

# Latin American Forum

23 November 2017



 @StandardPandI  
 The Standard P&I Club  
[www.standard-club.com](http://www.standard-club.com)

Charles  
Taylor

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# Contents

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- 1 The Standard Club update

---

- 2 Scenario: Wreck removal

---

- 3 P&I cover for installation vessels

---

- 4 P&I cover: Wreck removal

---

- 5 Scenario: Wreck removal – continued

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- 6 **Break**

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- 7 Wreck removal contracts & regimes in Brazil

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- 8 SMIT case studies

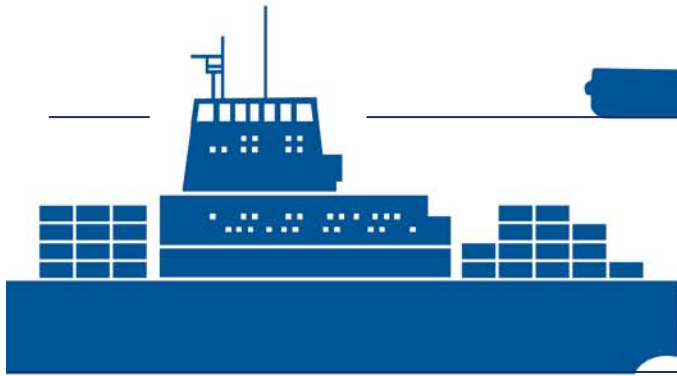
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- 9 Closing thoughts and questions

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**Standard  
Club**



# The Standard Club Update

John Reily

Director of Underwriting



# 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.

Industry-leading service, a track record of financial security, and a selective, conservative approach to growth.

2017: overall underwriting profit for the financial year, continued growth of The Standard Syndicate and the Singapore War Risks Mutual.

A broad range of P&I and other marine and energy covers, offering sustained excellent value to high-quality operators.

# Overview of the club: key financials



Selective growth; breakeven underwriting; strong balance sheet

Total tonnage

**150mgt**

20 June 2017

138mgt

20 February 2016

Owned tonnage

**125mgt**

20 June 2017

116mgt

20 February 2016

Premium income

**\$347m**

Projected 2017/18

\$339m

2016/17

Combined ratio

**95%**

2016/17

95%

2015/16

Investment return

**3.0%**

2016/17 financial year

-0.9%

2015/16 financial year

Surplus

**\$40m**

2016/17 financial year

\$10m

2015/16 financial year

Free reserves

**\$430m**

20 Feb 2017

\$390m

20 Feb 2016

S&P rating

**A (strong)**

AAA capital strength

Affirmed July 2017

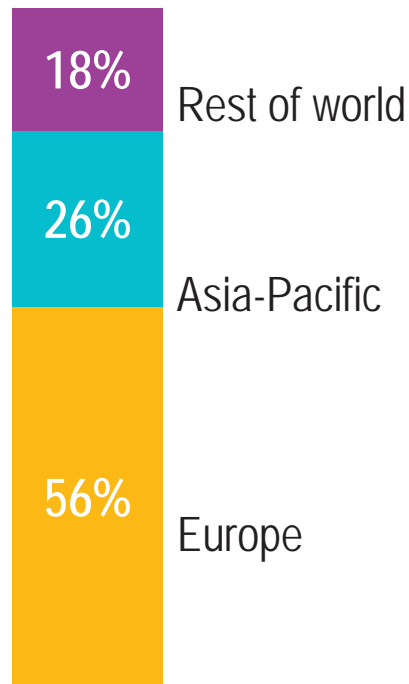
# Membership

Diverse spread of business by country of management and ship type



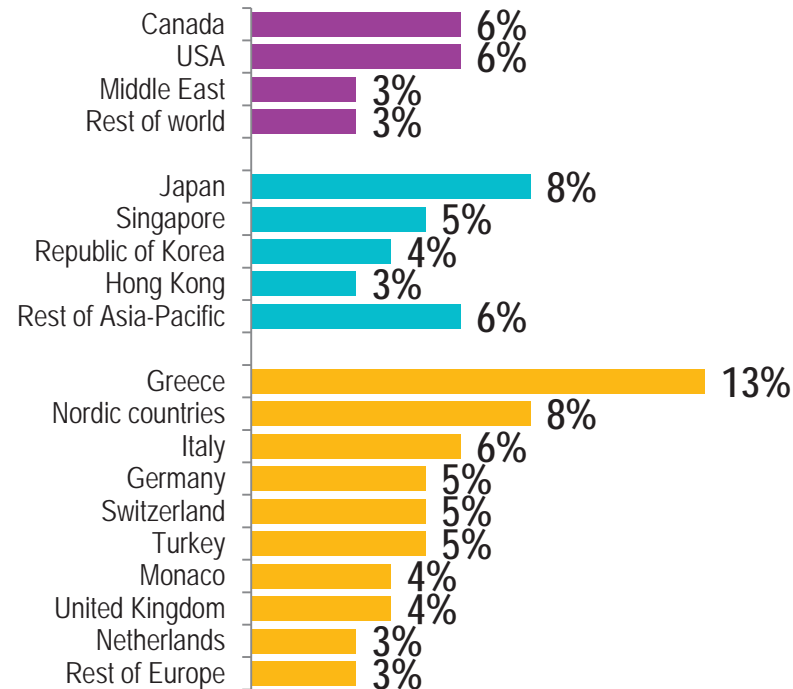
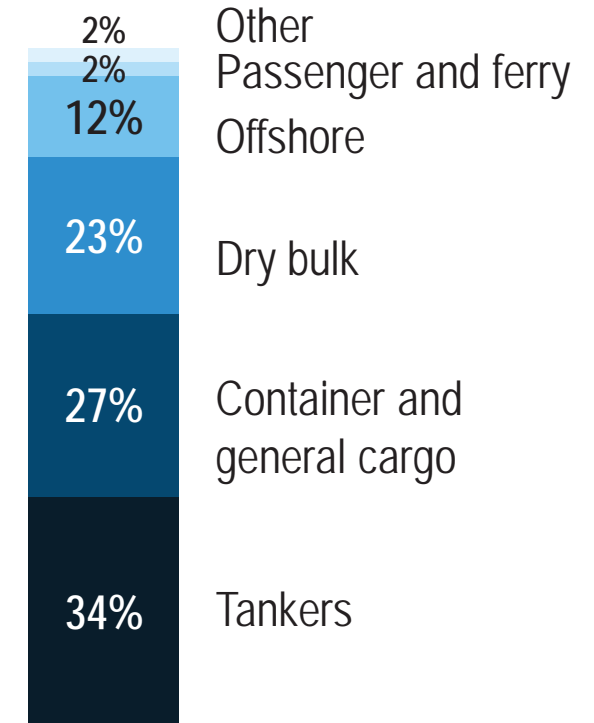
Owned tonnage by region

125mgt



Owned tonnage by ship type

125mgt



# Track record of flexibility and innovation



Launch of  
The Standard  
Club Asia Ltd

1997



TOKIO MARINE  
NICHIDO

'TS21' joint  
venture with  
TMNF

2001



Dedicated  
'offshore'  
team

2006



Plan to  
launch IG  
COFRs\*

2014



Launch of  
SWRM war  
risks class

Feb. 2015



Launch of  
The Standard  
Syndicate at Lloyd's

Apr. 2015

\*Not supported by the International Group, but resulted in a competitive new entrant to this market  
"Owners could save close to \$40m each year if International Group clubs support [Standard's] move and guarantee US COFRs" – Tradewinds, January 2014

# Meeting members' insurance needs

P&I	War & defence	Non-P&I liabilities*	Assets*	Specialist risks*
<ul style="list-style-type: none"> <li>• Mutual owned pooled</li> <li>• Fixed premium owned</li> <li>• Fixed premium charterers</li> <li>• Offshore drilling and production</li> <li>• Tailored extensions</li> </ul>	<ul style="list-style-type: none"> <li>• War risks</li> <li>• Defence (FD&amp;D)</li> </ul>	<ul style="list-style-type: none"> <li>• Liability</li> <li>• D&amp;O</li> <li>• E&amp;O</li> </ul>	<ul style="list-style-type: none"> <li>• Hull &amp; machinery</li> <li>• Cargo</li> <li>• Fine Art &amp; Specie</li> <li>• Property</li> </ul>	<ul style="list-style-type: none"> <li>• Energy</li> <li>• Political Violence</li> <li>• Political Risk</li> </ul>





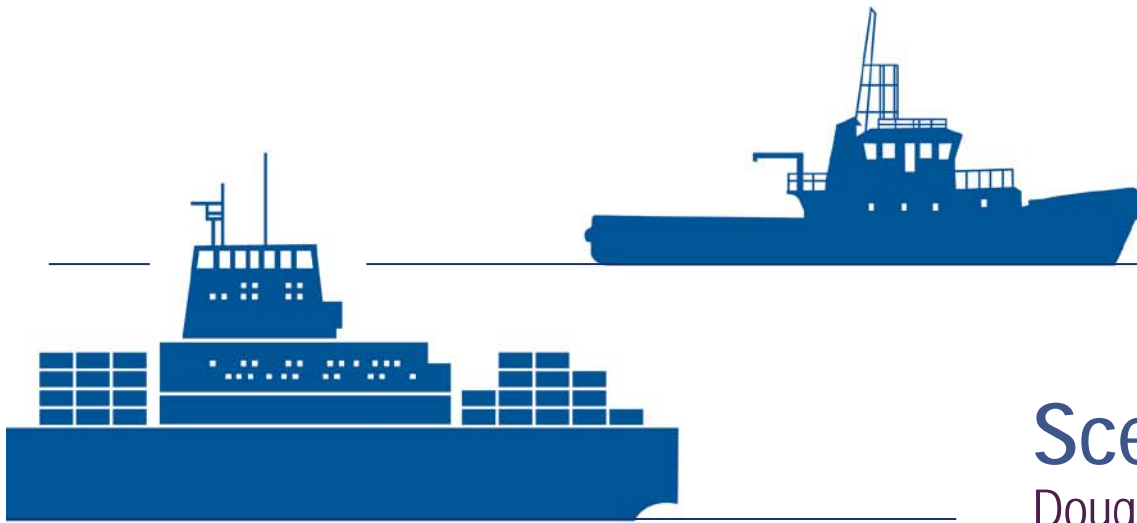
# Club service teams in key hubs

## Supported by Charles Taylor's global network





**Standard  
Club**



## Scenario: Wreck removal

Douglas Martin and Sergio da Veiga Faria

SMIT





# SALVAGE FORUM 2017 – SMIT SALVAGE

DOUGLAS MARTIN

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STANDARD CLUB - SALVAGE FORUM

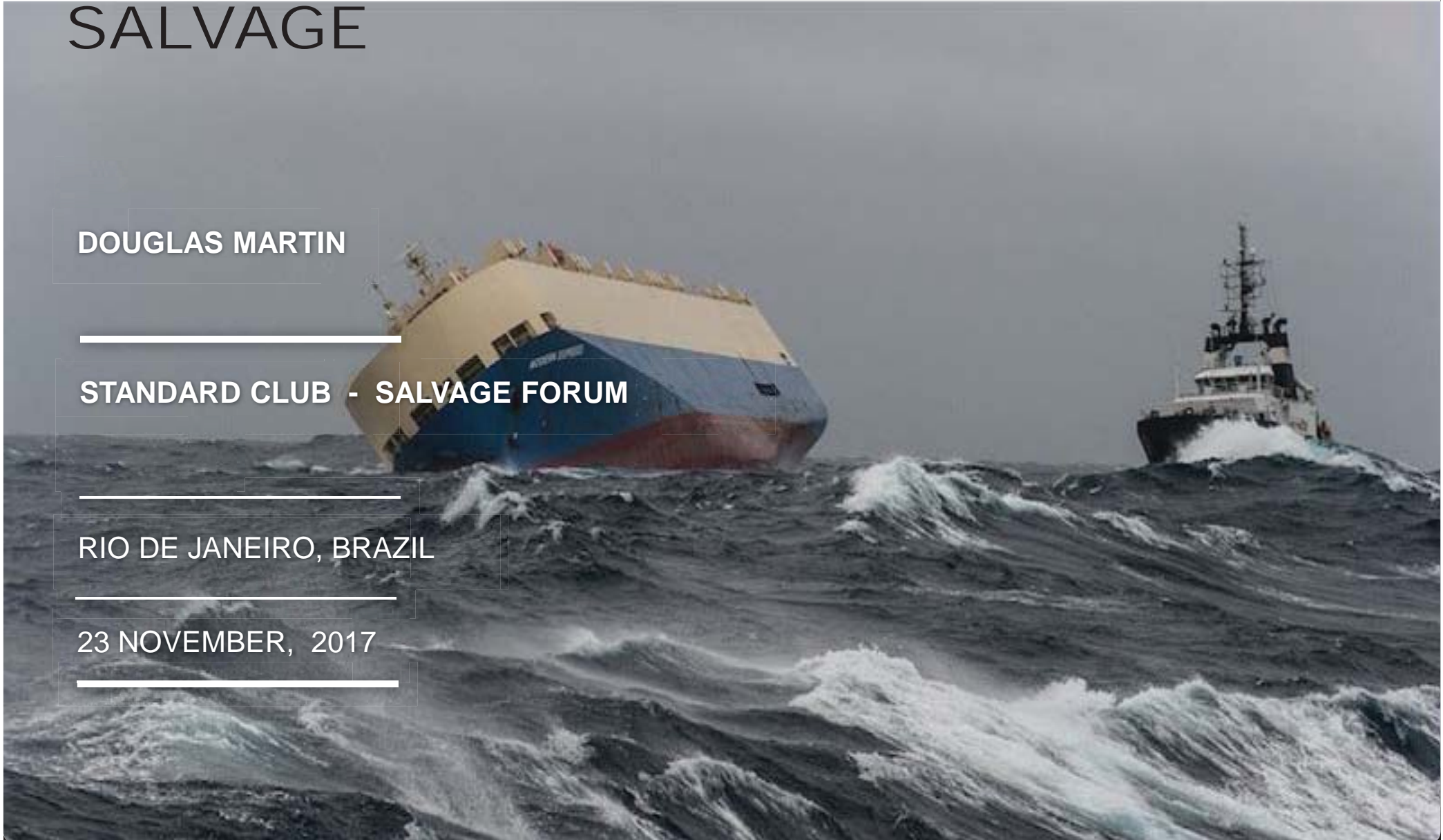
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RIO DE JANEIRO, BRAZIL

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23 NOVEMBER, 2017

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# INDEX

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**01 SHALLOW WATER CABLE  
LAYING VIDEO**

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**02 SINKING SCENARIO –  
PAINTING THE PICTURE**

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# CABLE LAYING INTRODUCTION

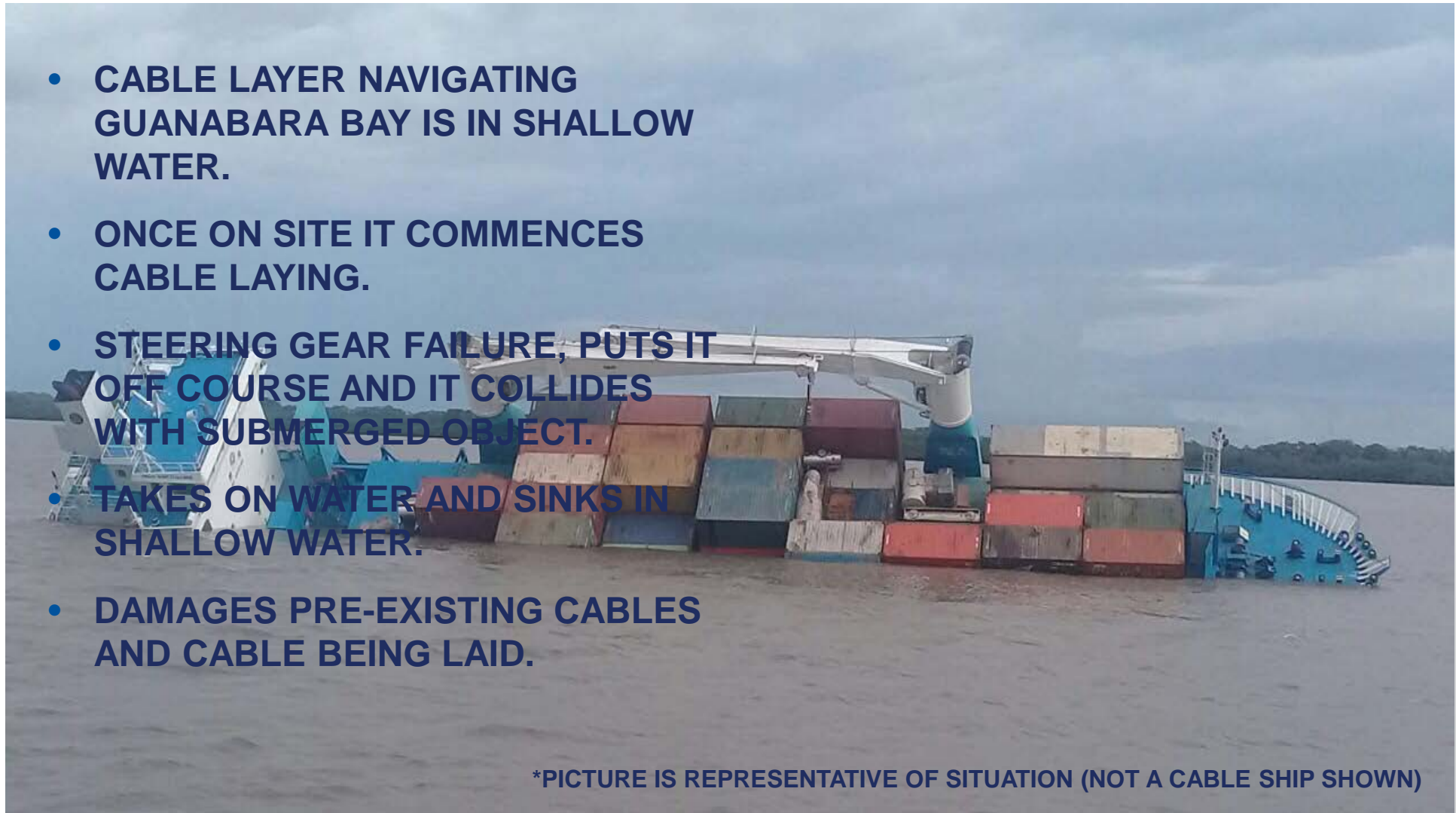






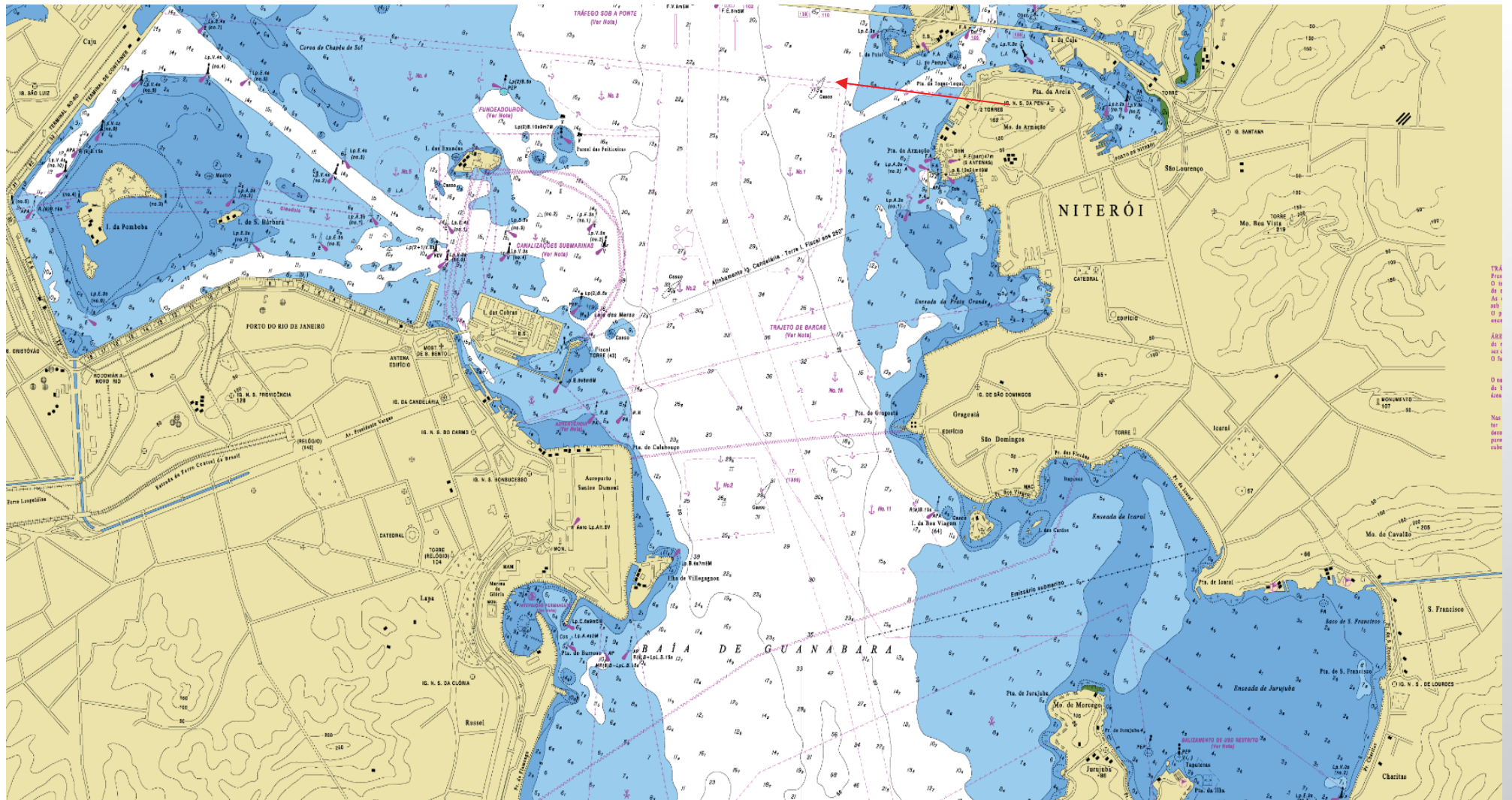
# THE SCENARIO

- **CABLE LAYER NAVIGATING GUANABARA BAY IS IN SHALLOW WATER.**
- **ONCE ON SITE IT COMMENCES CABLE LAYING.**
- **STEERING GEAR FAILURE, PUTS IT OFF COURSE AND IT COLLIDES WITH SUBMERGED OBJECT.**
- **TAKES ON WATER AND SINKS IN SHALLOW WATER.**
- **DAMAGES PRE-EXISTING CABLES AND CABLE BEING LAID.**



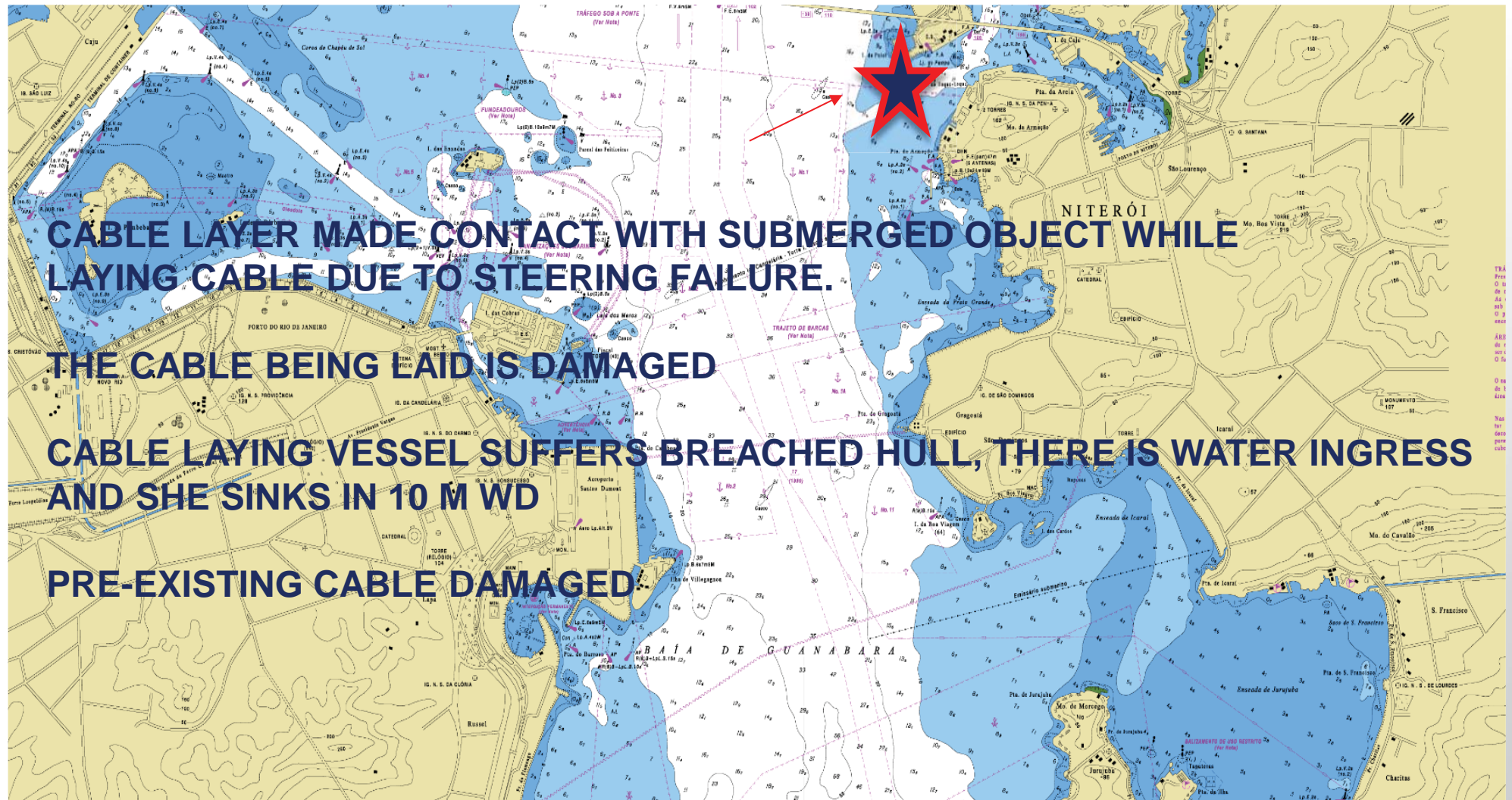
**\*PICTURE IS REPRESENTATIVE OF SITUATION (NOT A CABLE SHIP SHOWN)**

# POWER CABLE LAYING FROM NITEROI





# SUBMERGED OBJECT CONTACT AND SINKING LOCATION - NITEROI





# VESSEL PARTICULARS

Ship Type Self-propelled DP2 multifunctional accommodation vessel with cable laying capability

Signal Letters SBVH3

IMO Number 9632466

Flag Cyprus

Port Of Registry Limassol

Classification LRS & 100A1, Offshore Multifunctional Accommodation Barge, Bottom Strengthened for Loading and Unloading Aground, Shipright ACS, \*IWS, EP, WDL (15 tonnes/m<sup>2</sup> from Aft to Frame 136), & LMC, UMS, DP(AA), NAV1

Date of Keel Laying 29<sup>th</sup> February 2012

Yard Number ZPMC-1040

Dimensions Length O.A. 99.00 m  
Length B.P. 98.31 m  
Breadth Moulded 30.00 m  
Depth Moulded to main deck 7.00 m

Summer Load Draught 4.800 m moulded  
4.814 m to underside of keel plate at midships  
Displacement 12287 tonnes at Summer Load Draught

Block Coefficient 0.844 at Summer Load Draught

Minimum Forward Draught 2.75 m moulded

Lightship Weight 4540 tonnes  
LCG 56.550 m  
TCG -0.116 m  
VCG 6.491 m

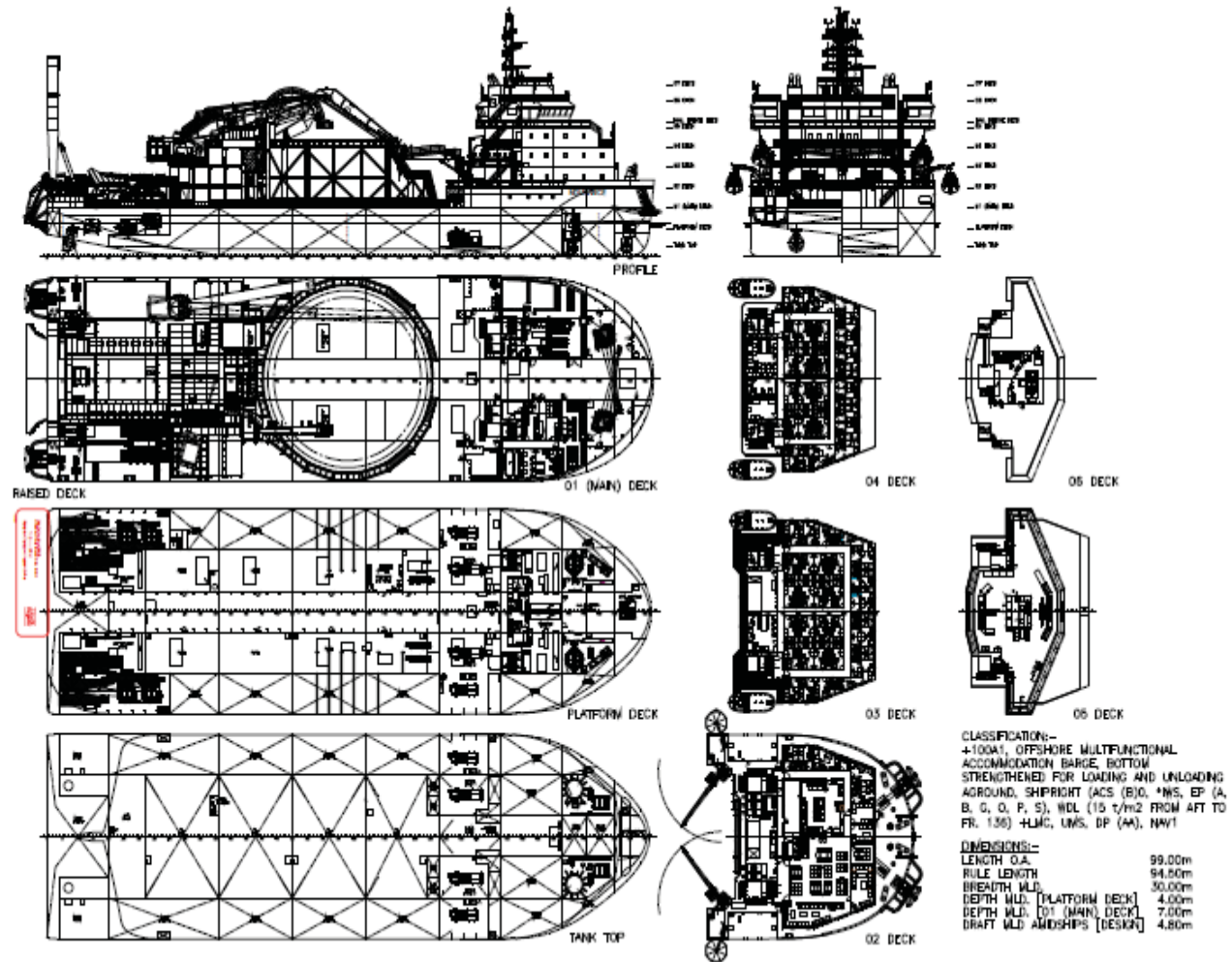
Deadweight 7746.716 tonnes

Tonnages Gross 7417  
Net 2225



# GENERAL ARRANGEMENT

## 2.2 GENERAL ARRANGEMENT PLAN



# LOAD CONDITION PRIOR TO SINKING EXAMPLE OF CRITICAL INFORMATION

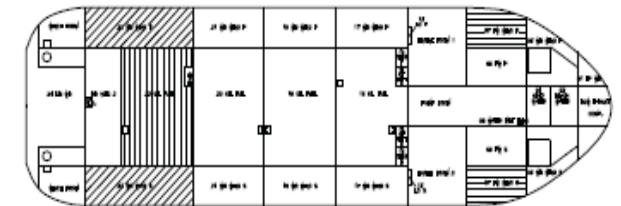


## 9.12 LC6M - CABLE LAYING FULL LOAD MID VOYAGE

### 9.12.1 Condition

Item Name	Quantity	Total Mass tonne	Total Volume m³	Long. Arm m	Trans. Arm m	Vert. Arm m	Total FSM tonne.m	FSM Type
Lightship	1	4540.000		56.550	-0.116	6.491	0.000	
Total Lightship		4540.000		56.550	-0.116	6.491	0.000	
<b>Water Ballast</b>								
01 FP WB 185-FE	0%	0.000	0.000	92.977	0.000	0.000	0.000	Maximum
03 WB Wing 196-185 P	0%	0.000	0.000	84.583	-9.402	0.000	0.000	Maximum
03 WB Wing 196-185 S	0%	0.000	0.000	84.583	9.402	0.000	0.000	Maximum
17 WB Wing 104-128 P	0%	0.000	0.000	58.000	-11.327	0.000	0.000	Maximum
17 WB Wing 104-128 S	0%	0.000	0.000	58.000	11.327	0.000	0.000	Maximum
19 WB Wing 80-104 P	0%	0.000	0.000	46.000	-11.327	0.000	0.000	Maximum
19 WB Wing 80-104 S	0%	0.000	0.000	46.000	11.327	0.000	0.000	Maximum
21 WB Wing 56-80 P	0%	0.000	0.000	34.000	-11.327	0.000	0.000	Maximum
21 WB Wing 56-80 S	0%	0.000	0.000	34.000	11.327	0.000	0.000	Maximum
23 WB Wing 20-56 P	20%	84.372	82.114	22.140	-11.829	0.720	321.586	Maximum
23 WB Wing 20-56 S	20%	88.891	86.723	22.066	11.831	0.750	321.586	Maximum
24 AP WB AE-20 C	0%	0.000	0.000	8.972	0.000	1.332	0.000	Maximum
Total Water Ballast	3.55%	173.263	169.037	22.162	0.310	0.795	643.171	
<b>Fresh Water</b>								
06 FW 148-168 P	0%	0.000	0.000	79.000	-6.000	1.300	0.000	Maximum
06 FW 148-168 S	0%	0.000	0.000	79.000	6.000	1.300	0.000	Maximum
07 FW Wing 148-168 P	6%	22.663	22.663	78.463	-11.399	0.258	165.411	Maximum
07 FW Wing 148-168 S	10%	37.772	37.772	78.500	11.473	0.417	165.411	Maximum
Total Fresh Water	5.98%	60.435	60.435	78.485	2.896	0.357	330.822	
<b>Fuel Oil</b>								
14 FO Sett 124-128 P	75%	30.121	11.907	63.000	-4.500	2.312	3.825	Maximum
14 FO Sett 124-128 S	75%	30.121	11.907	63.000	4.500	2.312	3.825	Maximum
15 FO Daily Service 124-128 S	75%	30.121	11.907	63.000	7.500	2.312	3.825	Maximum
15 FO Daily Service 124-128 P	75%	30.121	11.907	63.000	-7.500	2.312	3.825	Maximum
16 FO 104-128 C	0%	0.000	0.000	57.379	0.000	1.300	0.000	Maximum
18 FO 80-104 C	0%	0.000	0.000	46.025	-0.016	1.300	0.000	Maximum
20 FO 56-80 C	0%	0.000	0.000	33.974	-0.016	1.300	0.000	Maximum
22 FO 32-56 C	50%	236.718	278.491	21.914	0.000	1.975	4805.259	Maximum
Total Fuel Oil	34.42%	277.202	326.119	27.914	0.068	2.024	4890.559	
<b>Lubricating Oil</b>								
13 Lub Oil Store 128-129 P	50%	1.887	2.051	64.330	-10.750	1.975	0.743	Maximum
13 Lub Oil Store 128-129 S	50%	1.887	2.051	64.330	10.750	1.975	0.743	Maximum
35 Lub Oil P	50%	0.451	0.490	5.000	-10.500	7.250	0.077	Maximum
35 Lub Oil S	50%	0.451	0.490	5.000	10.500	7.250	0.077	Maximum
Total Lubricating Oil	50%	4.675	5.081	52.871	0.000	2.992	1.439	
<b>Miscellaneous Tanks</b>								
02 Black Water 176-185 C	25%	17.861	17.861	90.250	0.000	1.638	81.000	Maximum
04 Grey Water 168-176 C	25%	15.876	15.876	86.000	0.000	1.638	72.000	Maximum
08 FO Overflow 140-148 P	5%	0.541	0.637	72.200	-3.300	0.032	5.468	Maximum
09 Dirty Oil 20-22 P	50%	1.821	1.980	10.562	-0.748	1.980	0.259	Maximum
11 Bilge Holding 140-148 S	25%	3.265	3.385	72.200	3.300	0.163	6.594	Maximum
12 Dirty Oil 144-148 P	50%	4.688	5.096	73.000	-7.000	0.325	9.813	Maximum
12 Dirty Oil 144-148 S	50%	4.688	5.096	73.000	7.000	0.325	9.813	Maximum
Total Miscellaneous Tanks	27%	48.740	49.730	81.158	0.156	1.281	184.948	

Item Name	Quantity	Total Mass tonne	Total Volume m³	Long. Arm m	Trans. Arm m	Vert. Arm m	Total FSM tonne.m	FSM Type
<b>Other Items</b>								
Crew and effects	1	16.500		83.000	0.000	34.000	0.000	User Specified
Permanent Stores	1	50.000		70.000	0.000	7.000	0.000	User Specified
Consumable Stores	0.5	25.000		83.000	0.000	8.000	0.000	User Specified
Turntable	1	573.240		49.004	0.000	9.181	0.000	
Cable - Product	1	5000.000		49.000	0.000	13.500	0.000	User Specified
Cable Laying Deck Equipment	1	1285.940		29.006	1.126	11.468	0.000	
Equipment Foundations	0	0.000		3.324	0.000	7.462	0.000	
Contract Deck Cargo	0	0.000		40.000	0.000	12.000	0.000	User Specified
Crew	1	129.100		33.307	-9.382	36.170	0.000	
Total Other Items		7879.780		45.630	0.034	11.353	0.000	
Total Loadcase		12184.094	630.402	49.153	-0.003	9.080	6041.139	
FS correction							0.495	
VCG fluid							9.576	



### 9.12.2 Equilibrium and Extreme Draughts

Draft Amidships m	4.762
Displacement t	12184
Keel dog	0.0
Draft at FP m	4.742
Draft at AP m	4.703
Draft at LCF m	4.764
Trim (ave by stern) m	0.041
LCB from zero pt. (ave fwd) m	49.150
LCF from zero pt. (ave fwd) m	46.523
KG m	2.498
KG fluid m	9.576
BMT m	16.478
BML m	158.003
GMB corrected m	9.400
GML m	160.925
GMt m	18.976
KML m	170.501
Immersion (TPC) tonne/cm	28.351
MTC tonne.m	199.448

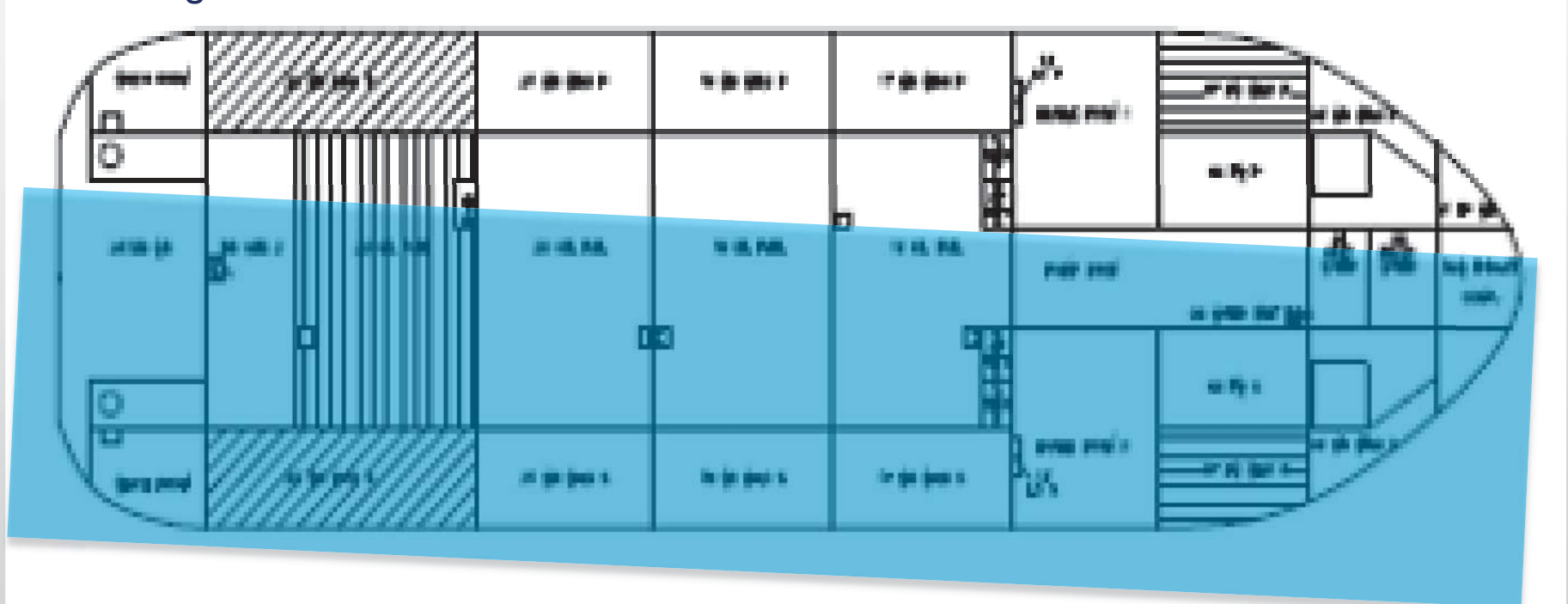
Extreme Draft at Transom m	4.797
Extreme Draft at Aft Marks m	4.796
Extreme Draft at Midships m	4.776
Extreme Draft at Forward Marks m	4.759
Trim over Marks (ave by Stern) m	0.036



# CONDITION AFTER SINKING

## Crew reported:

- Starboard side vents blowing water before vessel listing to starboard and sinking
- Engine room flooded
- List = 40 degrees





# POWER OUTAGE IN NITEROI CAUSED BY DAMAGE TO PRE-EXISTING CABLE



# RISK BASED DECISION MAKING

## PRIORITIZATION

- **PRIORITY IDENTIFICATION IS BEST REACHED WHEN RISKS ARE ASSESSED (ESPECIALLY TRUE WHEN CONFLICTING INTERESTS EXIST).**
- **EXAMPLES – POTENTIAL POLLUTION, COMMUNITY IMPACT, HAZARDS TO NAVIGATION OR SURROUNDINGS**
- **IN OUR EXAMPLE THE VESSEL MUST BE MOVED TO FACILITATE A POWER CABLE REPAIR.**
- **TEMPORARILY ADDITIONAL POWER CAN BE TRANSMITTED ON ALTERNATE CABLES WITH LIMITATIONS OF POWER USAGE MANDATED.**

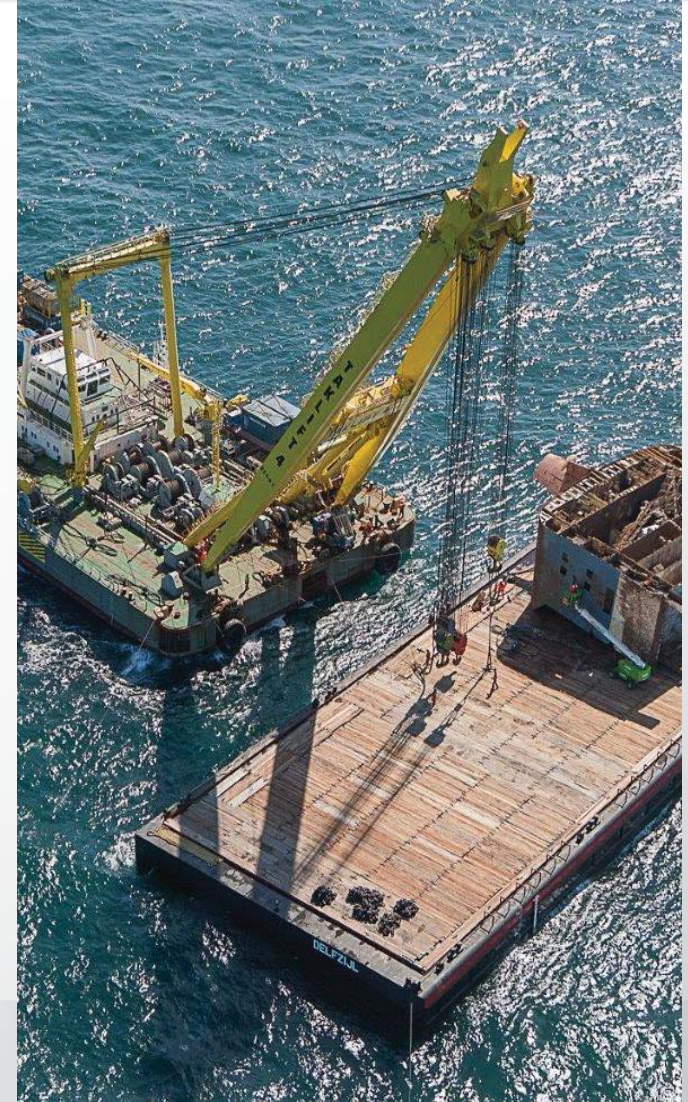




# RISK ASSESSMENT APPLICATIONS

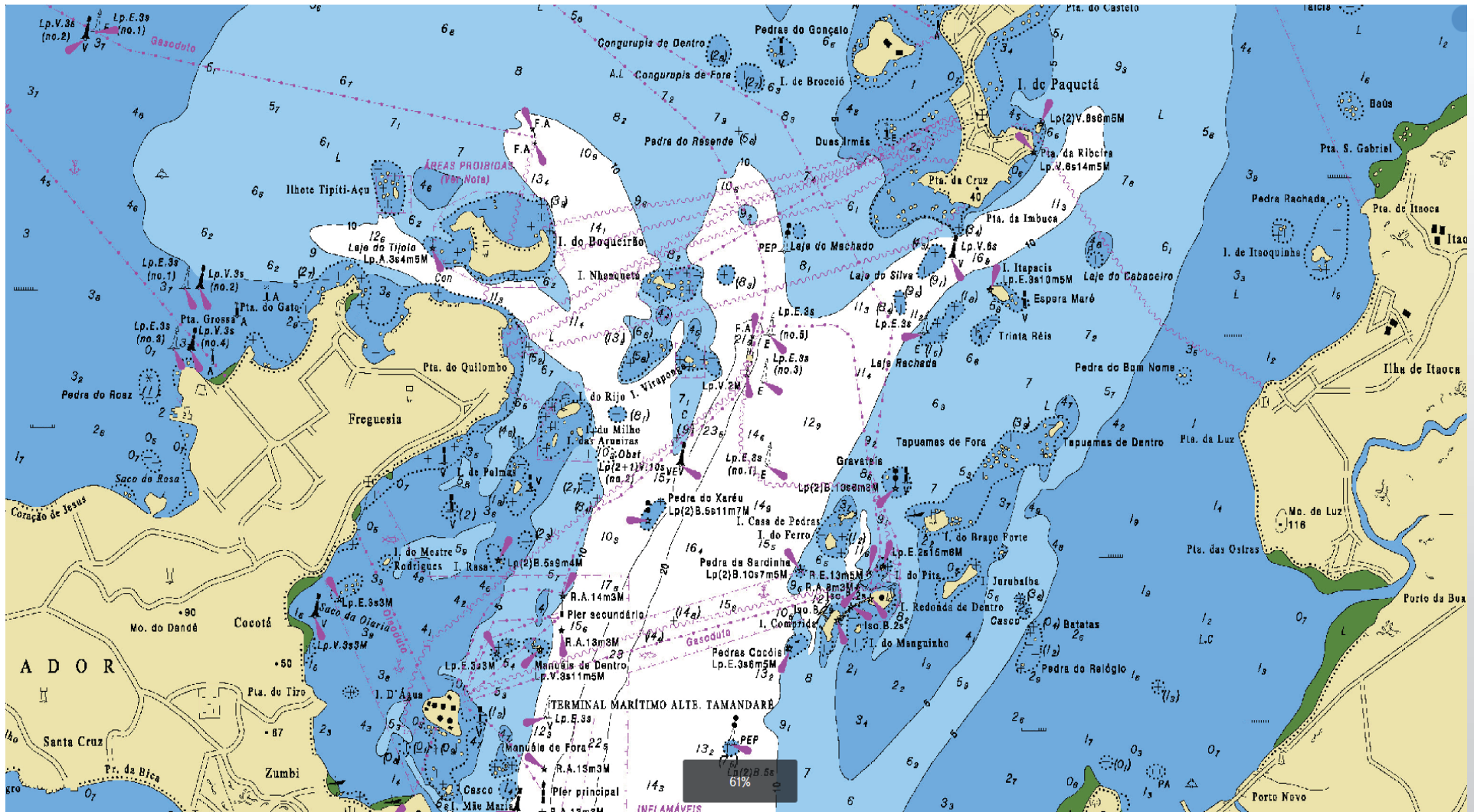
## EXAMPLES:

- **CONTRACT TERMS AND CONDITIONS**
- **OPERATIONAL METHODOLOGIES**
- **ENVIRONMENTAL IMPACT POTENTIAL**
- **SAFETY AND HEALTH**
- **COMMERCIAL CONSIDERATIONS**



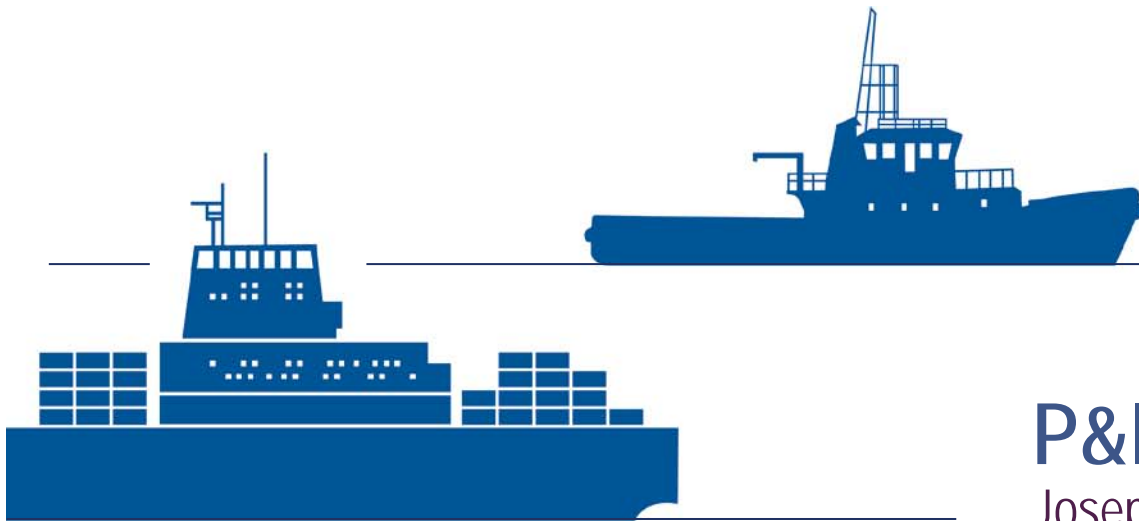


# HANDOVER - SPECIALIST OPERATIONS





**Standard  
Club**



## P&I cover and specialist ops

Joseph Divis & Sian Dinnadge

Offshore Division



# Contents

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- 1 Introduction to offshore division

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- 2 The scenario – potential losses / claims

---

- 3 Pooling Agreement and poolable P&I cover

---

- 4 Contracting

---

- 5 Offshore P&I cover – club cover for specialist operations

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- 6 Contract works exclusion

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- 7 The scenario – application of poolable and non poolable P&I cover

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# Offshore Division

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- Over 40 years of experience



- Mutual (poolable) and non mutual (non poolable) cover
- Non poolable cover provided under separate non pool reinsurance programme
- Non pool limits available up to **US\$ 1 billion**

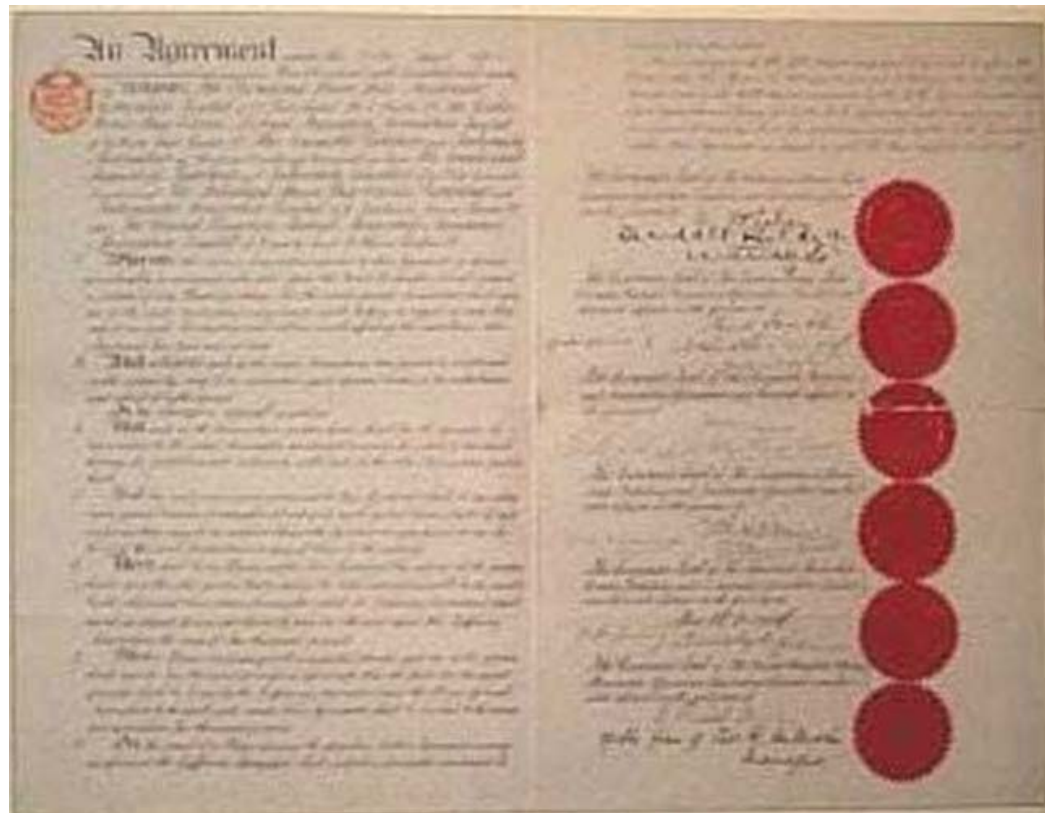
# The Scenario – Potential losses / claims





# Pooling Agreement

- Access to Mutual cover governed by Pooling Agreement (PA)



- (a) Eligibility of ship types
- (b) Eligibility of operation
- (c) Contracting

**How does the PA apply to a cable layer?**

# Pooling Agreement - Mutual / Poolable Cover

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- ┌
  - P&I Clubs cover shipowners' legal liabilities to third parties such as:
    - Loss of life/personal injury to passengers and crew
    - Collisions
    - Damage to fixed/floating objects
    - Wreck removal
    - Pollution
    - Cargo loss/damage
    - Fines

## Pooling Agreement – Eligibility by Type

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- Any ship, boat, hydrofoil, hovercraft or other description of vessel... used or intended to be used for any purpose whatsoever in navigation or otherwise on, under, over or in water...

### Excluding:

- a unit or vessel constructed or adapted for the purpose of carrying out drilling operations in connection with oil or gas exploration or production





## Pooling Agreement – Eligibility by Operation

Liabilities, costs and expenses incurred in respect of an insured Vessel carrying out drilling or production operations in connection with oil or gas exploration or production,



...including any accommodation unit moored or positioned on site as an integral part of any such operations, to the extent that such liabilities, costs or expenses arise out of or during drilling or production operations.

# Contracting

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- ┌ • **General principles:**
  - Only assume liabilities at law
  - Maintain right to limit
  - Contract on knock for knock terms
  
- **Cable layer has contracted as follows:**
  - Knock for knock in respect of client property
  - Indemnity in respect of known existing third party property
  - At law liabilities for other third party property

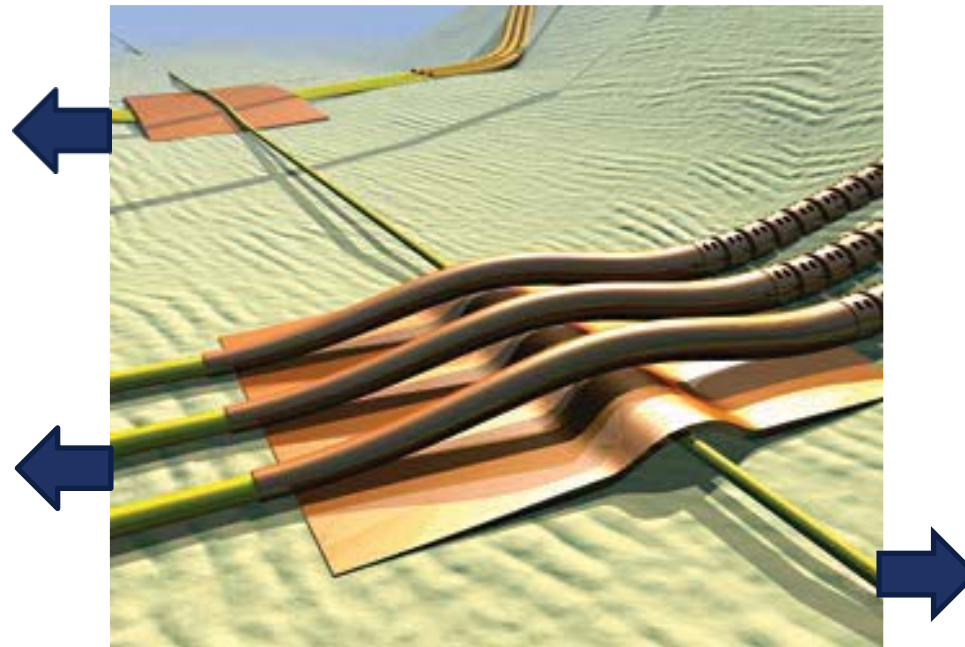


# Contracting - cable layer



Unknown pre -  
existing cable:  
**At law liability**

Cable being laid:  
**Client property,  
knock for knock**



Known pre -  
existing cable:  
**Indemnity from  
client**

# Pooling Agreement – Cable Layers?

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Cable layers are eligible for pooling under the Pooling Agreement, but to what extent?





# Specialist Operations Exclusion

Why are such activities excluded?

- Great Chicago Flood, 1992
- Caused by pile driving activities
- US\$ 2 bn damage!



 specialist operations exclusion

## Eligibility of activities

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- Pooling agreement / Club rules contain an exclusion for specialist operations;

Liabilities incurred during the course of performing specialist operations including but not limited to dredging, blasting, pile-driving, well stimulation, cable or pipe laying, construction, installation or maintenance work, core sampling, depositing of spoil, professional oil spill response or professional oil spill response training and tank cleaning (other than on the ship) but excluding fire-fighting

# Specialist Operations – Installation

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# Specialist Operations – Construction

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# Specialist Operations – Dredging

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# Specialist Operations – Pile driving

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# Specialist operations - decommissioning

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# Specialist operations – Pipe/Cable laying



# Club cover for Specialist Operations

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┌ Club provides a non-poolable buy-back for this exclusion'

'Specialist Operations extension'

Which covers Third party liabilities arising during the course of performing specialist operations

- Up to agreed limit

# Club cover for Specialist Operations

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┌ However..

Even during specialist operations poolable cover still responds to;

- Injury, illness or death of any person on board the ship
- Wreck removal of the ship
- Oil pollution from the ship

But the following are always excluded;

- ❑ failure to perform, fitness for purpose / quality of work
- ❑ loss of/damage to/pollution from/wreck removal of contract work

# What is contract work

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## Definition of contract works

“.....including, but not limited to materials, components, parts, machinery, fixtures, equipment and any other property which is or is destined to become a part of the completed project which is the subject of the contract under which the ship is working, or to be used up or consumed in the completion of such project.”

- Depends on the scope of work (in this scenario the cable being laid would be considered contract works)
- Covered under CAR Policy

## 'Typical' cover for cable laying vessel

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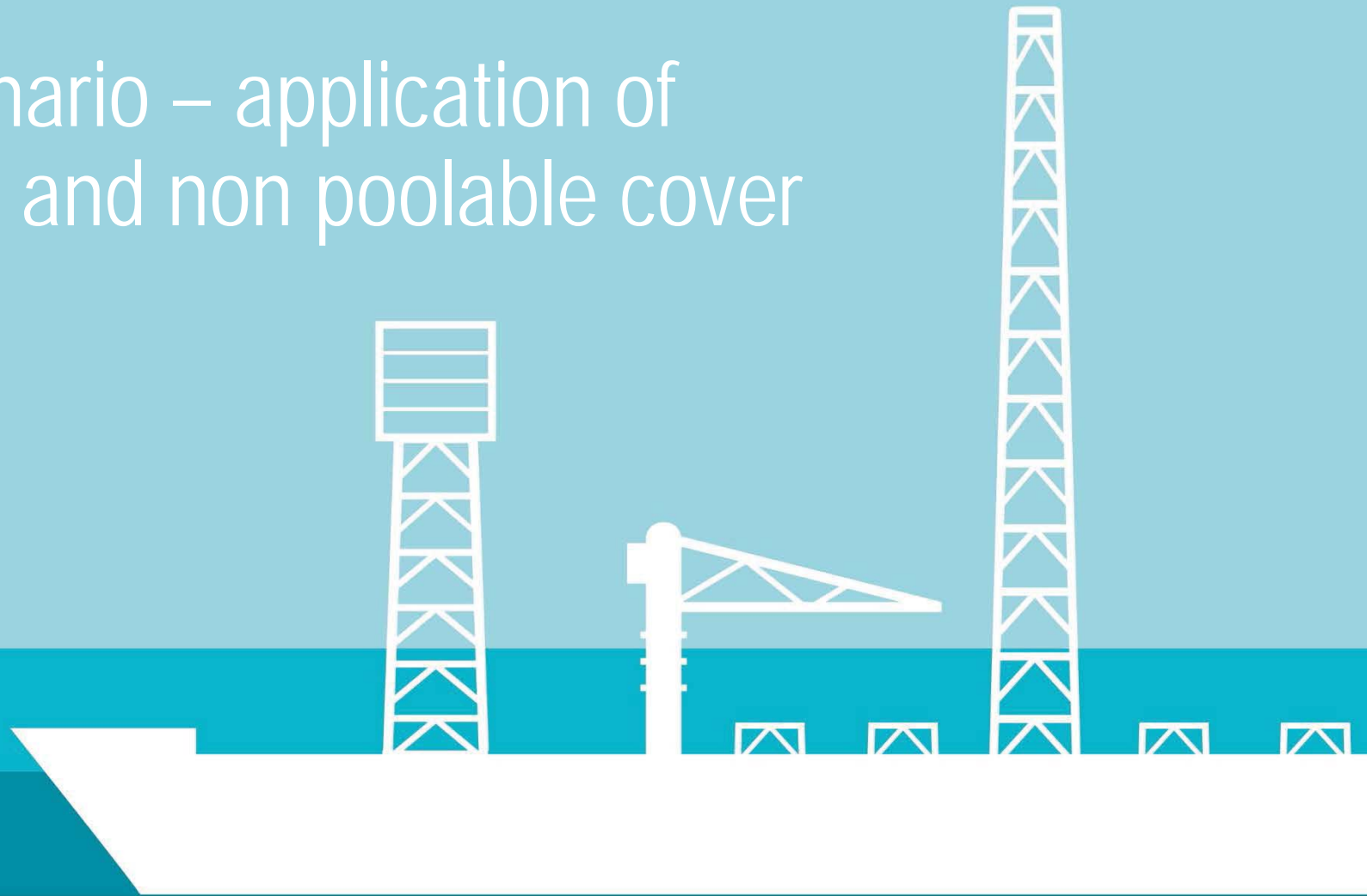
Poolable P&I entry (in IG Club) plus;

- Specialist operations extension
- Contractual extension
- Divers/ underwater vehicles extension (where member responsible for such operations)

\*Typical limits for non poolable extensions : \$5m - \$100m



The scenario – application of poolable and non poolable cover



# The Scenario – Application of Poolable and Non Poolable Cover

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- During navigation:



- Cable layer subject to full poolable cover as she is neither an ineligible vessel nor performing an ineligible operation under the Pooling Agreement
- No claims arise in the scenario during navigation

# The Scenario – Application of Poolable and Non Poolable Cover

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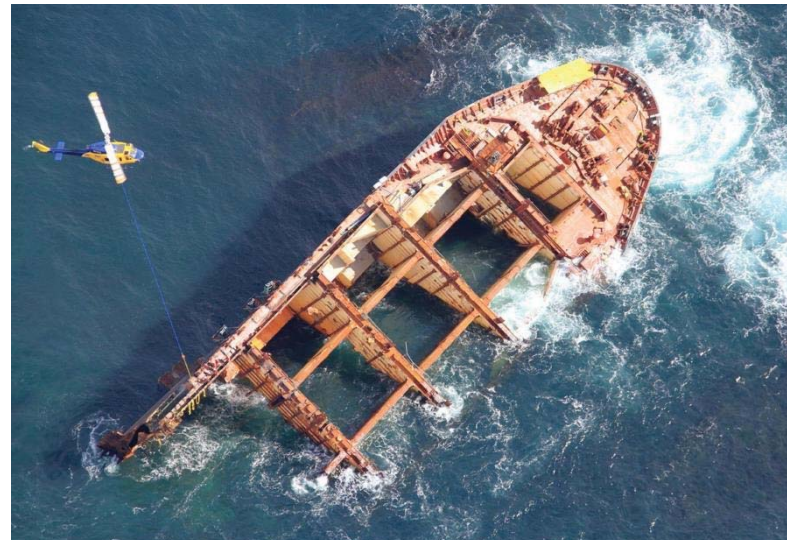
- During specialist operations:
  - Throughout duration of cable laying the specialist operations non poolable extension will be required to respond to third party liabilities arising including:
    - I. Damage to submerged object
    - II. Damage to pre-existing third party cables
    - III. Consequential losses arising i.e. power outage at Niteroi
  - However, some liabilities remain excluded from both poolable and non poolable cover:
    - I. Damage to cables being laid – excluded as contract works

# The Scenario – Application of Poolable and Non Poolable Cover

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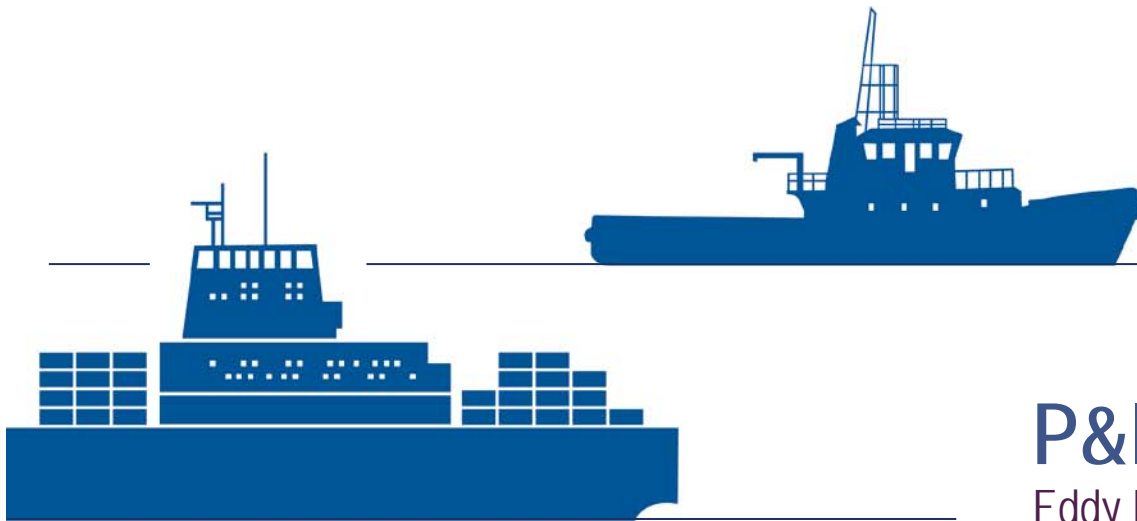


- During specialist operations:
  - Some liabilities remain poolable even during the course of specialist operations therefore the following liability may be covered up to full poolable limits:
    - I. Wreck removal of cable layer





**Standard  
Club**



## P&I cover: Wreck removal

Eddy Morland and Oli Wassell

UK & Americas Division



# Contents

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- 1 Introduction

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- 2 Is it wreck removal?

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- 3 Initial response

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- 5 Tender process

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# 1 Introduction



# Why is wreck removal so important?

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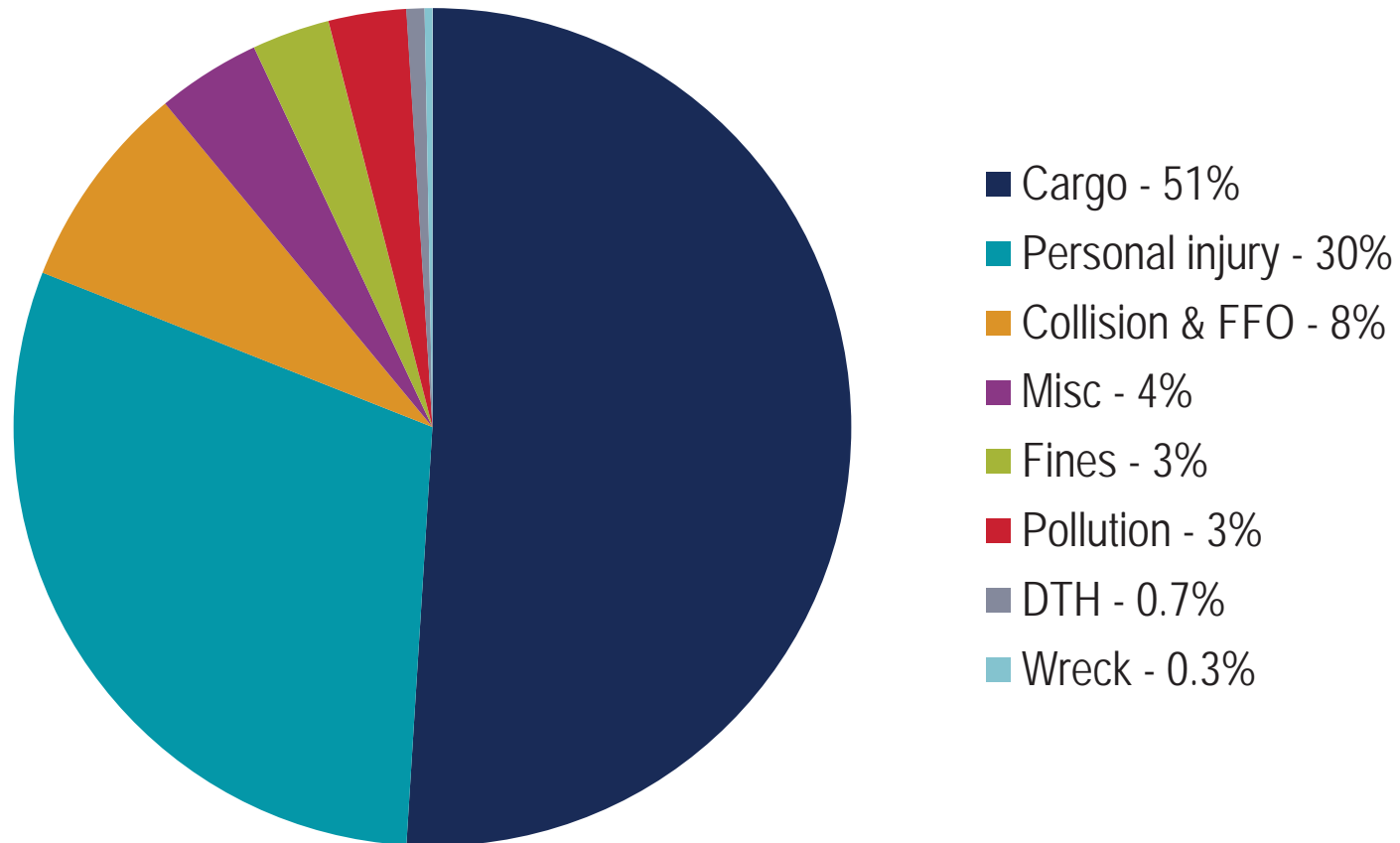
## Why is wreck removal so important?

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- The International Group's most expensive claim
- 10 of the 20 most expensive International Group claims
- 62% of the cost of the International Group's 20 most expensive claims
- 4 of the Standard Club's 5 most expensive claims

# Number of claims by type

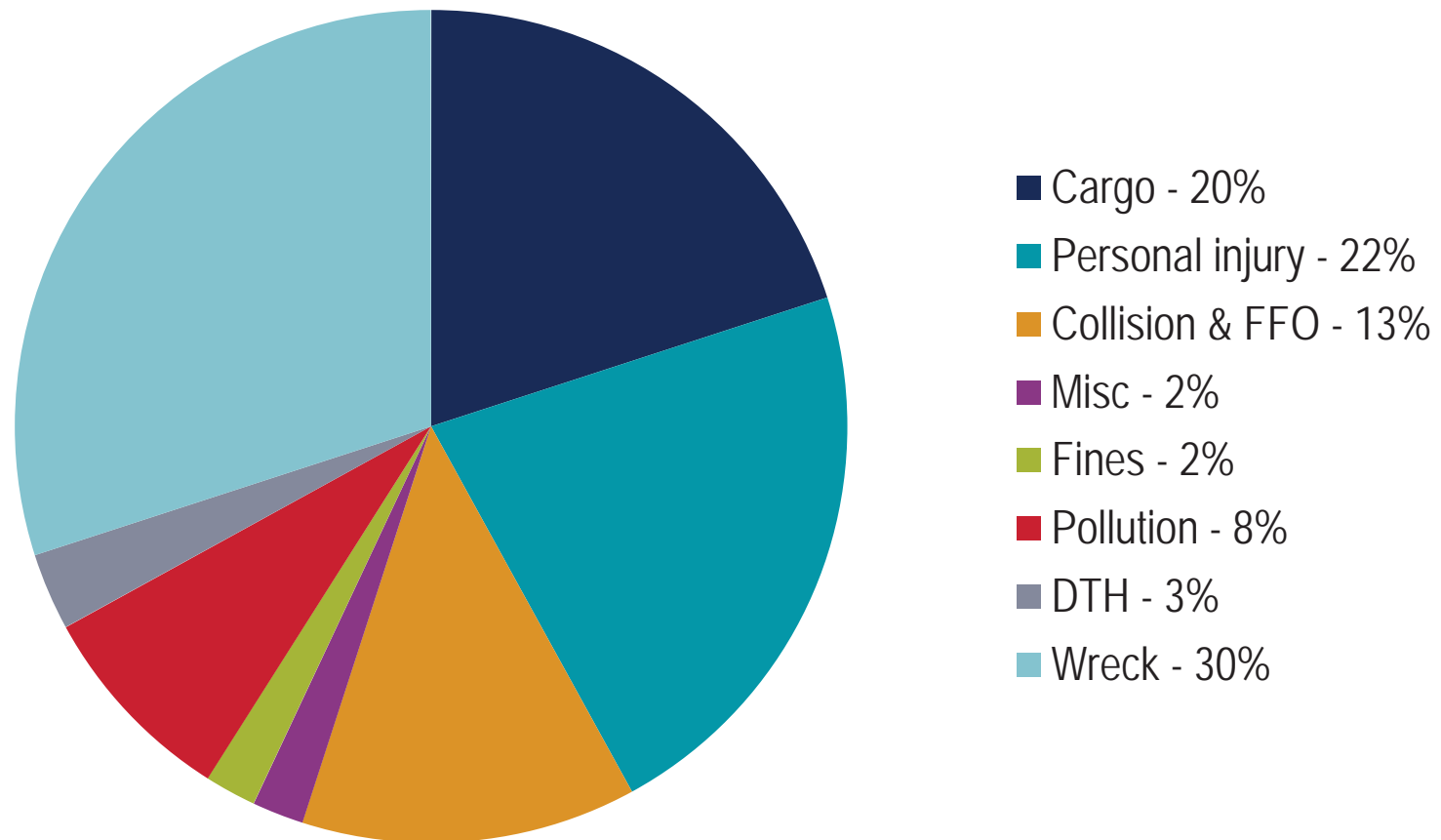
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## Value of claims by type

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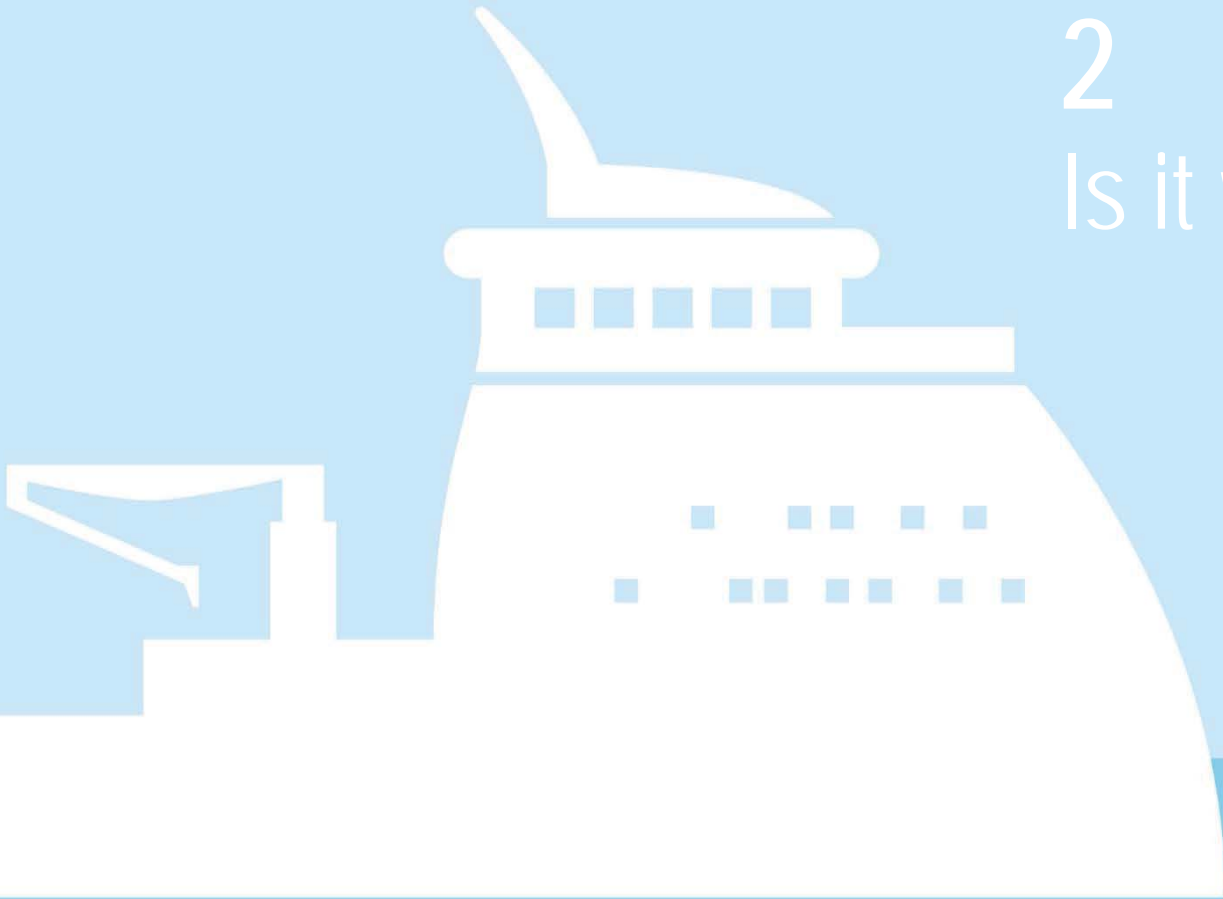
## Common features/factors

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- The location of the wreck
- Jurisdiction
- Contractual arrangements
- The performance of the contractors, salvage master, consultants and the SCR
- Bunker removal requirements
- The involvement of the containers or other problematic cargo
- The degree of the influence or interference by the authorities

2

Is it wreck removal?



# What is a wreck?

---





# Salvage

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- Salvage
  - “The act of rescuing a ship, or its crew, or its cargo from a shipwreck or fire” (OED)
  - Excluded but for life salvage, pollution, cargo’s/ship’s proportion of GA
  - 1989 International Convention on Salvage Article 14 on Salvage/SCOPIC
  - Contract Lloyd’s Open Form of Salvage Agreement (LOF)



## Is it a wreck?

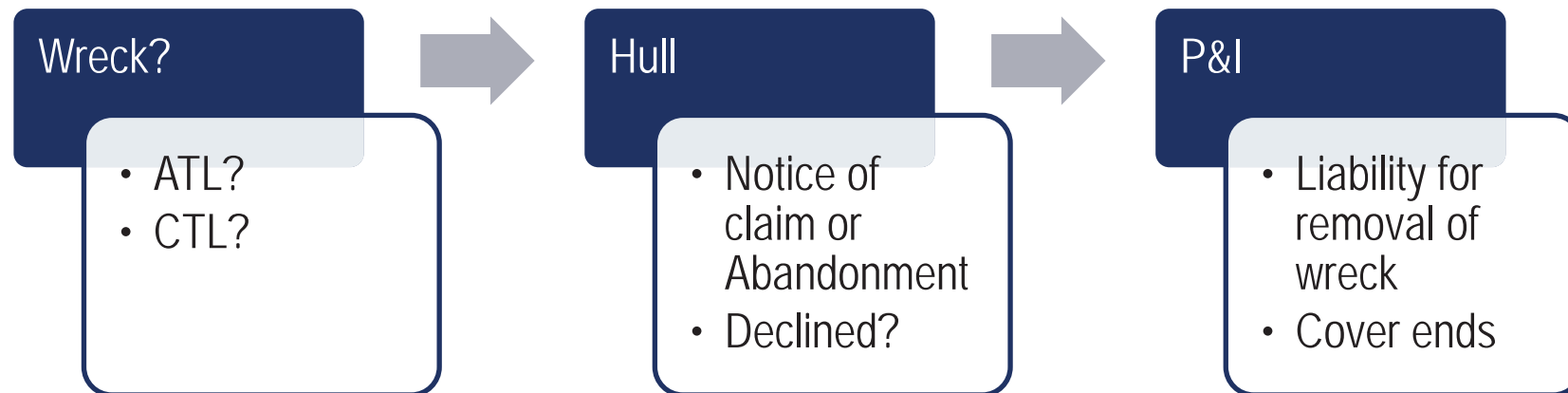
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- **Actual total loss (Marine Insurance Act s.57)**
  - When the vessel is destroyed or is so damaged as to no longer be a ship or where the owner is irretrievably deprived of the ship.
- **Constructive total loss (Marine Insurance Act s. 60)**
  - When it seems unlikely that the vessel can be recovered or where the costs of recovery and repairs will exceed the ships value.
- **Notice of claim or notice of abandonment?**

# Is it a wreck?

---

- The insurance position



- Hazard to navigation/threat to the environment or by order of a competent authority?

# What sort of claims might you face?

---

- Wreck removal
- Pollution
- People claims (crew/others)
- Cargo
- Third-party claims
- Fines



# What sort of claims might you face?

---

- **Wreck removal**
- Pollution
- People claims (crew/others)
- Cargo
- Third-party claims
- Fines





# What sort of claims might you face?

---

- **Wreck removal**
  - Raising, removal, destruction, lighting or marking
  - Liabilities arising from wreck removal
  - Presence or involuntary shifting (2 years limit)



# What sort of claims might you face?

---

- Wreck removal
- **Pollution**
- People claims (crew/others)
- Cargo
- Third-party claims
- Fines



# What sort of claims might you face?

---

- Wreck removal
- Pollution
- **People claims (crew/others)**
- Cargo
- Third-party claims
- Fines



# What sort of claims might you face?

---

- Wreck removal
- Pollution
- People claims (crew/others)
- Cargo
- Third-party claims
- **Fines**



3

Initial response





# Sequence of events

---

- Initial emergency response by authorities
- Notification
- Information-gathering
- Establishing lines of communication
- Building a team

## Who makes contact? Facts?

---

- Emergency telephone
- Member/Broker
- Salvors
- Correspondents
- Social media?



“The vessel is reported to be on a 12 degree list and two of its cargo holds are flooded, but it's believed the tanks containing the ship's heavy fuel oil are undamaged”

# The team

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Member

Correspondents

Club



Local and foreign lawyers

Technical experts

Salvors

ITOPF

Accountants and tax experts

Subject matter experts

# 4 Tender process



# Tender process

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- **Objective:** Find a suitable contractor to carry out the removal work on best terms
- **Invitation to tender:**
  - Prepared by technical expert
  - Precise specification of the works in compliance with the wreck removal order
  - Should propose the underlying contractual terms
- **Processing the tenders**
  - Expert evaluation (practical considerations, time, cost)



# What should be considered?

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- Selection criteria:
  - Method
  - Logistics/management
  - HSE
  - Wreck and cargo disposal
  - Site restoration
  - Timescale
  - Commercial/contractual



## Broad considerations

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- Certainty
- Environmentally sensitive
- Cost effective
- Methodology – parbuckle and refloat vs demolition in situ
- Likely acceptability to Brazilian authorities - local 'content'?

# Commercial/contractual considerations


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- Price – competitive but realistic?
- Lump sum?
- Qualifications – timing of works?
- Additional costs – delay for weather/sea conditions? Costs of cargo removal?
- Tax – domicile, business profits exemption, timescale
- Risk transfer for reward
- BIMCO Wreckstage vs Wreckhire

# BIMCO Wreck Removal Forms in Use

- Common contracts

- BIMCO Wreckhire
- BIMCO Wreckstage
- BIMCO Wreckfixed

THE BALTIC AND INTERNATIONAL MARITIME COUNCIL (BIMCO) STANDARD SHIP MANAGEMENT AGREEMENT CODE NAME: "SHIPMAN 98"		 Part I
1. Date of Agreement <b>1<sup>st</sup> September 2010</b> Vessel's Name:		
2. Owners (name, place of registered office and law of registry) (CL 1) Name Place of registered office Law of registry	3. Managers (name, place of registered office and law of registry) (CL 1) Name <b>CARDIFF MARINE INC.</b> Place of registered office <b>80 Broad Street, Monrovia, Liberia</b> Law of registry <b>Republic of Liberia</b>	
4. Day and year of commencement of Agreement (CL 2) <b>DATE OF PRESENT AGREEMENT AS PER BOX 1</b>		
5. Crew Management (state "yes" or "no" as agreed) (CL 3.1) <b>YES</b>	6. Technical Management (state "yes" or "no" as agreed) (CL 3.2) <b>YES</b>	
7. Commercial Management (state "yes" or "no" as agreed) (CL 3.3) <b>YES</b>	8. Insurance Arrangements (state "yes" or "no" as agreed) (CL 3.4) <b>YES</b>	
9. Accounting Services (state "yes" or "no" as agreed) (CL 3.5) <b>YES</b>	10. Sale or purchase of the Vessel (state "yes" or "no" as agreed) (CL 3.6) <b>YES</b>	
11. Provisions (state "yes" or "no" as agreed) (CL 3.7) <b>YES</b>	12. Bunkering (state "yes" or "no" as agreed) (CL 3.8) <b>YES</b>	
13. Chartering Services Period (only to be filled in if "yes" stated in Box 7) (CL 3.3(i)) <b>Five Years from date indicated in Box 4</b>	14. Owners' Insurance (state alternative (i), (ii) or (iii) of CL 5.3) <b>6.3(i)</b>	
15. Annual Management Fee (state annual amount) (CL 8.1) <b>Daily Management Fee: Euro 1,500</b>	16. Severance Costs (state maximum amount) (CL 8.4(i)) <b>As per applicable Collective Bargaining Agreement (CBA)</b>	
17. Day and year of termination of Agreement (CL 11) <b>Five Years from date indicated in Box 4</b>	18. Law and Arbitration (state alternative 19.1, 19.2 or 19.3; if 19.3 place of arbitration must be stated) (CL 19) <b>19.1</b>	
19. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Owners) (CL 20) c/o CEFAL & ASSOCIATES 5/2 Merchants Street, Valletta, Malta, Tel: (+356) 21222097 Fax: (+356) 21299950 Email: info@cefaladvocates.com	20. Notices (state postal and cable address, telex and telefax number for serving notice and communication to the Managers) (CL 20) Cardiff Marine Inc, Athens Shipmanagement Office Omega Building, 80 Kifisias Avenue 151 25 Marousi Athens, Greece Tel: +30 210 8090100 Fax: +30 210 8090205 Email: management@cardiff.gr	
It is mutually agreed between the party stated in Box 2 and the party stated in Box 3 that this Agreement consisting of PART I and PART II as well as Annexes "A" (Details of Vessel), "B" (Details of Crew), "C" (Budget) and "D" (Associated vessels) attached hereto, shall be performed subject to the conditions contained herein. In the event of a conflict of conditions, the provisions of PART I and Annexes "A", "B", "C" and "D" shall prevail over those of PART II to the extent of such conflict but no further.		
Signature(s) (Owners)		Signature(s) (Managers)

This document is a computer generated SHIPMAN 98 form printed by authority of BIMCO. Any insertion or deletion to the form must be clearly visible. In the event of any modification made to the pre-printed text of this document which is not clearly visible, the text of the original BIMCO approved document shall apply. BIMCO assumes no responsibility for any loss, damage or expense as a result of discrepancies between the original BIMCO approved document and this computer generated document.

- Other contract forms are available (e.g. Supplytime, LOF)

## How does the club engage salvors?

---

- Lloyd's Standard Form of Salvage Agreement (LOF)
  - "No cure – no pay"
  - Simple contract – widely accepted
  - Good for emergency situations
  - SCOPIC



# How does the club engage salvors?

---

- BIMCO Wreckhire
  - Parts 1 and 2 plus bespoke clauses
  - Time and materials contract
  - “Carrot and stick” – bonus and penalties
  - Flexible and widely used



# How does the club engage salvors?

---

- BIMCO Wreckstage
  - Parts 1 and 2 plus bespoke clauses
  - Lump sum – stage payments
  - Costs control

# How does the club engage salvors?

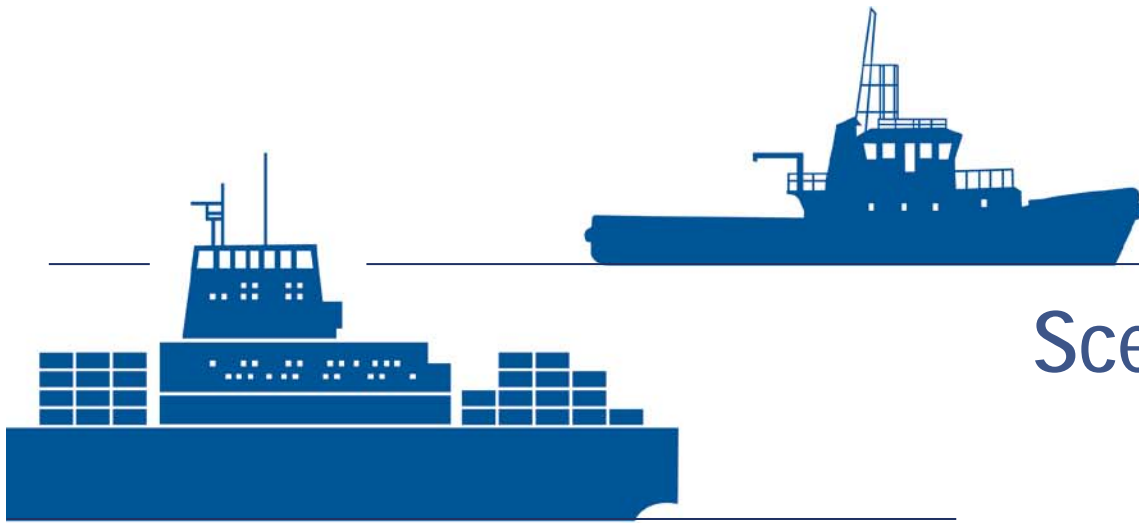
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- BIMCO Wreckfixed
  - Parts 1 and 2 plus bespoke clauses
  - “No cure – no pay”
  - Fixed price
  - Cost control

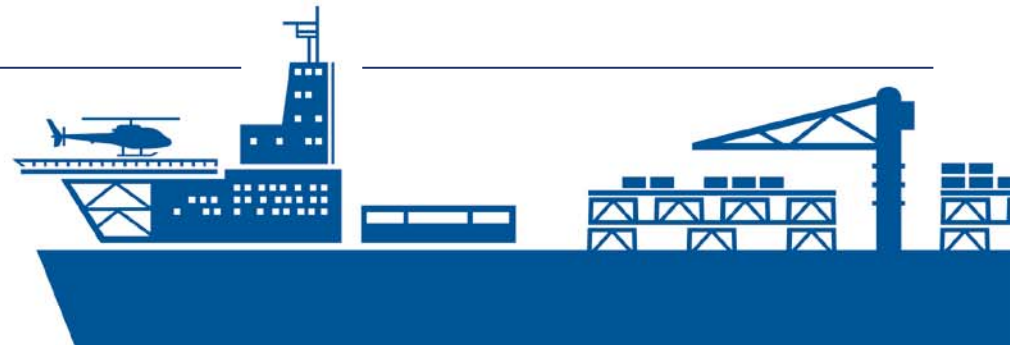




**Standard  
Club**



## Scenario: Wreck removal continued





# SALVAGE FORUM 2017 – SMIT SALVAGE

DOUGLAS MARTIN

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STANDARD CLUB - SALVAGE FORUM

SCENARIO REVIEW PART 2

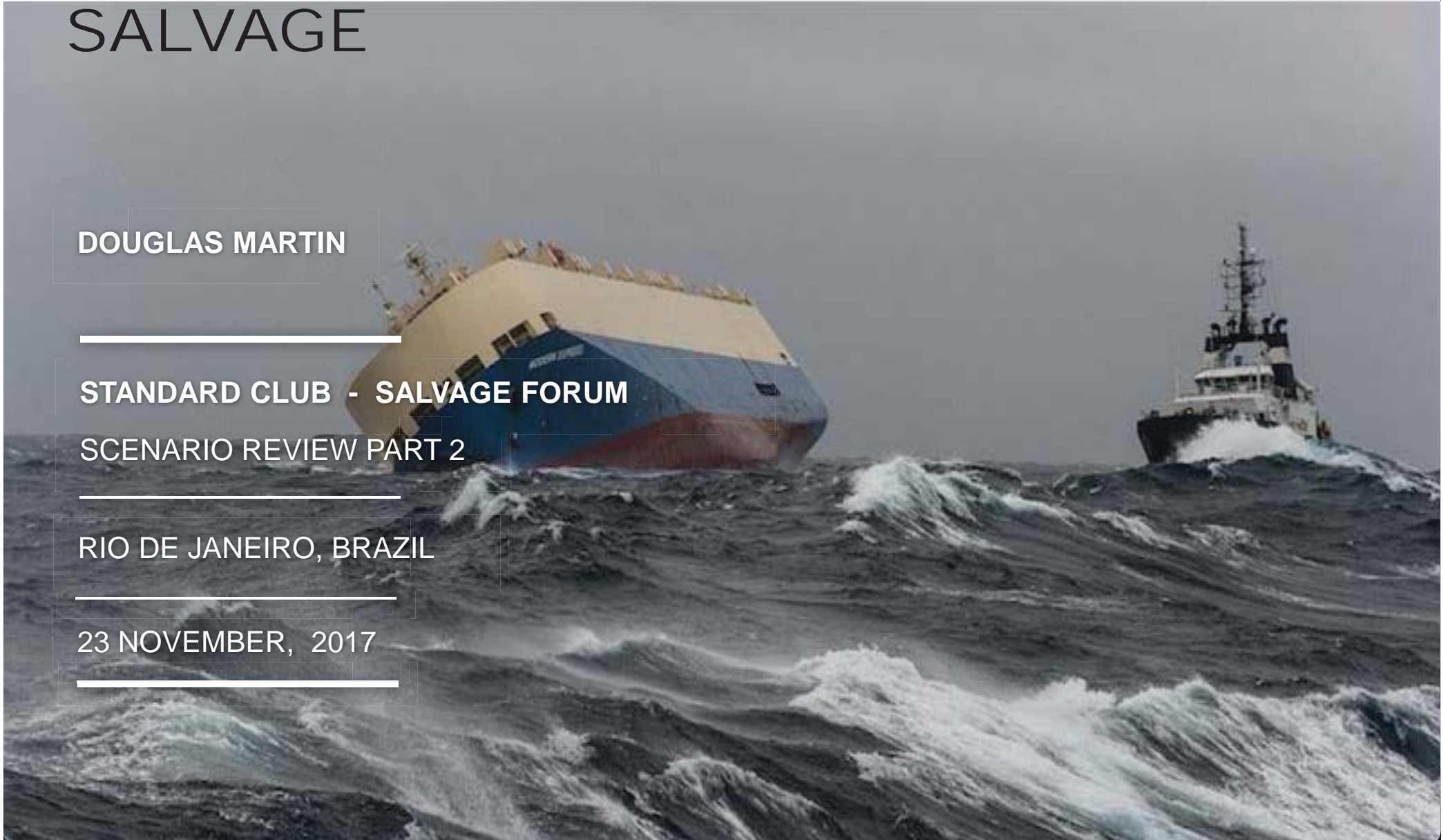
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RIO DE JANEIRO, BRAZIL

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23 NOVEMBER, 2017

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# INDEX

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**1 SCENARIO REVIEW**

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**2 SALVAGE PLANNING**

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**3 OPERATIONS**

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**4 COMMERCIAL**

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**5 AUTHORITIES AND  
STAKEHOLDERS**

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# SCENARIO REVIEW - CABLE LAYER

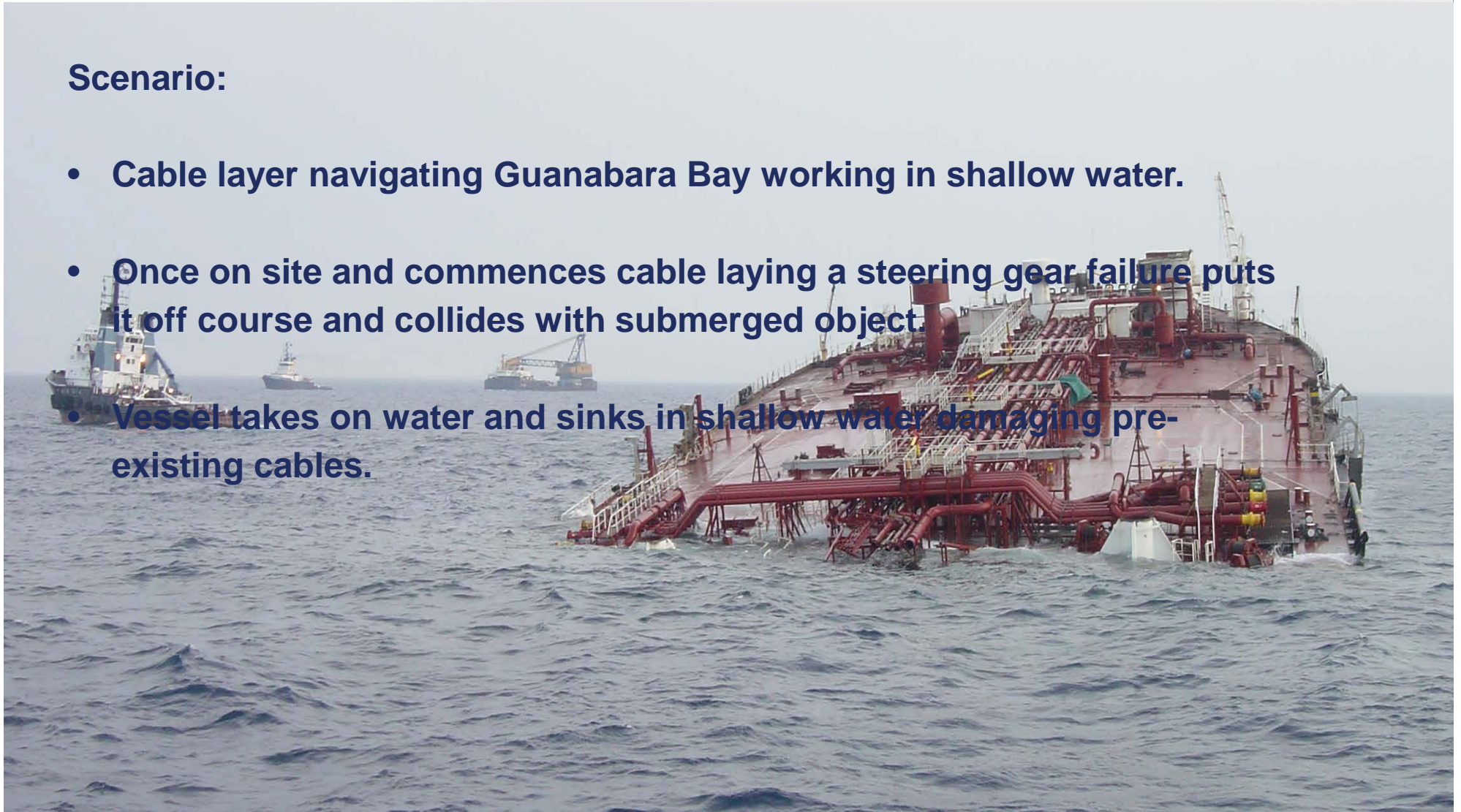




# SCENARIO REVIEW

## Scenario:

- Cable layer navigating Guanabara Bay working in shallow water.
- Once on site and commences cable laying a steering gear failure puts it off course and collides with submerged object.
- Vessel takes on water and sinks in shallow water damaging pre-existing cables.



# SCENARIO REVIEW - POWER CABLE LAYING FROM NITEROI

