

7. Practice Direction No 3 of 1999 - Insurance of property arrested under the Admiralty Act 1988

The *Admiralty Act* 1988 (Clth) provides for the arrest of property (*including vessels*) by the Marshall in actions *in rem*. The Marshall will obtain indemnity insurance for the period the vessel is in the possession of the Marshall. The costs of that insurance will be an expense incurred by the Marshall payable by the party issuing the writ for the arrest of the vessel. The Court may require that party to undertake to pay the cost of that insurance at the time the writ is issued.

The Marshall does not, at any time during the period of arrest, hold commercial insurance for the benefit of any person who has an interest in the arrested property, including cargo. Persons with an interest in the arrested property and their solicitors may wish to consider the question of insuring the amount of their interest against consequential risks, including risks occasioned by any movement of the vessel.

9 July 1999