

# SHIPPING TELEGRAPH

## DAILY SHIPPING NEWS



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### Denmark plans \$916m war insurance scheme for merchant fleet

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- by Shipping Telegraph

**The Danish government plans to set up a DKK 6bn (around \$916m) war insurance scheme for its merchant shipping fleet, positioning the Nordic maritime nation to safeguard its vessels in the event of a war crisis.**

In an extraordinary situation where Denmark and Danish shipping are severely impacted by war and the commercial insurance market has collapsed, there is a need for a war insurance scheme that guarantees the Danish merchant fleet remains insured and operational.

The proposal, which will be sent for consultation and is expected to be presented in October, creates a state-backed war insurance mechanism designed to ensure that the Danish merchant fleet can remain insured where commercial insurance markets become inaccessible due to a major conflict.

“We live in a more uncertain world. There are global tensions and war on European soil,” said Danish Minister for Business, Morten Bødskov, in a press release.

The Minister for Business also explained that “it’s important that we are prepared even for the most unpleasant scenarios.”

“It’s about showing timely caution. It is absolutely essential that we can maintain the operations of the Danish merchant fleet in the event of war. Denmark is among the world’s largest maritime nations, so the importance of keeping our merchant fleet afloat cannot be overstated. This is a major Danish strategic strength. That’s why we’re taking action now and allocating six billion kroner to secure the Danish merchant fleet, thereby safeguarding Danish jobs and economic growth.”

The initiative activates the War Insurance Institute that would gain access to a 6bn danish kroner (DKK) loan facility, giving the entity sufficient liquidity upon activation.

The loan will be repaid through contributions (premium payments) from shipping companies when the Institute is activated.

The scheme would be funded from the shipping industry and supported by a state-backed credit line.

“The timing is exactly right for the activation of the War Insurance Institute. It’s always wise to be well insured. And of course, the shipping companies are covered through the regular commercial market. But in an extraordinary war scenario, it can be critically important that the Danish merchant fleet is still able to operate. This proposal contributes to securing that possibility if Danish shipping can no longer be covered by commercial insurance. And like with all other insurance schemes, I sincerely hope we never have to use it,” said Anne H. Steffensen, CEO of Danish Shipping.