

What Is Deviation and Its Impact On P&I Cover?

In general, it can be said that a deviation is a departure from the contractually agreed voyage or venture. The specified route can be defined as the route agreed on from the bill of lading or in the contract of carriage.

The consequences of deviation can be examined under two headings: a justified or reasonable deviation and an unjust or unreasonable deviation.



If a deviation is unjustified or unreasonable it can have serious consequences both under the C/P and the Bs/L but also for the P&I cover. Therefore, it is an important issue under what conditions the deviation is considered justified or reasonable.

The Hague Visby Rules Article IV rule 4 say that:

“Any deviation in saving or attempting to save life or property at sea or any reasonable deviation shall not be deemed to be an infringement or breach of this Convention or of the contract of carriage, and the carrier shall not be liable for any loss or damage resulting therefrom.”

Accordingly, in accordance with the Hague and Hague-Visby Rules, carrier’s exemption of liability is mentioned in three cases.

- Saving life or property at sea
- Any deviation from attempting to save life or property
- Any reasonable deviation

The first two articles are regulated in accordance with the provisions of the 1989 International Rescue Convention (ICS) and the International Convention for the Safety of Life at Sea (SOLAS). The third article, 'any reasonable deviation', is left open-ended and is designed as an article that must be evaluated specifically for each incident according to the nature of the deviation and domestic rules.

For example, as under the Hague and Hague Visby Rules, since the carrier has a general obligation to care for the cargo, deviations made in order to save the ship or cargo will be considered a justified deviation.



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Again, in line with the third article, deviation may be justified in circumstances where the charter party or bill of lading includes a 'liberty' clause, but the content of the clause is of course important.

There are also cases of reasonable deviation that are considered under P&I insurance coverage. These are generally deviation situations that may arise due to landing sick, injured, deceased people or stowaways. P&I cover for deviation will only usually include the net expenses incurred during or directly resulting from such deviation. These usually include bunkers; stores and provisions; wages; additional insurance if necessary; agency fees; local pilot and transportation costs; and port charges. However, the P&I cover provided does not cover lost hire or freight.

However, as stated above, in cases where a liberty clause is added into the charter party or bill of lading, the carrier may be able to prevent loss of hire or freight.

In short, P&I Insurance will cover the reasonable net running costs that may arise from the deviation, in cases where it is necessary to make, due to the covered damage mentioned above.

Any deviation from the direct geographical or customary route may prejudice P&I cover for cargo claims if, as a result of the deviation contrary to the contract of carriage, the Insured is deprived of any rights of defense or limitation that might otherwise be available.

For other deviation situations that are not covered by P&I coverage, the owners/operators may consider obtaining additional insurance cover which may be provided by P&I Insurers under Shipowners Liability Insurance ('SOL').

In the light of foregoing, in order to evaluate the P&I implications of the decision to re-route a vessel to avoid Red Sea or Panama Canal, which is a current topic, it is necessary to evaluate whether this deviation is an unjustified / justified deviation.

In this regard, when the vessel decides to deviate from the route agreed in the contract, we recommend contacting the existing P&I insurers to obtain information on whether the deviation will be considered under the general P&I scope or whether any additional coverage is required.

Likewise, in a voyage where there may be a deviation, we recommend that you contact the vessel's current insurers to check whether the area where the deviation is made is within the trading area and, if necessary, expand the trading area with an additional premium.

Finally, we recommend that you check whether the region/countries where the deviation will be made are included in the risk areas as per the circular published by the Joint War Committee (JWT) and whether additional war risk coverage is required accordingly.

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