
Methodology series

Loss prevention

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Standard Club provides protection and indemnity cover and associated insurances for shipowners and charterers, including those operating in the offshore oil and gas and renewables sectors.



Introduction

Loss prevention underpins the Standard Club's ability to manage marine risks, deliver better claims results and maintain financial security. Our pioneering and market-leading loss prevention department has evolved continually since its creation in 1989 to meet the ever-changing needs of our members.

The multi-disciplinary department includes master mariners, naval architects, ship production engineers, specialist surveyors and analysts. Their expertise spans technical marine issues, senior ship management, port operations, management practices and flag administration.

The objectives of our loss prevention team are to:

- ensure the club underwrites ships and members of appropriate quality
- minimise losses to members and the club
- provide expert technical and loss prevention advice to members and our underwriting and claims teams.

We achieve this in three different ways:

- by operating a comprehensive risk assessment programme
- through feedback from our expert safety and loss advisory committees
- by providing high quality loss prevention advice, initiatives and services.

Risk assessment programme

Member risk reviews

The loss prevention team carries out member risk reviews (MRR) for all new members on entry. MRRs are also conducted for existing members, either on request or in response to issues that arise, as well as for third-party ship management companies.

On the advice of our safety and loss advisory committees, we started auditing members' management systems according to minimum operating standards in 1993, five years before the International Safety Management (ISM) Code came into force. This evolved into the MRR in 2009 and is regularly reviewed and updated in line with new regulations and emerging risk factors.

MRRs are a unique part of the club's quality assurance process and key to our success as a mutual. They help us get to know new members, which in turn ensures we can provide them with better service and support. It also gives our existing members confidence that all new members are high quality operators, and both new and existing members benefit from sharing best practice via our MRR surveyors.

The reviews, which should be seen as discussions rather than audits, use a risk-based approach to assess:

- corporate management
- recruitment and training of shore/sea personnel
- marine and safety operations
- ISM code compliance
- technical management
- cargo and commercial operations
- cyber security.

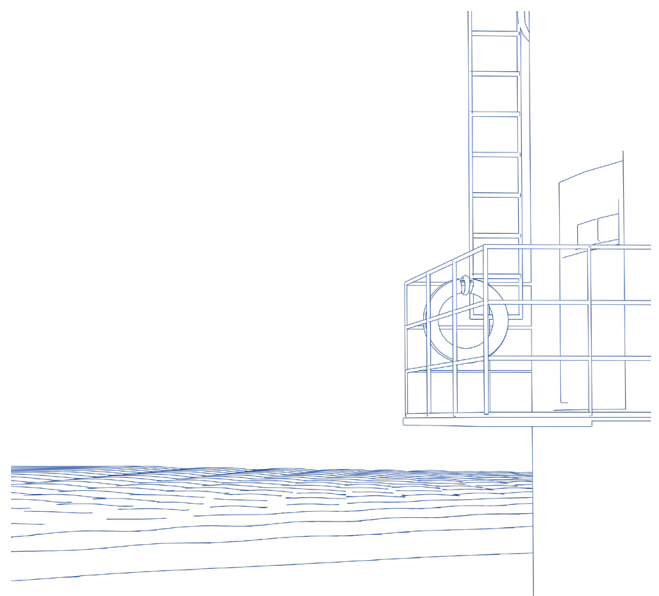
Each area of an MRR contains specific questions designed to provide a thorough assessment of an individual member's strengths and weaknesses. The process is designed to provide each member

with practical feedback and advice, and to provide our underwriters with a quantitative and qualitative understanding of each member's organisation, fleet and trades. Where operational shortcomings are found, we advise on ways to improve performance.

Ship risk reviews

The loss prevention team conducts ship risk reviews (SRR) to determine the condition of individual ships within members' fleets and better understand the risks of insuring them.

Club rules require all members to submit newly entered ships for an entry SRR if they are over 12 years old. We also conduct routine SRRs on about 10% of existing entered tonnage each year to sample the quality of fleets. Ships are selected based on members' loss records, vessel age and type, port state control detentions, carriage of persistent oils and vessel trading area. We also analyse our large survey database to determine which ships pose a higher risk and are more likely to have survey deficiencies. This results in a smaller overall number of annual routine surveys but focused on where they will assist members most.



We undertake 10–15% of SRR surveys in-house. The remainder are carried out through an approved panel of external surveyors, with great care being taken to ensure that the chosen surveyor has the appropriate skill set for the ship. All surveys follow the club's SRR framework, which specifies the areas to be assessed and ensures consistent classification of risks. The framework is assessed annually to ensure it remains up to date with all new regulations, potential risk factors and International Group of P&I Clubs requirements.

After reviewing each survey report, we liaise with the member's relationship team and, if specific deficiencies are found, formulate a recommended course of action. When we consider repairs are urgently required to reduce the risk to the member and the club, evidence of repairs and a follow-up survey are usually requested. Continuity of club cover may depend on repairs being completed within an appropriate and agreed timeframe.

Collaboration with underwriting and claims departments

The loss prevention team collaborates closely with the club's underwriting and claims departments to ensure a timely flow of information in both directions. This ensures that all emerging risk factors are identified accurately and promptly, enabling the club to respond appropriately.

Individual loss prevention surveyors are assigned to each of the club's member service divisions. They attend weekly divisional meetings and liaise closely with each division's underwriters and claims handlers to discuss member-specific issues, new ships or members coming on risk, recent claims and ongoing SRRs. Other risk triggers which may pose a concern or warrant an action include a change in technical management, a change in trade or trading area, and expansion of a fleet with a new ship type.



Safety and loss advisory committees

Another unique feature of our loss prevention approach is our system of safety and loss advisory committees (SLAC). These were established on the advice of the club's board in 1989 to bring together senior technical and marine directors from the club's membership, with first-hand experience and knowledge of tackling complex issues. There are three committees, one each for:

- the Asia region, for our members based in Asia
- the Europe and Americas region, covering both blue-water and offshore-energy-related shipping
- the club's London Class, which is for smaller coastal and inland waterways vessels.

The committees report directly to the club's board and meet at least twice a year. They examine claims trends and individual claims to determine root causes and recommend preventative measures. They also discuss implications of new regulations and review loss prevention initiatives and other topical subjects affecting the maritime industry. These discussions provide vital direction and detailed input to our loss prevention approach.

Loss prevention advice, initiatives and services

The loss prevention team continually produces a comprehensive and continually updated range of loss prevention advisory publications. These vary from detailed bulletins and guides on specific technical and managerial topics to shorter, more frequent industry handouts.

All publications focus on industry best practices and issues that can or may cause losses and offer suggestions on how best to prevent them. The aim is to provide advice and guidance for members and their crews, as well as to ensure both they and the club have a shared understanding of industry best practice.

The team also works on various initiatives, often in partnership with other organisations, to promote safety at sea. These tend to focus on new regulations, emerging claims trends and areas where we foresee higher risks.

In the spirit of mutuality, we make all our loss prevention advisory publications and safety initiatives freely available to the global shipping community through multiple online channels. These channels are also used to publicise our position on unfolding national and international events as widely and quickly as possible.

Furthermore, our loss prevention team regularly attends and speaks at major international shipping conferences to share the club's experience and advise the maritime industry on topical risk issues and trends. The team's experts also sit on various industry bodies and regulatory committees where they work together with others on development of new industry guidance.

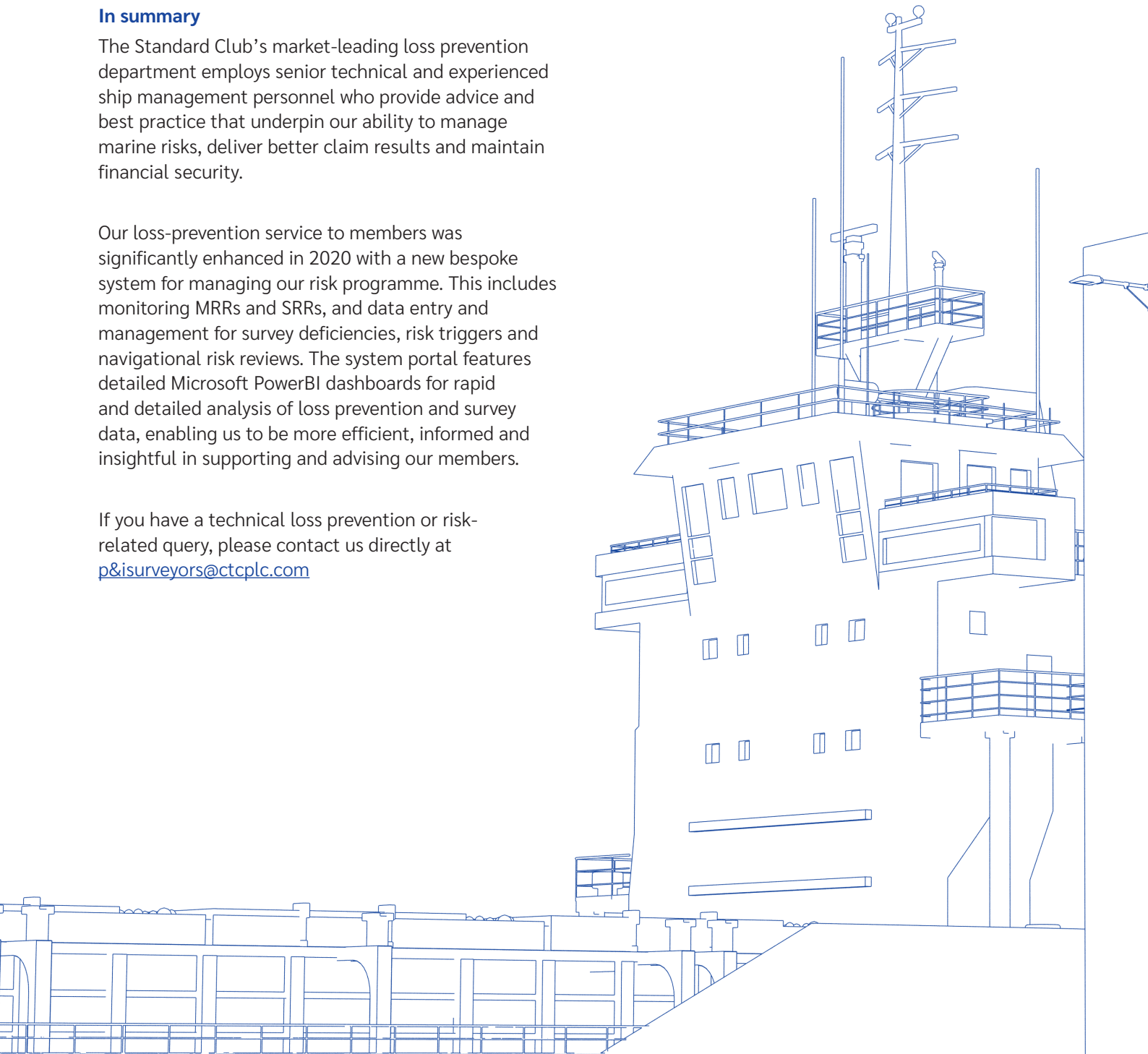
At individual member level, the team makes regular visits to all members to discuss specific loss prevention issues, host topical seminars for crews and run roundtable discussions for office staff. Our loss-prevention service to members was significantly enhanced in 2020 with a new bespoke system for managing our risk programme. This includes Microsoft PowerBI dashboards for rapid and detailed analysis of loss prevention and survey data, enabling us to be more efficient, informed and insightful in supporting and advising our members.

In summary

The Standard Club's market-leading loss prevention department employs senior technical and experienced ship management personnel who provide advice and best practice that underpin our ability to manage marine risks, deliver better claim results and maintain financial security.

Our loss-prevention service to members was significantly enhanced in 2020 with a new bespoke system for managing our risk programme. This includes monitoring MRRs and SRRs, and data entry and management for survey deficiencies, risk triggers and navigational risk reviews. The system portal features detailed Microsoft PowerBI dashboards for rapid and detailed analysis of loss prevention and survey data, enabling us to be more efficient, informed and insightful in supporting and advising our members.

If you have a technical loss prevention or risk-related query, please contact us directly at p&isurveyors@ctcplc.com



Keep up to date by visiting the Knowledge Centre section on our website [standard-club.com](https://www.standard-club.com)

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