the

Somali authorities, agree on key goals. Goals that should support a gradual reallocation of resources from security to development and potential investment in Somalia.

These measures have to be implemented concurrently for them to offer mutual support and consolidate gains. In the Somali Maritime Resources and Security Strategy, the stakeholders and key areas earmarked for development were prioritized by the authorities. Here are some recommendations on how to garner multisector support for each of these areas (Huggins, 2013).

6.3.1.1 SAFETY

Most developments, especially in the field of maritime safety, lean heavily on international navies. Localizing a force to implement this and extend security into the interior will be an order of magnitude more challenging. Landlocked in September 2013 the opportunities for maritime security development are laid out by Somalis with 18 international organizations and eight countries affirming that priorities established in the *Somali Maritime Safety and Marine Resources Protection Strategy* should be based in Somalia.

This is the message that must go out internationally: that Somalia's priorities are sovereign state priorities. Therefore, the highest priority incumbent upon Somali authorities is to guarantee sovereignty over their territorial waters and exclusive economic zones — which includes the prevention of illegal, unreported and unregulated fishing — and the prevention of maritime crimes such as smuggling and human trafficking. The Somalian coast is situated along the principal shipping routes for merchant ships. As a result, one must consider the shipping industry as a full partner defining the requirements for the normalization of maritime transport in the region.

6.3.1.2 DEVELOPMENT

It behoves the local authorities in Somalia to collaborate with development efforts by governments, international organizations, and NGOs. All this is to ensure mutual support for the local providers enlisted to supply discounted or counterfactual worthless food. Other nations seeking to invest in a resource mining initiative have to be warned of possible exploitative deals they might get into. These could even relate to oil and other non-renewable resources obtained during mining activities. Public-Private participation may encourage sensitive private investors not to contravene Somali government priorities. That also does not take peace in the long-term prosperity of the region hostage.

Economic and security development can be directed towards geographic areas that Somalis have identified as capable of supporting trade flows and promoting local investment. The ports identified by Somali authorities include Berbera, Bossasso, Mogadishu, Kismayo, and Hobio.

A “port and maritime development” internal strategy would be developed by regional bodies that should be tied to port and maritime development. This would ensure the infrastructure (roads plus utilities plus services) needed to support market access (particularly for the development of port areas) (Huggins, 2013).

6.3.1.3 INVESTMENTS

Safety is the hardest thing for imitators to hurdle, other challenges must be addressed too to normalize the investment environment. Coordination of appropriate market laws and regulations is needed from the governments, local government and ministries with regulatory responsibility for impulse investment.

The international community and private sector should continue to collaborate to improve transparency in governance and remittance systems to ensure a steady flow of investment funds and remittances into Somalia. Efforts by the Somali Navy and other agencies to secure port infrastructure should focus on reducing risks at Somalia's ports and eliminating high surcharges for cargo entering and leaving the ports.

In conclusion, Somali pirates in recent years have caused billions of dollars in losses to the global economy. Most of this money has been spent on expensive anti-piracy measures at sea, or on effective but costly mitigation efforts. However, recent positive political developments in Somalia have opened a “window of opportunity” for Somali authorities to invest in sustainable long-term solutions that can help build maritime security and boost the country's economic development. Only then will the human and economic costs of piracy be significantly reduced (Huggins, 2013).

6.4. GREEK PARTICIPATION - CONTRIBUTION

As a preeminent maritime nation with a strong presence in international shipping, Greece fully supported the international community's concerns about freedom of navigation in the Horn of Africa and the Gulf of Guinea, and consequently the increase in piracy incidents that directly affect global maritime commercial activity. In this context, the United Nations actively supports all international actions and initiatives, as well as actively participates in shaping

international developments on the issue of combating piracy on the basis of the Convention, relevant decisions of the SC/UN and national laws.

Our country is a founding member of the Contact Group on Somali Piracy (CGPCS) and participated in the group's first meeting in New York on January 14, 2009. In addition, in the first half of 2010, I chaired the Liaison Group in response to favourable comments at the end of my term regarding the conduct of the Sixth Contact Group meeting held in New York on June 10, 2010.

Within the framework of NATO, Greece actively participated in all anti-piracy operations (Allied Provider, Allied Protector, Ocean Shield) with the contribution of naval units to the Alliance's permanent NATO Maritime Groups 1 and 2 (SNMG). In addition, the decisive contribution of the Maritime Interdiction Training Centre (KENAP-NMIOTC) in the provision of Allied training and professional training services in relation to capacity building of the Djibouti Platform for Action (DCoC) initiative member states under the auspices of the IMO and the African Union's (AU) Standing Army for East Africa (EASF) is highlighted.

Recently, KENAP has also focused its attention on West African countries due to the occurrence of piracy in the Gulf of Guinea. Since 2012, 337 trainees from 27 countries have been trained in MSO-related subjects, particularly maritime affairs, to strengthen law enforcement capabilities in the fight against piracy.

In particular, with regard to KENAP, Greece clarifies that, although it is under NATO Education and Training Facilities (NETF) status and is included in NATO's Allied Command Transition (ACT) headquarters, it can provide the services of the center for friendly countries that are training partners as a primary state under the agreement of ACT45. Within the framework of bilateral relations. This operational capability was fully utilized by our country in the context of the implementation of the military cooperation program of the HNDGS and actions taking place through the General Staff. To date, KENAP has demonstrated approximately 7,000 trainees in more than 200 naval units, and 77 countries have utilized KENAP's training products.

In addition, since November 2016, our country has sent troops to NATO's maritime security operation “Operation Sea Guardian”, which carries out maritime security missions (MSO missions) directly related to the fight against piracy in the Mediterranean region. Within the framework of the EU, Greece is participating in Operation ATALANTA and as noted, the first tactical commander of the operation was a senior officer of the Greek Navy aboard the Psara

PV, which operated as a command ship from December 2008 to April 2009. In addition, senior officers in the Greek Navy serve as staff officers in Operation OHQ (Operations Headquarters) in Northwood, London.

However, it is also worth mentioning the private initiatives of the Greek shipping community to prevent the occurrence of piracy, which on the one hand adhere to a large extent the IMO Guide of Good Management Practices (BMP5) and on the other, take advantage of the provisions of Law 4058/2012 on the boarding of armed guards on ships. As mentioned above, it contributes to the strengthening of the ship's defences and the training of the crew on safety issues.

CHAPTER 7
CONCLUSIONS – PROPOSALS

7.1 CONCLUSIONS

It is important to identify, study, and evaluate the phenomenon of piracy in accordance with international law and modern developments. Today, pirates are much more than bandits who set up ambushes for financial gain. Pirate activity is linked to organized crime and can even be considered a Casus Belli – a threat of war – for the entire international system affecting the balance of power.

An examination of the geographical footprint of modern piracy clearly indicates that it occurs almost exclusively in the maritime areas of weak states in the so-called developing South, where there is a collapse of social and state structures, a failure to enforce the rule of law and the inevitable collapse of the rule of law. In these areas, piracy is perceived as an opportunity for professional rehabilitation, while at the same time the phenomenon enjoys social public acceptance, and pirates are considered heroes among the local population.

In search of the root causes that have favoured the resurgence of the phenomenon of piracy, we certainly conclude that these arise primarily from a synthesis of geography, the conditions under which international shipping is conducted, and the existence of weak states. The increased mobility of international commercial shipping through narrow geographical passages, combined with the proximity to unstable – weak states that are unable to enforce the legal order, create the right conditions for pirate activity.

An overview of the IMO's annual tactics, from 2008 to 2022 inclusive, shows that there is a general trend of decline in piracy, which at first sight is assessed positively. However, in the Gulf of Guinea, in recent years there has been a reversal of this downward trend, with an increase in piracy incidents, which in no way allows complacency on the part of the international community.

In the modern, globalized environment, where the rapid increase in international trade and movement of goods is intertwined with extremely high requirements for maritime transport, it is understood that a safe marine environment is a prerequisite for growth and prosperity. In that regard, the challenge to freedom of navigation and the smooth supply of energy by the increase in piracy constitutes a direct threat to world maritime trade, stability of production and development in industry, energy security and, by extension, the international economy.

The analysis of the economic dimension of the impact of piracy has shown that there is a reduction in the total direct costs of piracy due to the reduction of piracy incidents. However, this finding is considered fictitious, and doubts about its accuracy remain, as it does not consider indirect costs, which are difficult to estimate. This also refers to the spill-over effects on the economy of the states involved (investment, fisheries, tourism, maritime trade, commodity and food prices, canal crossing), the devaluation of which risks shocking regional economies.

In this context, maritime transport routes are being altered, fish-rich areas are being abandoned, while ports of tourist destinations for cruise ships are changing, with the sole aim of choosing safer routes. The findings of the economic analysis also raise concerns about the effectiveness of specific measures to combat piracy. The systematic approach of the components that make up the pirates' business model highlights the benefits that arise for the financiers and guarantors of pirates.

Regarding the inestimable human and social cost of piracy, it is estimated that the security deficit directly affects the prestige of the state and irreparably affects its existence, contributing to the further degradation of already weak-unstable states. In addition, these conditions act as a deterrent to foreign investment and the attraction of tourism, with serious repercussions on the economies of states. In that regard, that situation feeds back the root causes (social conditions and state security structures), composing an endless vicious loop.

The fact that international law recognizes universal jurisdiction over the suppression of piracy is to be welcomed. However, the lack of political will of some state’s casts doubts on the ambition to emerge an international legal order that runs counter to unilateral interest.

At the same time, the feeling of impunity is reinforced, while questions are raised regarding the adequacy and effectiveness of the existing legal framework related to the arrest and prosecution of pirates. Modern EU strategy papers, as well as related action plans, demonstrate the EU's strong will to promote maritime security globally. As reflected in the EUMSS, freedom of navigation is one of the vital interests of the EU, while the field of maritime security, and especially that of countering piracy, offer a useful platform for the EU to develop regional cooperation, and strengthen the Union's ties and presence at global level.

NATO is on the same wavelength, as the respective institutional texts reveal the same strong will to promote maritime security in the Alliance's area of responsibility. Undoubtedly, the unprecedented international mobilization, and especially the multinational military

interventions, have contributed decisively to the drastic reduction of piracy incidents, exemplified by the success of Operation ATALANTA in the Somali region. Although it has not yet been possible to eradicate the phenomenon, questions arise regarding effective coordination and the achievement of collegiality and complementarity between the multitude of existing anti-piracy actions.

Well-known capability building initiatives in recent years have been gaining ground, regaining high priority on the NATO and EU agendas as an alternative to undertaking maritime security operations, due to the difficulties that the current fiscal situation has brought to the force generation process. In any case, the adoption of capacity-building measures is fully consistent with the finding that the roots of piracy lie mainly on land, and that its main root cause is the inability of weak states to govern and enforce the rule of law.

The wide range of contemporary challenges and threats to the marine environment inevitably results in the charging of the naval forces of states with additional projects, which are not among the traditional forms of warfare and are beyond their mission. Modern navies are called upon to cope with both policing tasks (piracy, irregular migration, smuggling, etc.) and conventional forms of warfare related to the defence of national defence and sovereignty against rival state entities. In the context of the above, questions arise both about the ability of countries' navies to respond to this new complex role, and about the feasibility of using them in low-level policing projects, based on a cost-benefit perspective.

The use of security armed teams (SAT), although undoubtedly effective in deterring and suppressing pirate attacks, raises several legal issues (applicable law, attribution of responsibility for damages/loss of life), as they are not state bodies, so their framework of action is not governed by rules of engagement and is not bound by International Humanitarian Law.

Greece fully supports and actively supports international actions and initiatives related to the fight against piracy based on the Constitution, the relevant decisions of the United Nations Security Council (SC/UN) and the National Law. Undoubtedly, this practice is considered appropriate and beneficial, as it is consistent with the promotion of national interests. The benefits to the Greek merchant shipping and generally shipping sector, which holds a leading role in maritime transport worldwide, are direct and tangible, while there are also indirect benefits related to the maritime diplomacy achieved by the country's armed forces by participating in actions that promote maritime safety.

The naval diplomacy includes participation in international operations (ATALANTA) and involves actively helping to build the capabilities of countries in the Middle East and North Africa, with KENAP taking a leading role. It also includes taking initiatives and reaching agreements related to maritime security, utilizing civil-military cooperation between the HNDGS and the General Staff. The above, on the one hand, strengthen the country's role in NATO and the EU, and, on the other hand, decisively contribute to strengthening Greece's footprint and appearance in the Eastern Mediterranean region, consolidating our country as a security guarantor in this sensitive geopolitical region.

7.2 PROPOSALS

It is estimated that all international actions and initiatives aimed at tackling the phenomenon of piracy should focus on removing the root causes that have made it possible for the phenomenon to reappear and maintain the persistence of the phenomenon. Furthermore, the measures taken should not be repressive, but a preventive and dissuasive approach should be adopted, which would lay the foundations for the complete eradication of piracy. In view of the above, the following proposals are tabled:

Strengthening the political commitment universal jurisdiction over piracy and the theoretical barriers to prosecuting pirates, while adapting the legal framework concerning the arrest and prosecution of them, to ensure the implementation of the obligations arising from the TIF, will serve as a significant deterrent to future pirate activities. It would be beneficial to adopt a universal code of procedure for arrested pirates, so that there is no discontinuity of international law.

Appropriate use of the conclusions drawn regarding the effectiveness of anti-piracy measures to test the feasibility of revising the policy which is followed (ransom payment, high insurance premiums, hiring private security companies, ship rerouting) is considered highly important. Moreover, by emphasizing the benefits for pirates' financiers and sponsors, and subsequently by supervising the flow of money, it may be possible to identify them.

Reviewing the policy followed by ship-owning companies regarding the payment of ransoms would be a significant factor. Creating the appropriate conditions that will reduce or remove reluctance in reporting piracy incidents, such as the decoupling of automatic increases in insurance premiums and the avoidance of delays of ships due to investigations by competent authorities can be considered action on the correct way as well.

Promote coordination between States and relevant international organizations and initiatives involved in combating piracy, as a prerequisite for achieving collegiality and avoiding duplication of effort and mutual interference. It is considered that the most appropriate body to ensure the promotion of a common international agenda is the IMO, as the most competent UN body, which has undoubtedly proved its worth in coordinating such issues.

The main root cause of piracy is the combination of geography, the conditions under which international navigation takes place, and proximity to unstable or weak states. Recognizing the challenges posed by geography and the importance of maritime transport, it is understood that the international community must focus its efforts on undertaking measures to develop and build the capacity of these states, with a view to restoring the rule of law and regaining enforcement of the rule of law.

Further examination and clarification of the legal and regulatory framework for the operation and activities of security armed team (SAT) on board merchant ships is required. This will ensure that they are governed by rules of engagement and bound by International Humanitarian Law. The approach must be realistic, as the cooperation of this companies is an effective safety measure by ship owners. Therefore, rather than having their operations remain ambiguous with these companies, is preferable to resolve the issues and to regulate their services in a controlled manner.

Maximum use should be made of NATO's Operation Sea Guardian as, considering the Alliance's accumulated operational experience, it is a unique opportunity to combat piracy and promote maritime security.

Modern navies, to respond to the new complex role, they are called to play, must balance their strategy, capabilities and means between policing/security projects and conventional forms of warfare related to their national defence. They are required to go through a structured process of transformation and transformation, as applied in NATO and adopted by many member states, to adapt them to the modern marine environment, which will allow them to remain capable and effective.

It is considered appropriate and beneficial to maintain Greece's practical support to international actions and initiatives related to the fight against piracy, but also to fully align it with the promotion of maritime security in the Mediterranean, as it is undoubtedly consistent with the promotion of national interests.

Undertaking of an active role of the armed forces, through civil-military cooperation, in building the capacity of the countries of the North African region and utilizing the services and educational products provided by KENAP.

Strengthening bilateral relations with Egypt and Israel, and methodically exploiting the prospect of expanding the trilateral Cooperation between Greece, Egypt and Cyprus. The promotion of the above, in addition to promoting maritime and energy security issues in the Eastern Mediterranean, also contributes to the transmission of a clear strategic message with multiple recipients.

In any case, it is estimated that the Greek approach should focus on the development of capacity building of failed states, since this capability simultaneously satisfies multiple national goals, the main one being the strengthening of Greece's footprint and appearance in the Eastern Mediterranean region. Mediterranean, as a guarantor of security in this geopolitically sensitive region.

BIBLIOGRAPHY

Bolger, P.J. (2012) *Marine Insurance – A primer*. Canadian Maritime Law Association. Montreal: Borden Ladner Gervais LLP.

Bowden, A. (2010) *The Economic Cost of Maritime Piracy*. One Earth Future Working Paper, USA.

Bosi, M. (2012) Maritime piracy - terrorism. May.

Brown, T. (2010) 'Marine K&R Insurance, Frequently Asked Questions'. *Seacurus Insurance Bulletin*, Issue 2, p. 2.

Claiborne, W. (1985) Israel: No Deal with Hijackers. *The Washington Post*, 9 October.

Chang, D. (2010) *Piracy Laws and the Effective Prosecution of Pirates*, Vol 33, Issue 2.

Derrington, S. (2013) 'Marine Insurance Act 1909- Criticisms', *Find Law*, Australia.

Dillon, D. (2005) 'Maritime Piracy: Defining the Problem', *SAIS Review*, 25(1), pp. 155-165.

Diop, M., Bella, B. and Quy-Toan Do (2013) *The Pirates of Somalia: Ending the Threat, Rebuilding a Nation*, The World Bank Regional Vice-Presidency for Africa report 2013, Washington DC.

Dunt, J. (2016) *Marine Cargo Insurance*, 2nd Edition, New York.

Douglas, R. and Burgess, Jr. (2010) *The world for ransom: Piracy is terrorism, terrorism is piracy*. New York: Amherst, pp. 312.

Gilman, J. and Merkin, R. (2008) *Arnould's Law of Marine Insurance and Average*. London: Sweet & Maxwell.

Gliha, D. (2018) 'Piracy in light of marine insurance law with a view of ransom payments', *Zbornik Pravnog fakulteta Sveučilišta u Rijeci*, Vol. 39, br. 2, pp. 833-856.

Greek Government (1958). *Government Gazette*, vol. A' No. 32, 28 February 1958.

Green, M.R. (2014) 'Historical development of Insurance', *Encyclopedia Britannica*.

Haueter, N.V. (2013/2017) *A History of UK Insurance*. Swiss Re.

Hodges, S. (1996) *Law of Marine Insurance*, 1st Edition, London: Routledge – Cavendish.

Hong, N. & Ng, A.K.Y. (2010). *The international legal instruments in addressing piracy and maritime terrorism: A critical review. Research in Transportation Economics.* Elsevier.

Houben, M. (2013) *Reconstituting the Somali Marine Forces and Enhancing their Land-based Capabilities*, European External Action Service 3rd UAE Counter Piracy Conference, Briefing Paper, Dubai.

Hudson, N.G, Madge, T. and Sturges, K., (2012) Marine Insurance Clauses. 5th Edition, Maritime and Transport Law Library, Informal Law

Huggins, J. (2012) 'The Military Response: Successes and Outstanding challenges', second United Arab Emirates Counter Piracy Conference, 'A Regional Response to Maritime Piracy: Enhancing Public-Private Partnerships and Strengthening Global Engagement', Dubai.

Huggins, J. (2013) *The Cost of Piracy: Moving from Mitigation to Investment*, Briefing Paper, 3rd UAE Counter Piracy Conference, Dubai.

IMO (2010) *Reports on Acts of Piracy and Armed Robbery Against Ships*, issued monthly, Acts reported during January to December 2009, MSC.4, London.

IMO (2011) *Reports on Acts of Piracy and Armed Robbery Against Ships*, issued monthly, Acts reported during January to December 2010, MSC.4, London.

IMO (2012) *Reports on Acts of Piracy and Armed Robbery Against Ships*, issued monthly, Acts reported during January to December 2011, MSC.4, London.

IMO (2013) *Reports on Acts of Piracy and Armed Robbery Against Ships*, issued monthly, Acts reported during January to December 2012, MSC.4, London.

IMO (2014) *Reports on Acts of Piracy and Armed Robbery Against Ships*, issued monthly, Acts reported during January to December 2013, MSC.4, London.

Institute of Cetacean Research v. Sea Shepherd Conservation Society (2012). *No. 11-35013, U.S. Court of Appeals for the Ninth Circuit*, 19 March.

Jekns, E. (2011) *Short History of English Law*, London, 1912, pp. 93-201 & 343-344.

Kasimis, I. (2008) *SBE College Seminar Notes on: Marine Insurance*, Athens.

Kiss, A. (2015) *Problems of the Investigation and Prosecution in Case of Piracy at Sea*. Institute of International Studies and Political Science, Pazmany Peter Catholic University.

Kontoulis, I. (2010) Piracy under International Law: Modern Developments, Problems, and Prospects.

Koukoumis, D. (2009) *Ship Insurance*, Diploma Thesis at the Postgraduate Program of Studies in Shipping, University of Piraeus, Piraeus.

Lewins, K. and Merkin, R. (2011) 'Masefield AG V Amplin Corporate Member Ltd, The Bunga Melati Dua: Piracy, Ransom and Marine Insurance', *Melbourne University Law Review*, 35(2), pp. 717.

Lindley, R.H. (2003) *A commentary on the International Hull Clauses*, Charles Taylor Consulting.

Marciniak, K. (2012) *Symposium on Maritime Piracy in International Law*, International Law on piracy and some current challenges related to its definition, *Polish Review of International and European Law*, Vol. 1, Issue 3-4.

Marine Insurance Act 1906. (1906). An Act to codify the Law relating to Marine Insurance.

Marley, D.F. (2010) *Modern Piracy: A Reference Handbook. (Contemporary World Issues).*

Marsh (2011) 'Piracy - the insurance implications', *Marine Practice*.

Marsden, S.K and Green, J. (2018). Defence class over – A review of off-hire clauses, Part one: The NYPE form. The Standard P&I Club.

Mejia, M. Gr. (2012) *Modern Piracy at Sea: Selected Legal Aspects*, World Maritime University, Malmo, Sweden, Vol. 48, No 21.

Mody, L. (2010) 'Piracy- General Average and Insurance'.

Murphy, M.N. (2007) *Contemporary Piracy and Maritime Terrorism: The Threat to International Security*.

NATO Shipping Centre (2018) Best Management Practices for Protection against Somalia Based Piracy: BMP5

Neptunus, J. (2005) 'The History, Evolution & Legislative Framework of Marine Insurance in England', *Revue / Neptunus*, Law Review (E-Journal), Printemps / Spring 2005.

Noussia, K. (2005) *Maritime Law, Marine Insurance*, School of Law, University of Southampton, UK, pp. 31-39.

Nikita, E. (2012) *Concepts of Statistics and Applications with SPSS*, PhD Thesis for the Aristotle University of Thessaloniki, Thessaloniki.

OBP (2010) *Evolution of Piracy: Historical Piracy,* An Ocean Beyond Piracy essay, USA.

Ocean Beyond Piracy (2014) *The State of Maritime Piracy of East Africa 2013*, USA.

One Earth Future (2012) *The Economic cost of Somali Piracy 2011*, a working paper Ocean Beyond Piracy, USA.

One Earth Future Foundation. (2013) Combating Maritime Piracy: Conference Proceedings.

Osei-Tutu, J.A. (2013) *The Root Causes of the Somali Piracy*, Kofi Annan International Peacekeeping Training Center (KAIPTC), Ghana, pp. 10-11.

Papamanoli, S. (2007) *The P&I Clubs: The institutional framework of Cooperative Insurance in Greece*, Diploma Thesis within the framework of the MSc in Shipping of the University of Piraeus.

Paparistodimos, G. (2005) *Marine Insurance*, Diploma thesis, in the field of Maritime Transport Economics, School of Mechanical Engineering, National Technical University of Athens.

Paulsen, B. (2009) 'Insurance and hard choices', *Maritime Risk International*, Vol. 23, p. 19.

Polatos, S. (2012) *The Response to the Phenomenon of Piracy in the Horn of Africa.* Thesis, Supreme Joint Supreme War College.

Prokopiou, G. (2012) *War Insurance*, SBE College seminar notes on: Marine insurance, the case of War Insurance, Athens.

Rubin (1998) *The Law of Piracy*, 2nd Edition, New York: Transnational Publishers.

Siousiouras, P. & Dalaklis, D. (2010) *The Conflictual Relationship Between Piracy and Maritime Transport in Somalia*. Historical Service of the Navy.

Siousiouras, P. and Dalaklis, D. (2011) *Modern Maritime Transport and the Phenomenon of Piracy*. Athens: I. Sideris Publications.

Todd, P. (2010) *Maritime Fraud and Piracy*, 2nd edition. London: Routledge.

Tsaltas, G. and Perrakis S. (2006) *Security and Piracy on the High Seas: The Modern Legal Approach through the Montego Bay Convention (1982) on the Law of the Sea.* Athens: I. Sideris Publications.

United Nations (1982) *United Nations Convention on the Law of the Sea (UNCLOS)*.

United Nations Convention on the Law of the Sea (UNCLOS) (2010) *Definition of Piracy*, Mondego Bay, Jamaica, Article 101.

United Nations Convention on the Law of the Sea (UNCLOS) (2010) *Code of Practice for the Investigation of Crimes of Piracy and Armed Robbery Against Ships*, the Assembly A 26/Res.1025, 18 January.

Vamvoukos, A. (1991) *Terrorism and International Law.* Athens: Papazisis Publications.

William & Mary Environmental Law and Policy Review (2018) Vol. 34, Issue 2/3.

World Bank. (2013) 'Ending Somali piracy will need on-shore solutions and international support to rebuild Somalia', *Press Release*, 11 April.

World Bank, (2013). Pirate Trails: Tracking the Illicit Financial Flows from Pirate Activities off the Horn of Africa. A World Bank Study. Washington, DC: World Bank.

World Bank. (2013) The Pirates of Somalia: Ending the Threat, Rebuilding a Nation. Washington, D.C.: The World Bank.

Wright, C. and Fayle, C.E. (1928) *A history of Lloyd's from the founding of Lloyd's Coffee House to the present day*. London: The Maritime Press.