

### The role of the board and rules

The club board, comprising shipowners from all sectors of the membership worldwide, meets at least three times a year and also engages with the managers throughout the year in relation to major claims. At each board meeting, the managers report to the board on claims trends, based on a detailed analysis of data which is input by the claims teams on a daily basis.

As a result, the board has a full understanding of the overall claims profile and is fully informed when they need to exercise discretion on claims issues in accordance with the club rules.

The rules are intended to be as flexible as possible and the managers apply the rules fairly in the best interests of the member involved in the claim and of the membership as a whole.

### Major casualty management

A key feature of the claims service is to work closely with the member in the immediate aftermath of a casualty to develop a plan for the response.

The managers will take a leading role in co-ordinating an emergency response in conjunction with local authorities and a team on the ground. The club has unrivalled experience of major casualties, having successfully handled some of the largest, most complex, high-profile shipping disasters of recent years. The club is always ready to support its members in a time of crisis, wherever it occurs. In the event of a major casualty, the club can immediately deploy experienced claims personnel to the site. There they evaluate the situation, devise a strategy with the member, liaise with the relevant authorities and co-ordinate the overall response. The club has a wealth of experience dealing with the world's best salvage companies – some of which the club counts as members – and is able to bring its legal expertise to bear in leading complex contractual negotiations to facilitate the salvage operation.

In addition to pollution response and wreck removal, the club also has extensive experience dealing with other important issues associated with major casualties, including handling passenger, crew, cargo and various types of third-party claims.

### Case studies

#### Chile

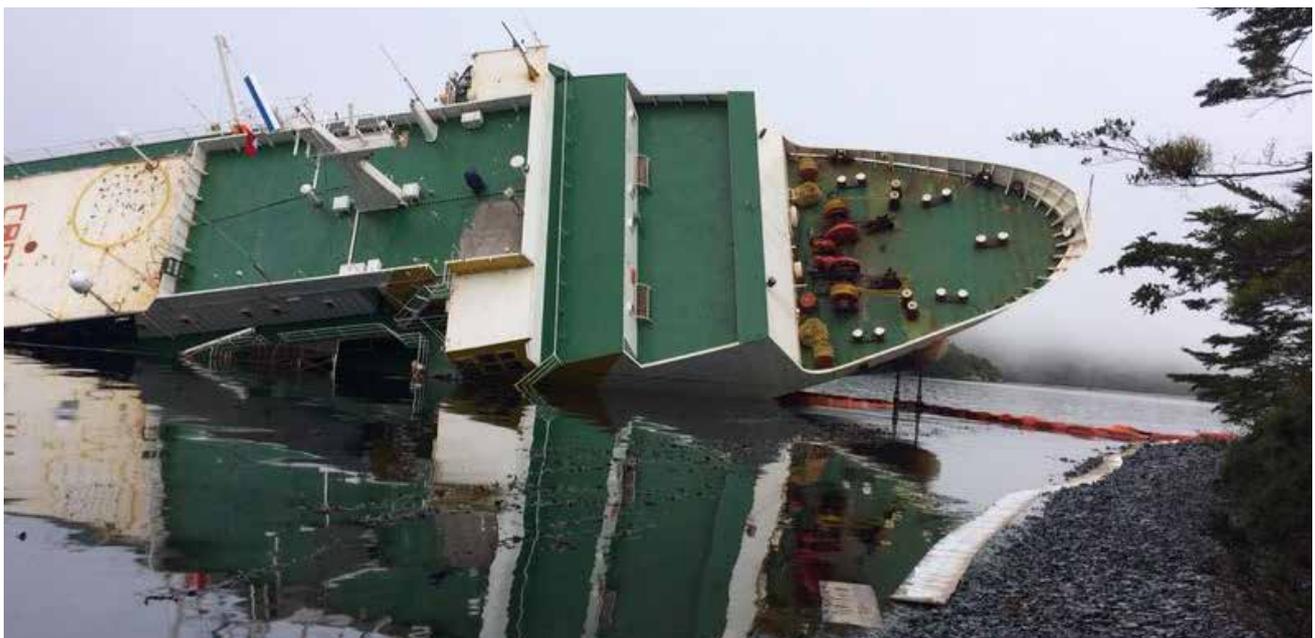
On 18 August 2014, one of our member's ferries ran aground and partially sank in an environmentally sensitive and remote tourist area in southern Chile. We deployed a representative from our Rio office to attend with our local correspondents, a marine consultant from Rio and a representative from ITOPF. The team worked closely with the member and local lawyers to co-ordinate the initial response in liaison with the Maritime Authority. In particular, this included the oil spill response, the tender for the bunker removal operations and, following the successful award of that contract, the tender for the wreck removal operations. With the assistance of our London and New York offices, as well as the aforementioned team, we were also able to help the member with the initial flood of matters needing attention. These included dealing with the immediate needs and subsequent claims of the crew and passengers, media enquiries, tax issues arising out of the various contracts with the oil spill responders / salvors and the numerous cargo claims.

#### Mumbai

Following a casualty in Mumbai port in August 2010, we deployed a senior member of our claims team to Mumbai to lead the casualty response. This included:

- managing the team of salvage consultants, lawyers, technical advisors, pollution experts, correspondents, surveyors, and the member's operational team;
- providing advice and practical assistance to the member on site;
- liaising directly with the Indian authorities, attending two to three meetings daily;
- advising and assisting the member in relation to casualty management (including contractual arrangements with salvors);
- assisting in formulating the overall strategy to resolve the situation – towing and scuttling the vessel in a specified location in accordance with approval from the Indian authorities and flag state.

The proactive steps taken on the ground created excellent relationships with the Indian government and the Directorate General of Shipping.



## Singapore

In another case, in December 2013, an entered container vessel collided with an LNG carrier off Singapore. As a result the vessel sustained damage to two holds and 286 containers were submerged in water. The member, in conjunction with the club and property insurers, responded immediately to the casualty, taking initiatives and actions to mitigate the losses.

In this case, our teams worked together internationally to manage the claim. Our Singapore office served as a correspondent, while the claim was handled within the Piraeus office, where the member's usual contacts are based. A representative from our Piraeus office was deployed to Singapore to deal with the handling operation of the wetted containers ashore, in co-ordination with the member. She met with the local correspondents to discuss the difficulties faced in contacting the cargo interests and arranging surveys of the damaged cargo, co-ordinated the handling of the case and, with the assistance of experts, set up a management plan with a time frame and projected costs. She also visited the storage yard and, together with the member's representative, identified the obstacles that would cause delays to the container handling operations and arranged a meeting with the local team of correspondents, experts, surveyors and the storage yard manager. They discussed the difficulties faced due to space limitation and agreed ways to cut costs and deal with the containers in the most efficient manner. The presence of our representative on the ground created a team bonding between the club, the member and the appointed service providers and, as a result, the whole venture was concluded swiftly and cost-efficiently within only a few months from the date of the casualty.

## Australia

In March 2009, one of our members had the misfortune to suffer a major bunker oil spill off the east coast of Australia after some containers ruptured the bunker tanks when falling overboard in severe weather. As a result, there was significant pollution from heavy fuel oil along large parts of the Queensland coastline. The club worked with the member to mitigate the effects of the spill by supporting the Queensland Authorities in a full and urgent clean-up operation. Matters were complicated because the clean-up costs were higher than the applicable limit of liability on which our members were entitled to rely. However, by ensuring that a donation to a charitable environmental trust was made at an appropriate level, we successfully obtained a resolution to the problem without waiving limitation on behalf of our member.

## Italy

Since the incident occurred in 2012 we have spearheaded the successful operation to remove the bunkers from the wreck of the *Costa Concordia*, before parbuckling, refloating and towing it safely to Genoa to be recycled in accordance with the highest environmental standards. Conducted in the pristine waters of an Italian marine sanctuary under the glare of the world's media, this was the largest and most complex wreck removal operation to date and involved the use of cutting-edge technology to deliver a certain outcome that minimised damage to the environment.

**We hope that our members never suffer a major casualty, but if the worst does happen, they can be confident that the club will support and assist them in resolving the situation effectively to enable them to get back to business.**

## Emergency contact numbers for our claims teams

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## Web alerts

The Standard Club issues a variety of publications and web alerts on topical issues and club updates. Keep up to date by visiting the News section on our website [www.standard-club.com](http://www.standard-club.com)

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