

# Standard Bulletin

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for service and security

The Standard



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## LPG: trade and risks

The current interest in using natural gases is not a new phenomenon. The first ships to transport gas on a commercial scale sailed as early as the late 1950s. However, the industry has seen several advancements, with much more sophisticated production and drilling techniques being utilised. This, together with increasing global demand, has led to larger and more complex gas ships.

- LPG is used extensively in residential areas for heating, cooking and lighting, often in developing countries
- Expansion of US shale gas activities has increased US exports of LPG and impacted the global energy landscape
- Claims activity is generally lower than in other shipping trades; however, risks are still high

issues are further explored in the club's previous article of March 2015 – *'LNG as fuel'* by Julian Hines.

### Risks

Gas operators are known to have very high safety standards, with fewer incidents than other shipping trades. In any event, the club has a good level of experience in assisting members engaged in the gas trade and working with them to identify key risks and manage their liabilities. Nevertheless, problems do occur. The claims faced by members carrying LPG have included some of the following.

### Crew claims

Unfortunately the majority of claim incidents the club has seen in recent years have been due to accidents involving crew in the workplace. Some of the incidents have occurred due to a failure to follow procedures, whilst others have been at least exacerbated by complacency and other human factors often collectively referred to as the 'human element'. The nature of the injuries can range from the relatively minor to more significant injuries affecting the crew member's ability to work in the future, for example, burn injuries and exposure to explosions. The club has a good level of knowledge in relation to crew

### Where are we with gas?

The dominant theme in LPG over the last few years has been the sharp expansion in US LPG exports following the US shale revolution. The USA is now a net exporter of gas, with LPG exports rising by more than two-thirds between 2012 and 2013 alone.

This has contributed to an increase in new build orders and a subsequent overcapacity in the sector.

Meanwhile, the LNG sector continues to grow, with more tonnage available in the market than before. The increase in available gas supplies, and corresponding increase in emissions regulations, has prompted many in the industry to look at available means not only to carry gas but also to use that gas as fuel. These

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compensation claims from working together with members and managing agents and the relevant crew. In addition, the club's Loss Prevention department actively engages with members to prevent personal injury and has recently initiated the club's own pre-employment medical (PEME) scheme to reduce the frequency of personal illness claims. For more information, see the club's *special publication of August 2015*.

#### What is meant by gas?

The IMO describes gas as 'liquids having a vapour pressure exceeding 2.8 bar at a temperature of 37.8°C'. Those gases include liquefied natural gas (LNG) and liquefied petroleum gas (LPG).

LPG is predominantly made up of butane and propane. It is usually a by-product of natural gas extraction and is also produced during the oil-refining process. It is a colourless, clear fluid with no odour.

LNG consists of methane. It has similar physical properties to that of LPG in that it is colourless and odourless. It is carried as a liquid at very low temperatures to maximise its carrying capacity.

#### Contamination of cargo

Where different grades of cargo are carried on different voyages, this can represent a risk for even careful operators as contamination may sometimes be caused by improper changeover of cargoes. The club is able to assist members in managing claims that may arise where contamination has occurred, for example, on board or at shore facilities.

#### Damage to fixed and floating objects

Bearing in mind the popularity of LPG in many developing markets, it is not surprising that many LPG operators will call at several smaller, possibly less sophisticated ports. These ports may not have dedicated onshore discharge facilities and so discharge of cargo may have to be undertaken by cargo lines connected, for example, via sea buoys. These represent a convenient option for many ports; however, the use of them is not without risk. By working closely with port interests, these risks may be minimised; however, utmost care should be taken to ensure potential perils are avoided. This may include, for example, safely disconnecting cargo discharge lines in bad weather.



# Case Study

## Background details

Whilst loading a cargo of butane and propane at a terminal in the Caribbean, an LPG ship experienced a black-out followed soon after by an explosion in the main engine room. The blast was so severe that it blew out doors in the lower accommodation area and caused extensive damage to the ship. Unfortunately, three members of the crew were badly injured.

## Case management

Following initial notification by the member, the club acted swiftly to mobilise a response team of the most effective internal resources and external service providers. The external appointments included salvors and technical experts, including fire and explosion experts. Local surveyors and local lawyers were appointed to assist with investigations on site, whilst suitable English solicitors with relevant experience in handling complex casualty scenarios were also identified and appointed.

## Losses

The club worked with the member and appointed experts to identify the potential losses. Following preliminary investigations, it was clear that there was at least damage to the ship plus significant delays and disruption to the member's operations. Further investigations helped to identify relevant potential P&I exposures and suitable account was made for the following, based on the areas covered within The Standard Club rules.

## Personal injury (rule 3.1.1)

Medical costs to treat the three injured crewmembers at the nearest medical facilities and also ongoing medical treatment in their home countries on their return. Allowance was also made for crew substitution and repatriation costs and also for contractual entitlements including sick pay and disability compensation.

## FFO damage (rule 3.9)

As a result of the ship's prolonged stay at the berth during investigations following the incident, it was identified that there may have been potential interference with terminal property rights through blocking a commercial berth. The terminal had intimated that it would bring a large claim for loss of use of the berth and local law advice was obtained in order to inform the club's strategy on this possible liability.

## Cargo liabilities (rule 3.13.1)

The potential for cargo losses was identified albeit that several defences were available bearing in mind the incorporation of the Hague Visby Rules into the contract of carriage.

## Unrecoverable general average contributions (rule 3.14)

General average was declared by the owner member following the incident. The club's rules will respond only where the member cannot recover general average because there is an overriding unseaworthiness argument advanced by cargo interests. Determining this depends on a number of evidential factors but is largely dependent on whether the incident occurred notwithstanding the exercise of due diligence by the owner/carrier. A thorough investigation took place to show that the owner/carrier had adequate systems and procedures in place and that the incident occurred despite these being applied and monitored by the owner's/carrier's management.

## Practical support for members

As a result of the club's experience in managing many recent major casualties, we are able to provide prompt assistance to the member in the immediate aftermath of a casualty. The club also assists in helping to shape an ongoing strategy that can be adopted in the months and possibly years following an incident. The club's emergency number is manned 24 hours for incident notifications: +44 7932 113 573.

# FLNG: Risks and Cover



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The Standard Syndicate insures a range of upstream assets from fixed platforms to FPSOs. This article focuses on the new Floating LNG asset, including its uses, its risks and the insurance covers available.

## Why use FLNG?

The demand for natural gas is ever increasing. Offshore gas fields are being discovered in deeper waters, further away from land or existing infrastructure. Elements that are common in the conventional supply chain such as installing a pipeline to shore and using onshore liquefaction facilities are impractical and uneconomical for exploiting these gas reserves.

FLNG technology reduces the number of elements in the supply chain, using no pipeline or onshore infrastructure, and therefore making it, in some cases, the only option to exploit these remote 'stranded' gas reserves.

Apart from accessing remote gas fields, other reasons to opt for FLNG over the conventional method of onshore production may be the lack of access to land required for onshore facilities or wanting the better security that an offshore facility provides. FLNG also has the advantage of not having the negative environmental impact that comes from constructing and operating pipelines and onshore plants.

However, this new technology is likely to be amongst the most high-risk in the industry, with comprehensive risk management programmes being key to its success.

## LNG & FLNG

Liquefied Natural Gas (LNG) is gas that has been cooled to a liquid at  $-160^{\circ}\text{C}$  and that occupies 600 times less space than natural gas, which enables it to be easily stored and transported.

A floating LNG (FLNG) is a permanently moored offshore floating facility which produces natural gas from subsea wells, and then processes, liquefies and stores the gas before it is offloaded to an LNG carrier and taken to market. FLNG is a new technology and there are currently no FLNGs in operation, although there are many on order and under construction.

## Risks of FLNG

- FLNG is a new and unproven technology on the world's largest-ever ships – there are no 'lessons learned' or operational experience.
- Compact design – onshore plants reduce risk by physical separation between processing facilities. FLNG process separation is restricted by the surface area of the hull. This space restriction increases the risk of collateral damage in the event of an incident, as well as the risk of loss of life due to the proximity of living quarters.



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- Offloading LNG / simultaneous operations – there is risk of collision if LNG is offloaded to a vessel 'side by side'.
- LNG leakage – if LNG is leaked into the atmosphere, it will change from liquid to methane, expanding by 600 times. If ignited, this could produce a vapour cloud explosion, which may be exacerbated offshore as the change of state from liquid to methane is accelerated when in contact with seawater.
- Huge inventory of cryogenic hydrocarbon liquids stored.
- Effect of motion on LNG storage, e.g. sloshing in tanks.

#### Insurance

The Standard Syndicate energy team can provide the following coverages for FLNG:

- **Exploration and development phase:** Well control cover for operators to cover the costs of control, redrill, seepage and pollution in the event of a blowout. Property damage cover for the drilling contractors' equipment, including rig.
- **Construction phase:** An 'all risk' physical damage policy covering the operator and contractors from procurement through to installation, testing and commissioning.
- **Operational phase:** An 'all risk' physical damage policy which would cover the hull, machinery, topside units, mooring facility and subsea property. This cover could be packaged with a well control, business interruption and third-party liability cover.

On all of the above covers, commercial exclusions will apply.

#### Conclusion

With increasing demand for natural gas, and with five FLNGs under construction and six more being ordered this year, FLNG is likely to play a big part in the future of offshore gas production. The Standard Syndicate has coverages available to meet the needs of the market.

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# How America's next revolution may ignite global maritime commerce



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As the Far East becomes increasingly industrialised, the energy demands of individual states will soon surpass the internal capabilities of all but a few nations, thrusting the USA, traditionally an energy importer, into a new (but welcome) role as a leading energy exporter. This will inevitably create significant opportunities for ship interests.

## A rosy picture

Cheniere Energy, Inc., a company listed on the New York Stock Exchange and the operator of Sabine Pass, the first fully authorised LNG export facility in the USA, saw its stock price rocket some 118% in 2013, the culmination of a 2,568% gain over five years. This is just one example to illustrate the widespread stateside energy revolution.

Following a large increase in fracking<sup>1</sup> operations in the USA, BP's chief economist, Christof Ruhl, forecasts that shale gas will constitute up to 21% of global energy production by 2035, with the USA becoming the largest producer of natural gas at 65bn cubic feet daily – 20% of the global market. Ruhl has stressed that these are 'conservative' figures. By any calculation, however, America will soon produce much more LNG than it can consume, leading to the oft-expressed expectation, echoed by President Obama himself, that the USA will be a net LNG exporter as early as 2016. By 2035, only Australia will surpass the USA in terms of LNG export volume.

- America's abundance of LNG production leads to expectations of a profitable export market
- Regulatory controls still threaten to dampen optimism in the LNG export industry in the USA
- However, plentiful overseas clients and healthy profit margins make LNG exports from the USA an economic inevitability

Figures published by the *Wall Street Journal* last year reveal perhaps the most scintillating LNG development in maritime commerce: the difference (in \$ per million British thermal units) between gas bought in the USA and the amount recoverable in sales abroad more than offsets the cost of liquefaction and overseas transportation. Reports indicate mark-ups of greater than 300%, including the costs of liquefying and transporting the resource.

<sup>1</sup> The process of injecting liquid at high pressure into subterranean rocks, boreholes, etc., so as to force open existing fissures and extract oil or gas. Also called hydraulic fracturing.

### Legal obstacles

Counterbalancing this optimism are the potential legal obstacles facing the American LNG concerns. One example to illustrate the widespread regulatory struggle is the story of Freeport LNG. This Texas-based company began the permit application process with the Department of Energy in August 2012. It has contracts with at least five global customers requiring the shipping of 2bn cubic feet of LNG per day. Although Freeport obtained the necessary export approval from the Department of Energy in May 2013, becoming just the second business entity to do so, the Federal Energy Regulatory Commission has delayed the approval of the company's planned \$12.5bn LNG export terminal. As a result, Freeport is unable to commence full operation until 2019 – five years later than originally planned.

### Future opportunities

Meanwhile, China has constructed 13 LNG import terminals since it started importing in 2006. This is illustrative of the comprehensive Chinese plan to triple its use of LNG to above 300bn cubic metres by 2020, which dovetails nicely with the US export plan. If this comes to fruition, it could create significant opportunities for owners, operators and other ship interests.

Finally, the rise of LNG exports may significantly ameliorate greenhouse gas (GHG) emissions. In a 2014 peer-reviewed study, the first to specifically consider the carbon footprint of LNG, Carnegie Mellon University's College of Engineering concluded that US exports would help reduce global GHG emissions considerably.



# Environmental liabilities: a question of reasonableness



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## General and particular average defined

Section 66 of the Marine Insurance Act 1906 provides that a general average loss is a loss caused by or directly consequential on a general average act. There is a general average act where any extraordinary sacrifice or expenditure is voluntarily and reasonably made or incurred in time of peril for the purpose of preserving the property imperilled in the common adventure. In contrast, section 64 defines a particular average loss as a partial loss of the subject matter insured, caused by a peril insured against, and which is not a general average loss, a salvage charge or sue and labour.

Situations in which pollution-related costs can be recovered in general average (GA) have been discussed in our previous article in Standard bulletin, March 2015, *Environmental liabilities: a question of motive*. We will now consider when the costs of cleaning up pollution in dry dock may be covered by particular average (PA).

## Case study

A vessel, sailing in ballast, suffers a serious grounding. A diver's inspection reveals extensive bottom damage; however, the water pressure is holding the bunkers in the breached bottom tanks and there is no actual leakage. The vessel is towed to a local shipyard for repairs and enters dry dock. Considerable expenditure is incurred to:

- carry out tank cleaning in all areas adjacent to planned hot work;
- remove bunker residues from undamaged areas of the exterior shell plating; and
- clean the dry dock and its pumping facilities.

We will consider each cost in turn.

## Tank cleaning

There is a long-standing practice stating that it is necessary to clean cargo or bunker tanks in order to do repairs, and it is now largely uncontroversial that these costs form part of the cost of repairs. The Association of Average Adjusters Rule of Practice D6 provides guidance on how these costs should be divided when both damage repairs and owners' work are being carried out. If bunkers have escaped and have formed a coating over parts of a hull, and this needs to be cleaned before

hot works can be carried out, the cost of doing so would likely be recoverable as part of the cost of repairs.

## Bunker residues

If undamaged areas of plating are covered with bunker residues, can the cost of removing those bunker residues be recovered? This question arose in the *Orjula*,<sup>1</sup> where several drums of acid began leaking because they had been badly stowed. The shipowners sought to recover from the charterers the cost of cleaning the deck of acid, whilst the charterers argued that there had been no physical damage to the vessel because the acid did not penetrate the deck material and so the cost should fall on the shipowners. The judge decided that the ship had been damaged 'by reason of her contamination'.

It follows that the cost of cleaning bunker residues from undamaged areas of exterior shell plating is likely to constitute physical damage to the ship and may be recoverable in PA on that basis.

<sup>1</sup> The *Orjula* [1995] 2 Lloyd's Rep. 395

2 The *Medina Princess* [1962] 2 Lloyd's Rep. 17

### A question of reasonableness

The final scenario involves the cleaning of a dry dock and its pumping facilities. Unlike the other examples, the damage happened to something other than the ship itself; therefore, the recovery cannot be based on damage to the ship and we must consider what the reasonable cost of repairs is. A very significant case which assists is the *Medina Princess*.<sup>2</sup> The plaintiff owners were looking to prove a constructive total loss and much of the several-hundred page judgment concerns which costs could be brought in as part of the reasonable cost of repairs. Mr Justice Roskill stated that the correct approach to adopt when calculating the reasonable cost of repairs is to consider 'what would have to be expended to put the ship right'. On the facts, a cost which must be incurred to put a ship right is to put it into dry dock. Part of

the expense of putting the ship into dry dock would be the cost of tugs and mooring, which would form part of the cost of repairs. Additionally, we know that the vessel has damaged tanks and that they will leak oil into the dry dock – this is foreseeable. The oil will need to be cleaned from the dry dock's walls and pumping equipment.

In this example, it is quite clear that the cost of cleaning the dry dock is as much a part of the cost of entering a dry dock as the cost of tugs and mooring, and therefore forms part of the cost of repairs.

Whilst the above are all examples where pollution costs may be recovered in PA, the position is by no means straightforward and each case will need to be reviewed on its own merits.



# Wider arrest possibilities in the Netherlands under the revised Brussels I Regulation



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## Pre-judgment attachment order

The order is usually granted ex-parte and can also be served on third parties, such as banks. The attachment order blocks any payments by the third party to the debtor. If the money is held in a bank account, the entire sum in the account at the time that the attachment is served will be seized awaiting a decision in the core proceedings.

The Netherlands is widely recognised as an arrest haven, and this has been widened under the revised Brussels I Regulation.

## Introduction

As discussed in an earlier article published in *The Standard Bulletin*, the Netherlands is widely recognised as an arrest haven. Its procedural law provides for effective means by which to obtain security in advance of main proceedings against a debtor. Such security can be obtained by seizing the assets of the debtor on the basis of a pre-judgment attachment order. These pre-judgment attachment orders can be obtained in a matter of hours in Rotterdam in case of need.

The pre-judgment attachment order is widely used by Dutch and foreign creditors to collect claims against Dutch debtors or foreign debtors. The order can be used solely for the purpose of providing security, so that the debtor will fulfil its obligation after a judgment has been rendered against it. If the debtor fails to honour such an obligation, the creditor can simply satisfy its claim by liquidating the assets that have been secured by means of the pre-judgment attachment order. The attachment order can also be used as a means to exert pressure on the debtor to make payment and thus avoid the need to start substantive proceedings. Only by satisfying the claim of the creditor is the debtor able to regain control over its assets.

## Cross-border effect on a Dutch pre-judgment attachment order

Can Dutch courts arrest assets of debtors that are located in other EU member states?

This question has recently gained importance due to the revised Brussels I Regulation (Recast Brussels I), which came into force on 15 January 2015. This regulation provides uniform rules throughout the EU on international jurisdiction and recognition and enforcement of civil judgments, and replaces the previous Brussels I Regulation.

The Recast Brussels I Regulation introduces an important change. Under the new regulation, it is now possible to enforce, throughout the EU, provisional measures granted on the basis of an ex-parte application in any individual member state. The only condition is that the court issuing the attachment order must have jurisdiction as to the subject matter of the proceedings (on the basis of the jurisdictional rules of the regulation). The Recast Brussels I Regulation effectively makes it possible to attach assets anywhere in the EU if the Dutch court has jurisdiction as to the subject matter of the proceedings. This is, for example, the case if the parties have included in their contracts a 'choice of forum' clause conferring jurisdiction on the Rotterdam Court.

### Timing of attachment order

The Recast Brussels I Regulation requires the *ex-parte* order to be served upon the debtor before the assets are attached. The attachment order could obviously lose its effect if the debtor has knowledge beforehand that its assets will be attached. So, to uphold the 'surprise effect', good co-ordination is required between the authorities responsible for the service of the attachment order and the authority responsible for the actual seizure of the assets.

If matters are co-ordinated properly, the time gap between the notice and the enforcement can be kept to a minimum. The debtor will be informed very shortly before or simultaneously with the arrests that are actually placed on its assets. Conversely, the effect of service of the attachment order may provoke the debtor to instigate settlement discussions to avoid its assets being arrested.

### Free circulation of arrest or attachment orders

The modification included in the Recast Brussels I Regulation enables a free circulation of arrest or attachment orders throughout the EU. This new development coincides with another development in European legislation. From 2017, the EAPO-Regulation (European Account Preservation Order) will enter into force. This regulation allows one court (having subject-matter jurisdiction) to grant an EAPO which can be directly enforced in another member state, resulting in the attachment of a bank account of the debtor. Where the EAPO specifically targets bank accounts, the Recast Brussels I can be used for the attachment of tangible assets which are located in another member state. Furthermore, it can be used against third parties domiciled in other member states that owe money amounts to the debtor. Due to these developments in European legislation, cross-border attachment orders are expected to be used widely. The ease

with which such an attachment order will be issued and circulated throughout the EU will greatly benefit creditors.

### Conclusion

The Recast Brussels I Regulation allows *ex-parte* attachment orders to circulate throughout the EU. Consequently, the whole EU is a potential arrest and attachment haven for the Dutch courts. The only requirement is that the Dutch court has jurisdiction on the merits of the substantive claim (on the basis of Recast Brussels I).

This is a positive development for claimants interested in achieving swift collection of claims, either in one jurisdiction or in cross-border cases.

Recent Dutch case law already shows that the Dutch courts are willing to issue cross-border attachment orders so as to seize assets located in other EU member states. An example is the arrest of the pusher-barge *Navin 24*.<sup>1</sup> In this case, the court granted a direct attachment order to arrest this barge, which was located in Germany or Austria. The dispute involved non-payment of hire under a time-charter. Jurisdiction was based on a choice of forum clause in the time-charter, which vested jurisdiction in the Rotterdam Court.

It is expected that such willingness to grant cross-border arrest orders will increase even more in future, with the implementation of the Recast Brussels I Regulation. Including a choice of forum clause in contracts which confers jurisdiction to the Dutch courts (for example, the Rotterdam Court) greatly assists in securing the enforcement of contractual rights against unwilling debtors. The Rotterdam Court can – and has shown that it will – issue orders for an attachment not only in the Netherlands but also in other EU member states.

1 Court of Rotterdam, 12 March 2015, ECLI:NL:RBROT:2015:3395

# Vessel Sharing Agreements



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Vessel Sharing Agreements (VSAs) are predominantly used by alliances of container lines to pool their resources on popular routes. There is no widely accepted standard form in circulation, so VSAs are usually bespoke. This article discusses some of the difficulties that arise under VSAs and how to mitigate these problems in advance.

## Introduction

The commercial pressure to settle disputes within ongoing alliances probably explains the lack of any reported decisions on VSAs. This means that, in the aftermath of a casualty, the parties' rights and obligations under a VSA can be the source of considerable disagreement.

## Access to crew, vessel and documents

The VSA will often include a requirement that the shipowner assists the VSA partners in obtaining evidence and statements from the crew. This is, ostensibly, to enable the other VSA partners, who will have issued their own bills of lading to cargo interests for their own slot allocation, to obtain evidence to defend those cargo claims. There is a tension between whether such provisions entitle the VSA partners to have access to the crew to conduct interviews and obtain evidence themselves directly, or merely to receive copies of statements taken by the shipowner's own solicitors.

Similarly, many VSA partners will want their own surveyors to examine the ship and its paperwork at length, rather than relying on documents provided by the shipowner – a situation often compounded by the existence of local rights in any port of refuge to obtain a court order for access, or to require that the master and crew give testimony.

VSA partners may interpret such rights widely in a bid to seek out evidence on which a cause of action can be founded under the VSA itself, rather than merely for handling cargo claims. The difficulty with such an approach is that, in the immediate aftermath of an incident, the crew are usually fully employed attending to their duties on board and do not have the capacity to respond to queries from the surveyors and lawyers appointed by each of the VSA partners (of which there can be several).

There are strong arguments for the parties to a VSA to draft provisions that clearly regulate the amount of access that will be given, the timing of such access and the waiving of any local rights that might exist. In particular, VSAs should clearly set out how many surveyors and experts may be sent following a casualty in order to prevent a scrum for access from developing in the port. By the same token, and as a counterbalance, VSAs should provide for reasonable access to documents and witness evidence.

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### Security for cargo claimants

Many cargo claimants will try to bring proceedings against the ship itself, rather than the carrier that issued their bill of lading. VSAs commonly provide that each carrier must handle and defend its own cargo claims in the first instance, but few go so far as to require that each VSA partner in its role as carrier must put up security in advance of the ship calling at its next port.

The absence of such a provision often leads to the parties involved incurring significant legal costs from debating who will secure the cargo interests' actions against the ship, as well as the type and value of such security. It also

increases the risk of a cargo interest arresting the ship and disrupting the liner service while the VSA partners continue to argue. The parties to a VSA should avoid this situation if possible by requiring that each VSA partner, in its role as carrier, voluntarily put up any necessary security prior to a port call.

### Advice

Drafting clauses that deal with these two issues could significantly improve the ability of the parties to a VSA to handle the aftermath of a casualty in an efficient and cohesive manner, rather than arguing over such rights through their solicitors and the local courts.



# Staff spotlight



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Rupert Banks has been working at The Standard Club since 2010. He recently moved to Singapore to take up the role of Regional Claims Director.

## What was your first job in the industry?

I started out as a solicitor and P&I club correspondent in Australia. I then joined The Standard Club as a claims executive in the offshore division.

## What was it that interested you in P&I?

I was attracted by the importance of shipping as well as the international character of the maritime industry. Ships make the world go round, whether it be in terms of international trade or in exploiting and developing marine and offshore resources. P&I clubs play an integral part in that, ensuring that shipowners and charterers are protected against the significant liabilities that can arise from the operation of ships, so that they can trade.

## What is your current job and how does it differ from your first job in the industry?

I am currently Regional Claims Director for Standard Asia. The main difference from my first job is that I have a much closer relationship with members. I am also now lucky enough to manage a team.

## What is the most important thing a club can do for its members?

Find solutions for them. Clubs ultimately exist for their members and finding innovative ways in which to better protect and support the membership is fundamental, whether that be in handling a claim, providing advice or in offering an extended range of covers.

## What is the highlight of your career?

There are several. However, one that sticks out in my mind is having the opportunity to work as a supernumerary on board a general cargo ship engaged in the coastal trade around Papua New Guinea. This enabled me to experience first-hand the issues and challenges that members and their crews face on a daily basis.

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

The regulatory environment, in both shipping and insurance, has changed considerably. In addition, the difficult economic conditions faced by most sectors of the shipping industry in recent years have resulted in a greater focus by both members and the club on finding better ways to resolve claims in a more cost-effective and efficient manner.



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**Charles  
Taylor**