Standard Bulletin

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The Standard
for service and security

The Standard

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In this edition

Rights of direct action against P&I clubs

In the recent case of *Shipowners' Mutual v Containerships Denizcilik*[1], the English Commercial Court granted an anti-suit injunction against cargo interests which prevented them from pursuing direct rights of action in Turkey against a P&I club with headquarters in London.

The Court safeguarded the club's contractual right to defend claims in the forum specified within the club's rules over a right of direct action conferred by local Turkish law. This is encouraging news for P&I clubs in a world where jurisdictions are progressively allowing third-party victims to sue insurers directly.

The background facts

The *Yusuf Cepnioglu* grounded on the Greek island of Mykonos in March 2014, laden with 207 containers and became a total loss. Cargo claims were notified to both the Turkish charterer (the charterer) and the Turkish owner (the owner) in Turkey and elsewhere. The charterer initiated arbitration proceedings against the owner in London, pursuant to the contractual provisions under the charterparty, but was unable to obtain security directly from the owner. It also commenced proceedings against the club in Turkey and sought security directly for its claims. The charterer relied on a recent Turkish statute, which gives a right to third parties to claim losses directly from a carrier's liability/cargo insurer, in this case, the P&I club.

This was a clear and unequivocal attempt to infringe and declare unenforceable the *'Pay to be Paid'* rule contained in all P&I club rules, under which an insured will not receive payment from its insurers until it pays out on any claims against it (i.e. the principle of indemnity).

The club obtained an order from the English Court for an anti-suit injunction restraining the charterer from continuing the proceedings in Turkey. The club contended that the Turkish proceedings would be in breach of the exclusive English law and arbitration clause contained in the insurance contract between the club and the owner.

The Court's reasoning

The main issue for the High Court to decide was whether the right of direct action under the Turkish statute was a claim to enforce the insurance contract between the club and the owner, or a claim to enforce an independent right of recovery against the club.

1 [2015] EWHC 258 (Comm)

The Court, following the reasoning in *The London Steam Ship Owners Mutual Insurance Association v The Kingdom of Spain and another (Prestige No.2)*[2], concluded that the 'essential content' of the right of direct action (contained in the Turkish statute) was the right to enforce the insurance contract between the club and the owner. The charterer's right of direct action was inherently linked to the main insurance contract between the club and the owner.

The second issue that the Court had to determine was whether to uphold the owner's application to continue the anti-suit injunction. As a general rule, an injunction should only be granted if the proceedings (in this case, in Turkey) were deemed to be 'vexatious and oppressive' from the claimant's (in this case, the club's) perspective.

In this regard, the Court held that the proceedings in Turkey were indeed vexatious and oppressive. The effect would be to deprive the club of its contractual right under the Rules to have claims brought against it in arbitration in London.

Additionally, there was also a real risk that the Turkish proceedings would prevent the club from being able to rely upon the 'Pay to be Paid' clause in its contract with the owner. In view of the above, the Court concluded that the anti-suit injunction should be continued, preventing the charterer from continuing the proceedings in Turkey.

Comments

This ruling will make it harder for third parties to exercise rights under 'direct action' laws against insurers in the future, and it is a reminder that the English courts will act to protect a club's right to rely on the contractual provisions of its rules – including the *'Pay to be Paid'* rule. However, the charterer in this case has been given leave to appeal and the Court of Appeal is expected to provide further guidance on this issue in the near future.

The Standard Club will continue to keep its members fully informed of developments and will issue an update once the outcome of any appeal is known. If a member has any questions in relation to this issue, they should not hesitate to call their usual club contact or the author of this article.

2 [2014] 1 Lloyd's Rep. 309

Singapore War Risks Mutual

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In February 2015, the club launched, with the full support of the Singapore Shipping Association (SSA), the Singapore War Risks Mutual (SWRM). This is the first national mutual war risks insurer in Singapore and was set up with the aim of providing Singapore with a flexible and competitive war risks provider to match other national war pool initiatives.

What is the SWRM?

The SWRM is a class within The Standard Club Asia Ltd and offers cover for P&I War, Hull War, Detention and Diversion Expenses, Sue and Labour, discretionary insurance and additional insurance such as War Loss of Hire, with all covers being written on a mutual basis. The SWRM will offer real-time service from Singapore on both claims and underwriting in a market where speed is critical. The class is fully reinsured.

Why was the SWRM developed?

The class was established, along with the support of the local maritime community, to give shipowners more control over their war risks insurance. With its own committee, made up of shipowners and industry representatives, the class has a high degree of autonomy and allows for an alignment of interests between shipowners and their war risks provider. The establishment of the SWRM aims to build on Singapore's current insurance offering, increase Singapore's insurance expertise and enhance Singapore's reputation as a leading global maritime cluster.

The cover

The cover is underwritten on the club's tailored war risks wording as standard (a copy can be found on our **website**); however, all the standard international forms can also be accommodated, including ITC, Nordic, German, French and American conditions. The aim of the class is to give shipowners flexible coverage at competitive rates.

Eligibility

The cover is accessible to members of the SSA irrespective of flag, owners of ships registered in Singapore, ships operated by a company registered in Singapore and ships managed (commercial, technical or crew) from Singapore. Cover can be bought through your usual broker and there is no requirement for the owner to be a member of Standard Asia for normal P&I risks.

Why enter your ships?

The SWRM looks to offer owners an extremely flexible and competitive solution to their war covers and provide a local alternative to the international insurance markets. A team based in Singapore will ensure real-time advice, service and claims handling with the aim of bringing a club-style approach to the war market.

How do I get the cover?

Enquiries should be directed to our War Risks team at the following address: SWRM@ctplc.com or phone +65 6506 2896. Alternatively, please contact your usual club representative for more information. Further details can be found on **www.swrm.sg**.

SWRM
Singapore War Risks Mutual

The Insurance Act 2015: an overview

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The Marine Insurance Act 1906 (MIA) (which actually applies to both marine and non-marine insurance contracts) has been the cornerstone of English insurance law for over 100 years. However, it was considered by some to be outdated and not reflective of today's commercial realities and practices. The new Insurance Act 2015 (the Act) will be the most significant statutory change to English insurance law in England and Wales for over a century, its aim being to modernise and simplify insurance contract law.

The Act received Royal Assent on 12 February 2015 and will come into force in August 2016. It will apply to all insurance contracts worldwide that are subject to English law. This article is a brief introduction to the changes effected by the Act.

Duty of utmost good faith

Section 17 of the MIA provides that insurance contracts are governed by the doctrine of utmost good faith, to be exercised by both parties – the insured and the insurer. If the obligation is not observed by either party, then the contract may be avoided *ab initio*. In other words, the parties are to treat the contract like it was never entered into, with the insurer returning all premiums paid and the insured returning all monies received for any previously paid claims. Thereafter, the contract is deemed as truly terminated and at an end.

Under the Act, insurance contracts still remain contracts of good faith, but the remedy for breach is no longer the total avoidance of the contract from its inception. Furthermore, whilst the onus still remains largely on the insured, who is still required in pre-contract negotiations to disclose every 'material circumstance' which it knows or ought to know, under the Act, an insured will also satisfy its duty of utmost good faith (and pre-contract disclosure) if it gives the insurer *'sufficient information to put a prudent insurer on notice that it needs to make further enquiries to reveal such material circumstances'*.

The new concept of proportionate remedies

Under the MIA, the insurer was allowed to expect from the insured disclosure of 'every material circumstance' in pre-contract discussions and the definition of what was considered 'material' under English common law was anything that *might* influence the mind of an underwriter. So the burden on the insured during pre-contract discussions was an onerous one and, in the event of material non-disclosure or misrepresentation by the insured, the remedy was (again) the avoidance of the policy from its inception. However, no distinction was made between honest and dishonest, or reckless and negligent mistakes by the insured under the MIA, which was considered unfair by some.

The Act now distinguishes between two categories of breach when it comes to the insured's duty of disclosure and introduces the concept of 'proportionate remedies' with the view, on one hand, to preserve the rights of insurers where there has been a deliberate or reckless breach and, on the other, to provide certain rights to policyholders where the breach is innocent or careless.

Now, under the Act:

- an honest breach of the disclosure duty by the insured would entitle the insurer to a proportionate remedy, essentially so as to put it in the same position it would have been in if the error had not been made. This may mean an increase in the premium payable (or a similar downward reflection in any claim payout), or an amendment to the terms of the insurance contract, or even termination of the contract if the insurer would not have entered into the contract at all, had the risk been so disclosed.
- a dishonest or reckless breach will entitle the insurer to refuse all claims and retain the premium.

Warranties – redefined

One of the major reforms in the Act has been the reclassification of warranties. Currently, under the MIA, a breach by an insured of a warranty in the insurance contract will entitle the insurer to treat the contract as at an end from the date of the breach. However, under the Act, a breach of warranty will only suspend, rather than discharge, an insurer's liability to pay a claim. This suspension will apply from the moment of the breach of warranty until the breach has been remedied by the insured, assuming the risk underwritten is essentially the same.

Contracting out

From August 2016, the Act will be the default regime for all commercial insurance contracts subject to English law, although it is possible for the parties to contract out of the Act, if it is a commercial contract of insurance. However, under the Act, any more disadvantageous term for the insured, when compared with the Act, must be clear and unambiguous as to its effect and the insurer is obliged to bring such a term to the insured's or the broker's attention before the contract is entered into.

It is important to state that the Act gives the option to parties in commercial contracts to opt out of this new legislation and make alternative arrangements, provided that the insurer always complies with the transparency requirements mentioned above. Furthermore, it is worth mentioning that the Law Commission, which lobbied for and drafted much of this Act, anticipated that in sophisticated, high-risk markets such as marine insurance, contracting out would be prevalent as other terms may be more appropriate.

Conclusion

The Insurance Act 2015 will be coming into effect in August 2016 and will significantly modernise English insurance law going forward. We will keep our members fully informed of these changes and how the Act may impact on our Rules over the coming months, through bulletins, circulars and other club publications.

Brillante Virtuoso ruled a constructive total loss

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In an $80m claim by the owner of the *Brillante Virtuoso* and Piraeus Bank, the High Court ruled that the suezmax tanker was a constructive total loss following a pirate attack in the Gulf of Aden.

Reed Smith acted for Piraeus Bank, the second claimant, in this lengthy trial.

- *Brillante Virtuoso* was held a constructive total loss after an incendiary device was detonated in the engine room following a pirate attack in July 2011.
- The owner was entitled to an indemnity on the basis that the ship was a constructive total loss and a further indemnity in respect of salvage, tug and agents' costs.
- The Court considered that the most appropriate location for repairs may not necessarily be based on the cheapest quotation and other important commercial considerations were also to be taken into account. In addition, the Court ruled that a contingency figure of around 10% should be added to repair cost estimates in cases where there are limits to the full inspection of the ship.

Suez Fortune Investments, the owner of the *Brillante Virtuoso*, and Piraeus Bank were successful before the High Court of London where it was held that the ship was a constructive total loss (CTL) following a pirate attack in the Gulf of Aden in July 2011.

The Court's decision that the ship was a CTL entitles the owner to an indemnity on that basis and a further indemnity in respect of sue and labour (salvage, standby tug and agents' costs).

In his judgment handed down on 15 January 2015, Mr Justice Flaux raised some issues of note that the Court considered when deciding on issues of quantum. These included deliberations of the prudent uninsured owner when assessing the appropriate location for repairs and the application of contingency figures when reviewing cost estimates.

The judgment handed down in January was the first stage of a two-part trial. A second hearing will determine the issues of liability.

Circumstances of the loss

The hull was insured for $55m, with an additional $22m increased cover. The ship was sailing from the Ukraine to China with a cargo of fuel oil when it was boarded by pirates off Aden masquerading as the port authorities. The armed gang overpowered the crew and ordered the master to sail to Somalia. When the engine stopped and could not be restarted, an explosion was detonated which engulfed the engine room and accommodation.

The claimants' case was that the ship was rendered a CTL as a result of the pirate attack, which was an insured peril. The insurer's defence was that the *Brillante Virtuoso* was in breach of a warranty in the insurance policy by calling at Aden, although the owner claimed that this call was to embark a security team and was with the insurer's knowledge.

Cost of repairs in the Middle East versus China

The Court considered that, despite the cost of repairs in this case being 17.5% more expensive in Dubai than in China, the prudent uninsured owner would have still favoured repair in Dubai. The proper and appropriate location for repairs will depend on the individual circumstances of the case. In his ruling,

Mr Justice Flaux highlighted a number of reasons why the more expensive yard might be preferred, including:

- risks incurred through further towage;
- costs of insurance for the tow;
- loss of income; and
- the reputation of the yards, not only with regard to the quality of workmanship but, importantly, accuracy of cost estimates and the risk of delays.

Application of a contingency figure to repair cost estimates

The Court was guided by a previous decision in *Angel v Merchants Marine Insurance Co*[1], in which the Court of Appeal determined that a "large margin ought to be added to the figures of cost of repair to cover risks of this sort".

In this case, there were limitations in inspecting the *Brillante Virtuoso* to ascertain the full extent of the damage, and some machinery and equipment could not be tested. Mr Justice Flaux was firmly of the opinion that the applicable contingency should be 10%.

Implications

The claim has been closely followed and widely discussed by the London insurance market. It also indicates a more commercial approach is likely to be followed in future CTL cases and perhaps ship repair claims more generally going forward.

1 Angel v Merchants Marine Insurance Co [1903] 1 KB 811 at 816

Focus: reefer container claims

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Despite the global downturn in 2008 and the relatively slow growth in world markets since, there has been a steady increase in demand for imported fresh produce. The range and diversity of the cargo carried in reefer containers is extensive. The most significant are bananas, citrus, grapes, apples and mangoes. Others include dairy products, fresh flowers, and chilled fish and meat. Many pharmaceuticals are also carried in reefer containers.

- Increasing demand in global cold chain logistics.
- Reefer containers designed to maintain temperatures.
- Common charterparty clauses often place responsibility on owners for power supply to reefer containers on board, whilst charterers are responsible for the actual containers.

The trade in chilled and frozen cargoes has a number of interested parties beyond just the shipowner involved in the carriage of reefer containers. Freight forwarders, NVOCCs (Non-vessel owning/operating common carriers, which often issue bills of lading), hauliers, warehouse operators and cargo distributors all have a vested interest in the cold chain network. In response, modern trading demands have extended the period for which carriers are responsible for reefer containers through the use of multimodal and combined bills of lading. Given this growth in the trade, the club has seen an increase in the number and value of reefer container claims. This article sets out some of the common claim factors and also considers some of the future innovations in the trade.

Cargo care

Reefer unitised carriage covers packaged, bagged and palletised items within a refrigerated container.

The correct stowing of cargo inside a reefer container is important, as the containers are not designed to cool the temperature of the cargo but to maintain it. Therefore, prior to the cargo entering the container, it needs to be appropriately packaged and pre-cooled. During carriage, containers will be powered by the vessel. The crew members on board have an important role in periodically checking the containers to ensure that carriage instructions are being complied with. For general guidance on technical considerations for reefer containers, refer to the **Institute of Refrigeration**.

Damage claims

Performance of reefer containers is often related to three separate parameters, namely capacity, control and air movement. Where a claim arises for damage to cargo, this is often caused by a failure in at least one of these parameters due to a failure to care for the container or a breakdown of the machinery.

One of the most common issues is failure to manage the power settings and identify and rectify problems with the cooling system when they occur. It is thus important to have crew members who are experienced and skilled in the management and monitoring of reefer containers.

As a result of fluctuations in temperature within a reefer container, cargo can quickly become damaged. The main causes can include:

- improper stowage, affecting circulation of air in containers;
- stuffing of 'warm' cargo;
- heat generated by premature ripening of cargo;
- incorrectly set parameter temperature ranges; and
- prolonged off-power periods of containers.

Delay claims

Due to the nature of the trade, especially with perishable chilled cargoes, there are significant pressures to deliver cargoes quickly and in the same condition that they were loaded in. There are often small margins for delay and the demands on the machinery are high. In the carriage of goods such as grapes or bananas, even short delays can significantly affect the quality of the cargo which can result in large claims.

Responding to claims

When responding to a potential claim, the club will work with members and appointed surveyors to try to collect as much information as quickly as possible. The following considerations are usually applied to any new claim:

- obtaining relevant information and documents from the vessel, including:
  - bills of lading
  - mate's receipts
  - letters of protest
  - stowage plan
  - reefer cargo manifest
  - statement of facts
  - deck log, engine room log, reefer log
  - carriage instructions, including any amendments;
- obtaining information relevant to the container(s) in question;
- obtaining temperature information;
- obtaining information relevant to the cargo;
- collecting samples of the cargo; and
- investigating all loss mitigation actions considered or implemented.

Shipowners can only be expected to have a limited degree of influence on reefer cargo, principally during the carriage on board. Common charterparty clauses often place responsibility on owners for power supply to reefer containers on board, whilst charterers are responsible for the actual containers and cargo stowage. This has the effect of separating responsibility between the parties. However, further expert determination may be required to decide exactly when, where and how the cargo damage occurred. The club has a great deal of in-house experience, as well as an excellent network of experts in this field. Members who face reefer cargo claims should inform their usual claims contact.

Maximising efficiency

With increasing pressure to drive down costs and reduce claims, some carriers are leading innovative thinking into the future of reefer container transport. A common theme for many in the trade is to make efficiency savings and try to reduce power consumption by reefer containers.

There are ongoing studies as to how much certain cargoes can be pre-cooled. Some analysts suggest that additional pre-cooling prior to loading of reefer containers on board may help drive down electricity costs and potentially reduce cargo deterioration, so long as any such cooling would not adversely affect the cargo by cooling beyond its required temperature range as set out in the carriage instructions. Whilst there are inherent benefits to these actions, they are not without risk; for example, some cargoes of fish have a very narrow temperature range that would not be suitable for additional pre-cooling.

Other areas being investigated include how to develop specialist trades and whether this includes using specialist reefer containers. This diversification from standardisation, whilst enhancing the carriage of cargoes in some trades, may give rise to problems for many busy container ports around the world that are accustomed to handling reefer containers in a relatively common way and may not have the adequate resources or technical capabilities to adapt.

The Standard Syndicate 1884: ship's spares cover

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The Standard Syndicate was launched on 1 April 2015 and is now operating out of Lloyd's of London as well as across Europe through the Standard Syndicate Services Ltd, and Asia via the Singapore service company. The Syndicate has six classes: Hull and Machinery, Energy, Cargo & Specie, Marine Property, Liability and Corporate Lines.

How does this benefit club members?

The range of covers offered by The Standard Syndicate is designed to offer comprehensive marine and energy cover for club members, bringing club-style service and claims handling to all aspects of your marine and asset coverage. One of the most valuable aspects of The Standard Syndicate model is our ability to develop complementary packages of covers across classes, reducing time spent sourcing insurance and giving you the comfort of using a known and trusted supplier for all your insurance needs.

Focus on cargo

In addition to the full range of cargo insurance products and services, The Standard Syndicate is able to offer bespoke additional coverages. An example of this is the Ship's Spares cover which may be offered as a unique stand-alone policy or as part of a package of covers from The Standard Syndicate. This policy provides coverage for loss and/or damage whilst in transit for all ships' spares and consumables, and includes spares being held as inventory in long-term storage facilities awaiting transfer to vessels. In common with all cargo policies available from The Standard Syndicate, Ship's Spares cover automatically includes:

- Broad, responsive, 'All Risks' physical damage coverage based on institute cargo clauses;
- cargo owners' contribution for Salvage, General Average and/or Sue and Labour charges;
- any charges relating to 'Both to Blame Collision' clauses appearing in contracts of carriage;
- express airfreight replacement of a damaged item; and
- new replacement cost valuation.

Commercial exclusions will apply.

How do I access The Standard Syndicate?

To access The Standard Syndicate you can call your club relationship manager who will be able to help set up an initial meeting with Syndicate underwriters to discuss your needs. Alternatively, if you have an existing relationship with a Lloyd's London broker, please ask them to visit us at the box: 4th Gallery, Lloyd's of London, Boxes 435 and 436.

How do I find out more about cargo covers at The Standard Syndicate?

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How do I find out more about The Standard Syndicate?

You can find more information on The Standard Syndicate by going to **www.syndicate1884.com**

Or follow us on Twitter @Syndicate1884

The Standard Syndicate


HEEREMA

Enforcement: giving judgments and awards teeth overseas

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Court judgments and arbitral awards made in England and Wales generally require steps to be taken overseas in order to enforce those decisions in foreign jurisdictions.

Successful claimants in proceedings in the high court or arbitration in England may discover that the defendent has no assets in England against which the judgment or award can be enforced.

Enforcing court judgments

If a claimant seeks to enforce a judgment of the English Courts in another EU member state (or Norway, Switzerland or Iceland), the procedure is now relatively straightforward. Prior to 10 January 2015, a 'declaration of enforceability' needed to be obtained, but the Recast Brussels Regulation has now removed that requirement, which has made the enforcement process faster and cheaper. In addition, although it is possible for the defendant to apply for refusal of recognition of the judgment in an attempt to prevent the judgment from becoming enforceable, such an application would only succeed in the most exceptional of circumstances. This is in line with the EU's general policy of making judgments easily enforceable between EU member states.

There are also reciprocal arrangements in place between the UK and other non-EU jurisdictions – including major maritime jurisdictions such as Singapore – which are designed to assist enforcement of English judgments in those locations.

Enforcement of an English judgment in a jurisdiction that is not covered by the EU regime or the reciprocal arrangements mentioned above will be an issue of local law in the jurisdiction in question. It is possible that local law issues will arise, even if the issue should be straightforward under reciprocal arrangements. The level of complexity, time required and costs incurred in enforcing judgments in such locations varies significantly from place to place and local advice should almost always be obtained.

- Enforcing English judgments in EU member states is now easier due to the Recast Brussels Regulation.
- New York Convention establishes uniform system for enforcing arbitral awards in almost every country worldwide.
- Enforcement in some jurisdictions can be unpredictable so local lawyers are still key.

Enforcing arbitral awards

Enforcement of arbitral awards is generally governed by the New York Convention. The vast majority of jurisdictions worldwide have signed up to the New York Convention, which goes some way towards ensuring the existence of a uniform global system for enforcement of arbitral awards. Typically, awards are enforced in New York Convention signatory states within one year of the date on which the award was made, depending on the complexity of the case and the level of sophistication of the jurisdiction's legal system.

There have, however, been difficulties in ensuring uniform application of the Convention. For example, if the jurisdiction in which enforcement is sought considers that the award breaches 'public policy', it has discretion to refuse enforcement.

Many countries only rely on the 'public policy' defence in very exceptional circumstances, but some countries take a broader view of the issue. It is usually the case that enforcement actions are carried out by the local court, so another layer of complexity may arise. Enforcement of awards in those countries can, therefore, be unpredictable.

Conclusion

In general, enforcement of judgments and awards worldwide is getting easier. Good contacts with local lawyers will, however, often be key to ensuring swift and cost-efficient enforcement.

Staff spotlight

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What was your first job in the industry?
My first job in the industry was as a Claims Executive in the Mediterranean Syndicate of The Standard Club. I joined following the completion of my LLM in maritime law at Swansea University and an internship at Charles Taylor PLC.

What was it that interested you in P&I?
Growing up with a shipping background, I was aware of the importance of the relationship between the club and a member, as well as the variety of the covers provided. I liked the idea of protecting and supporting our members in a tangible way, day to day, rather than the normal insurer/assured relationship. I was certain that a career in P&I would provide valuable claims-handling experience in an international market context and this has certainly been the case.

What is your current job and how does it differ from your first job in the industry?
I am currently an Underwriting Director within the European Syndicate, working solely with the Standard London class members, the club's small craft facility.

Underwriting is obviously very different to my first job as a Claims Executive. At the same time, the fundamentals are the same: we create solutions for members' problems. The key difference between these jobs is when the solution is sought.

In the underwriting role, we are tasked with developing a package of covers based on the club's experiences in any given market and tailored to a member's specific business.

A claims executive will rely on previous experience and also the experience of colleagues to develop a strategy adapted to a particular set of circumstances, to defend and assist members when claims arise.

What is the most important thing a club can do for its members?
Without question it is maintaining the standards of service expected and required by our members.

The club exists to serve its members and we, as managers, must always remember we are a service provider to members, in both claims and in underwriting.

There are many other important things a club must do for its members, but in my opinion, these are all underpinned by the service we deliver. The Standard Club prides itself on the service it provides, and in particular the flexibility and inclusiveness of its approach to claims.

What is the highlight of your career?
Completing my first renewal as an underwriter. From early on in my career, I was interested in joining the underwriting team and in December 2012, I was given the opportunity to move into an underwriting position within the Standard London class. It was only eight weeks before the renewal on 20 February 2013.

It was a difficult time to join the team. After many late nights in the office and sustained guidance and support from colleagues on both the technical and practical sides to underwriting, we achieved a positive result and I had begun to understand the underwriting role. Although challenging, in hindsight, it was probably the best time to join the team and I'm still proud of the result we achieved.

How do you think the industry has changed since you started working in it?

There have been a number of significant changes over the past five years for both shipping and the P&I clubs.

For P&I clubs, there is more pressure to maintain financial stability, ensuring consistently low general increases for members. Owners remain under severe financial pressure in the current economic climate and certainty in their insurance costs is a must. Linked to this, The Standard Club is expanding its cover offerings, not only to provide wider coverage to members, but also to strengthen the financial position of the club. The Standard Syndicate is an important development in this area.

Separately, I think the rise in commercial fixed premium P&I insurance has been an important shift in the past few years. Whilst it is not the first time in the history of the market that these facilities have appeared, it is the first time many of the P&I clubs are developing their own fixed premium products in response.

For some owners, a fixed premium cover can be the right solution. I would say the difference between a club-backed facility and a commercial one remains vast, in terms of service, underwriting approach and long-term financial stability.

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**

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The Standard P&I Club

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