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Western Insurers Provide Cover for Russian Crude Tankers – Reuters

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Oil loading terminal Kozmino on the shore of Nakhodka Bay. **kozmino.transneft.ru**

At least five Western insurers continue to provide coverage to tankers carrying Russian crude oil despite concerns they may be violating G7 price caps, Reuters reported Thursday, citing data from traders and shippers.

The G7 group of industrialized countries and their allies introduced a $60 per barrel price cap on seaborne Russian oil in December 2022 in a bid to curb Moscow's ability to wage war on Ukraine.

While Russia has been able to bypass those restrictions, with its Urals crude selling at $69.4 per barrel from Baltic ports so far in 2024, U.S. officials say the price cap still forced Moscow to sell oil without Western insurance or shipping.

Many insurers and ships stopped trading Russian crude out of concern they could not verify that the oil on board cost below $60.

However, the five Western companies identified by Reuters provided insurance to 10 tankers that sailed from Russia to Asia this year, including two that received crude from the state oil giant Rosneft.

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According to the news agency, those insurers used U.S. Treasury-mandated attestations from buyers and sellers to ensure that their work was legal and complied with Western sanctions.

Four of the insurers are members of the International Group of P&I Clubs — an insurance provider for 90% of the world's fleet that said this spring the G7 price cap was unenforceable and pushed ships into joining a "shadow fleet."

A fifth insurer provided Reuters with a copy of its Russian oil insurance policy and a blank copy of an attestation letter. The news agency said the attestation letter warned the company seeking insurance coverage that it would be withdrawn in case of price cap violations.

But the attestation does not ask for the oil price, Reuters reported, adding that insurers and ship owners are not required to verify prices under the price cap regime.

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