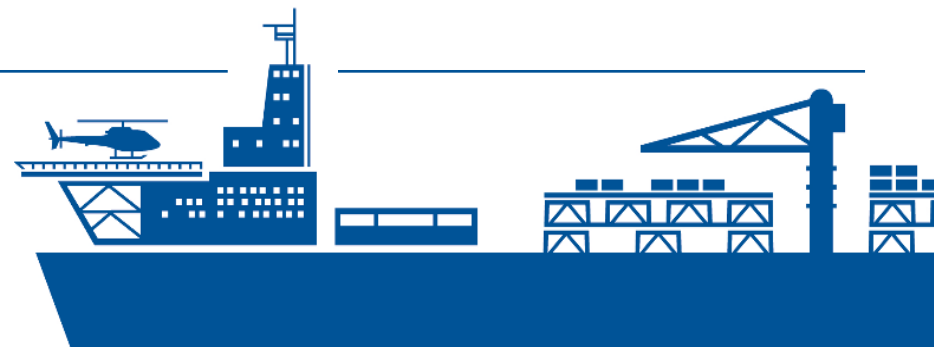


# The Standard Club

## An introduction to P&I

Anna Doumeni

Senior Claims Executive



# Agenda

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**01** Introduction to the Standard Club

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**02** What is P&I

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**03** Claims Statistics

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**04** Loss Prevention

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**05** P&I Claims handling

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**06** Case Study

# Introduction to The Standard Club

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- A leading **International Group P&I club**, established in **1884** and now insuring over **10% of global shipping** across all **major markets**
- A **broad range of P&I and other marine and energy covers**, offering **sustained excellent value** to **high-quality operators**

# Our ambition

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- To be recognised for providing **excellent service** through **solving members' problems**
- To advise on industry best practices and issues which have **caused or may potentially cause losses**

# Club service teams in key hubs

Supported by Charles Taylor's global network



# What is P&I

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**Protection & Indemnity is:**

**a form of insurance cover**

**provided by a P&I Club**

**to its members/assureds**

**for third party risks**

**arising out of the operation or management of the ship**

# P&I Club

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- Mutual insurance association
- Members are the shipowners
- Non-profit organization
- Calls
- Free reserves
- Pooling Agreement

# Risks covered by a P&I Club

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- Personal injury / illness / death
- Collision
- Wreck removal
- Damage to fixed and floating objects
- Pollution
- Cargo damage/shortage
- Fines & Penalties
- Stowaways
- Other



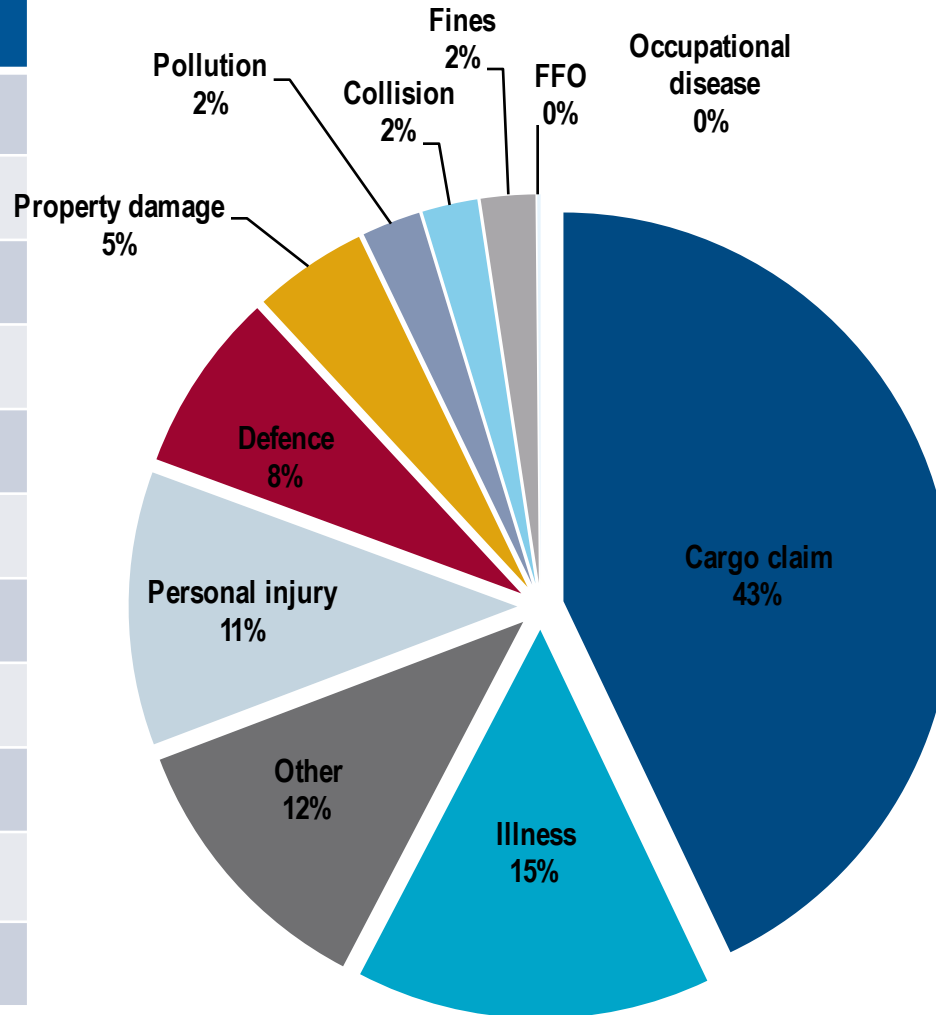
# Risks not covered by a P&I Club

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- Hull & Machinery
- War Risks
- Loss of Hire
- Cargo
- Other

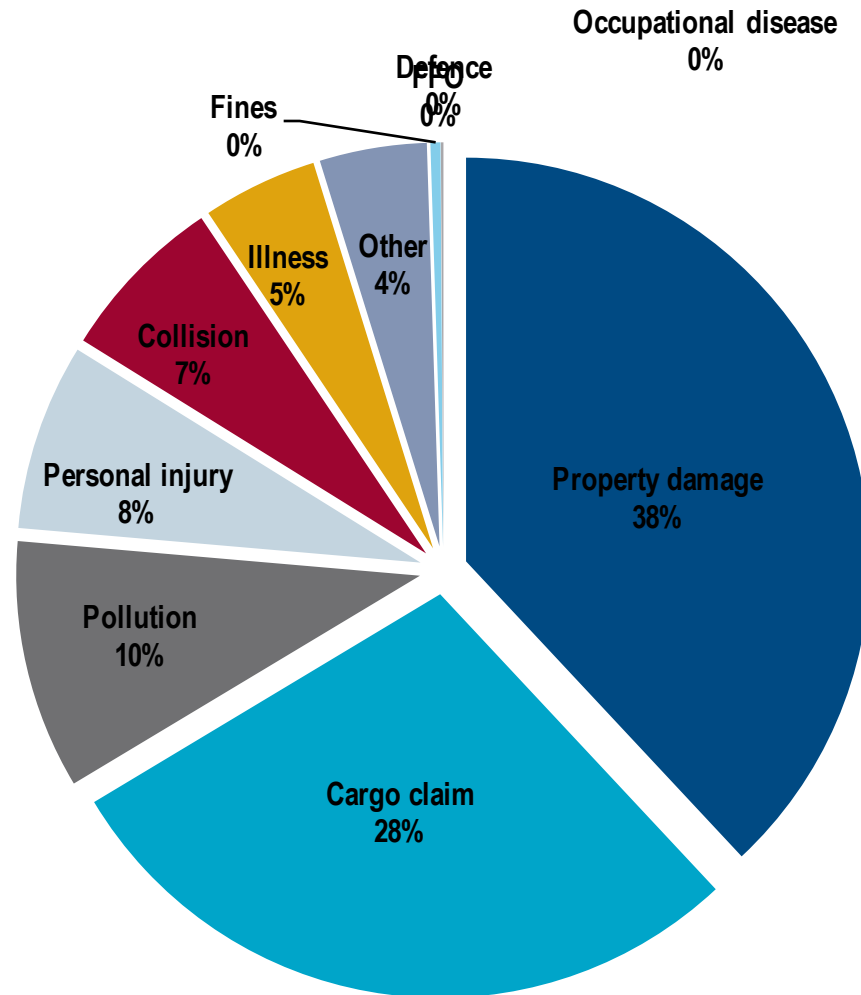
# Claims Statistics: 2015 policy year (number)

CLAIM TYPE	Number
Cargo claim	932
Illness	320
Other	251
Personal injury	247
Defence	163
Property damage	103
Pollution	53
Collision	50
Fines	49
FFO	3
<b>Total</b>	<b>2,171</b>



# Claims Statistics: 2015 policy year (value)

CLAIM TYPE	Value
Property damage	\$21,103,893
Cargo claim	\$15,728,494
Pollution	\$5,534,885
Personal injury	\$4,146,638
Collision	\$3,750,000
Illness	\$2,554,985
Other	\$2,379,745
Fines	\$221,230
FFO	\$57,000
Defence	\$0.00
<b>Total</b>	<b>\$ 55,476,874</b>



# Role of the P&I Club

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- manage claims
- act as central point of contact
- appoint experts, lawyers and correspondents
- provide 24 hour emergency response
- pay claims and fees incurred
- advise on safety and loss prevention

# Other parties involved in the incident

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- Cargo interests
- Charterers' representatives
- Hull and machinery underwriters
- Coast guard officials
- Port officials
- Government organisation
- Press

# P&I Claims handling

## Stage 1

- Initial assessment of risks
- Safety of crew/vessel
- Notification to authorities
- Instruction of correspondents/ lawyers/ surveyors
- Member support

## Stage 2

- Deal with incident
- Respond/ minimize the risk
- Gather and preserve evidence
- Ascertain cause of injury/ extent of damage

## Stage 3

- Determine liability
- Develop strategy
- Settlement negotiations/ legal proceedings
- Resolution of claims

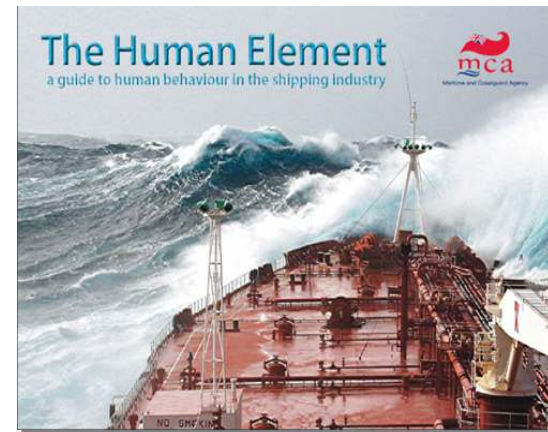
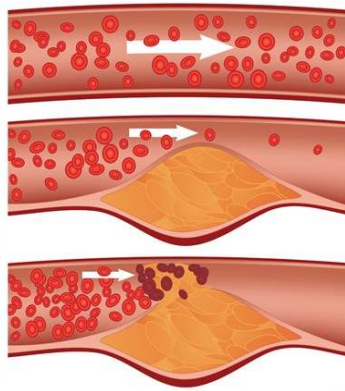
# Provision of security

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- arrest or threat of arrest of an entered ship
- club letters of undertaking
- arrangement of bank guarantees

# Communication of operational 'best practice'

## Ongoing focus on reducing members' losses



[www.standard-club.com/what-we-do/loss-prevention/](http://www.standard-club.com/what-we-do/loss-prevention/) Charles Taylor



# Case Study – Collision & Pollution Incident

- Containership departed from Pasir Panjang terminal bound for HKG;
- Bridge manned by Master, 2/Off, watch-keeping rating & pilot (as advisor)
- To join the Singapore Strait TSS eastbound lane, vessel had to cross the westbound lane through the precautionary area;
- Before pilot disembarked, VTIS briefed the vessel on heavy west-bound traffic;
- After pilot disembarked, master ordered the engine telegraph to 'half-ahead';
- Vessel increased speed from 5 to 17 knots;



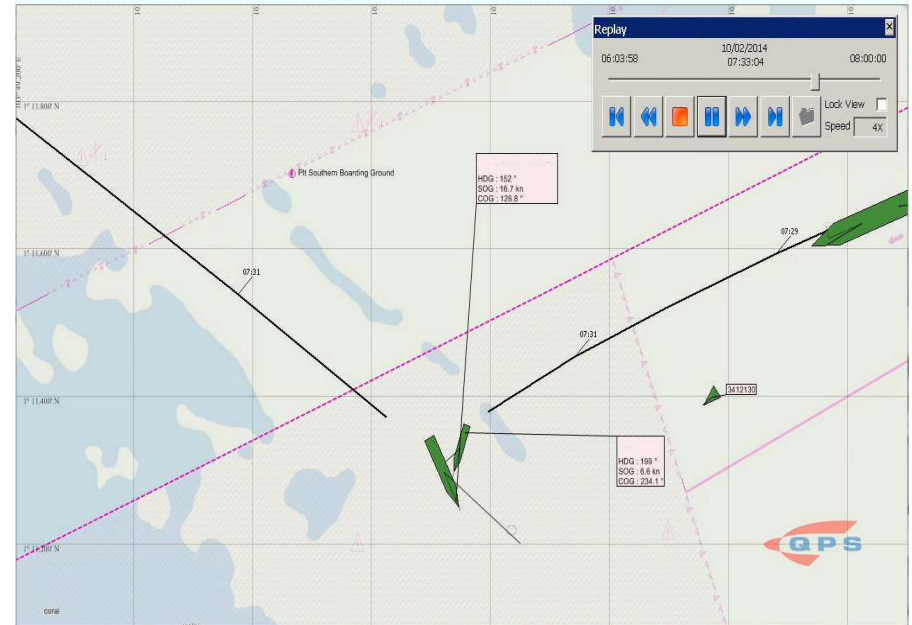
# Case Study – Collision & Pollution Incident

- Westbound tanker at 10 knots maintaining speed and course;
- Master of containership decided to pass ahead of westbound tanker;
- VTIS called the tanker and requested to take early action to avoid the container ship on her starboard bow;
- Westbound tanker called containership on VHF, but no response – alters course slightly to port;
- Master of containership reacted to this alteration by ordering ‘hard to starboard’;
- Both vessels collided shortly thereafter.



# Case Study – Collision & Pollution Incident

- Containership suffered hull damage and water ingress – ¼ collision liability
- No casualties from the collision;
- 80 MT fuel oil spilled from no. 4 port side FO tank in the Singapore Strait;
- Cargo hold no.4 flooded with 80cm's of oily water - 19 containers in C/H no. 4 suffered water damage;
- In addition to the damage to cargo and harm to the marine environment, several vessels alleged hull contamination from oil originating from containership.



# Case Study – Collision & Pollution Incident

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## Investigation findings:

- Lack of situational awareness and a lack of perception of the risk.
- Avoiding over reliance on any one system especially the electronic aids to navigation.
- Emphasis on the effective lookout by all means - Take early and positive action.
- Focus on traditional techniques should not be lost and emphasis should be given to:
  - checking visual bearings of a target to see if it is changing or constant;
  - use of parallel indexing to monitor one's own ship position;
  - comparing the ship's position by visual and electronic means;
  - avoiding the use of VHF to convey a manoeuvre that is conflicting with the COLREGS.




**The Standard**



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