

Genoa shipping week

GPS spoofing and the impact on H&M cover

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Global navigational satellite systems

- Global Navigational Satellite Systems
 - GPS in the US
 - Galileo in the EU
- Beyond ransomware/data theft, a significant marine cyber challenge?
- GPS can be “*jammed locally*” in areas subject to geopolitical tensions to protect own military assets and to frustrate opponents
- Significant impact on commercial navigation in the Baltic, Black Sea, Eastern Mediterranean, Persian Gulf and Red Sea
- State actors deploy jamming as part of military/ political objectives, but also sanctions/ criminal use
- The navigation problem:
 - jamming results in loss of ECDIS, AIS and of some radar functionality
 - old fashioned navigational skills (radar, compass, effective look out)
 - hazardous at night/ poor visibility, crowded waterways, narrow channels

Global navigational satellite systems

- Some examples/caution re press reports
 - a container vessel ran aground in May 2025 – Lloyd's Casualty Report

“...the vessel remains stranded on a reef near the Eliza Shoals, despite some vessel tracking platforms still showing it in implausible inland locations due to ongoing GPS spoofing. ...This incident is part of a broader surge in electronic interference in the Red Sea, with over 180 vessels affected by similar disruptions in early 2025 alone. The spoofing has been linked to defensive electronic warfare tactics by state actors in regional conflict zones”
 - Last week, Qatar suspends all shipping activities in its waters due to a GPS “fault”
 - Gard paper July 2025 - examples by way of case study:
 - a vessel grounding on a coral reef at 11.3 knots, which was 40 nm away from the position shown on the vessel's ECDIS chart
 - a Master refuses to sail from a Red Sea port, given its GPS position shown in the desert leading to lengthy dispute with charterers

Grounding by a marine or a war peril?

- English law wordings/observations
- Groundings:
 - marine perils – “*perils of the sea*”(cl 6.1) and/ or “*crew negligence*”(cl 6.2.3)
 - ITC-Hulls (01/ 10/ 83) “*in no case shall this insurance cover loss damage liability or expense caused by ...war ...any terrorist or any person acting from a political motive*”
- War & Strikes (IWSC (01/ 10/ 83))
 - “*war civil war ...or any hostile act by or against a belligerent power*”(cl 1.1)
 - “*any terrorist or any person acting maliciously or from a political motive*”(cl 1.5)
- Is a grounding resulting in part from GPS jamming or spoofing caused by a marine peril or a war peril?

Grounding by a marine or a war peril?

- All highly fact sensitive – relevant both to property and liability cover
- Arnould [24-16] “*The mere fact that warlike operations of any enemy or of the vessel’s government or allies create an added danger of marine loss is not enough*”
 - *Ionides v Universal Marine*(1871) – American civil war
 - *The Petersham*(1920) - World War I
- Depends in part on the breadth of the exclusionary language:
 - ITC-Hulls “*in no case shall this insurance cover ...*” – proximate cause question
 - Compare *Coxe v Employers’ Liability Mutual*(1916) - accidental death cover with an exclusion for death “*directly or indirectly caused by war*”

What is the impact of CL380/ LMA5403?

- Institute Cyber Attack Exclusion Clause - Cl. 380 (10.11.2003)/ LMA5403 (11/11/2019)

1.1. Subject only to Cause 1.2. below, in no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to by or arising from the use or operation, as a means for inflicting harm, of any computer, computer system, computer software programme, malicious code, computer virus or process or any other electronic system

...

1.3. Where this clause is endorsed on policies covering risks of war, Cause 1.1. shall not operate to exclude losses (which would otherwise be covered), system in the launch and/or guidance system an/or firing mechanism of any weapon or missile

- Impact:
 - where incorporated into marine or war risks policy
 - on a claim for grounding damage
 - where a causal factor was interference with the vessel's ECDIS, caused by GPS interference?

What is the impact of CL380/ LMA5403?

- Very little guidance on these questions under English law, but note the following:
- “*directly or indirectly caused by or contributed to by or arising from the use of*” is very broad exclusionary language
 - Wider inquiry than “*simple*” proximate cause
- “*means for inflicting harm*”
 - not regular insurance terminology
 - “*collateral*” victim v targeted harm – does it matter?
 - “*person[s] acting maliciously*”... “*involves an element of spite or ill will or the like*, (B Atlantic (2019))
 - no malicious act where loss or damage occurred as a “*by product of an operation carried out for the purposes of gain*” (Brillante Virtuoso (2019))
- Rather unclear whether CL380/ LMA5403 could operate to defeat a grounding claim where a cause was GPS interference.

What is the impact of CL380/ LMA5403?

- Association of Average Adjusters paper in July 2025
 - *“For example, if a vessel is sailing through a known high-risk area with increased political tensions when suddenly she experiences GPS spoofing, the Courts may take the view that there is a rebuttable presumption that the spoofing intended harm”*
- Considerable uncertainty whether CL380/ LMA5403 would operate to deny a claim which would otherwise be recoverable
- Cyber buy-back cover?
- Mitigation?

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