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Yves Vandenborn, director of loss prevention at the Standard Club Photo: Standard Club

Standard Club keeps focus on loss prevention

P&I mutual keeps its primary focus on competency of seafarers as commercial pressures make loss prevention tougher in current freight markets

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Major casualties are down and the protection-and-indemnity clubs have seized on "benign" as their favoured description for the current claims environment.

But, for those in the loss-prevention business, one important thing has not changed.

Human error continues to be a key cause of things going wrong at sea, with mariners under pressure and crew competency a further issue.

Captain Yves Vandenborn, the Standard Club's loss-prevention director, says seafarers are under pressure from both reduced manning of ships and commercial pressures arising from difficult freight markets.

And even if the claims environment is benign, Vandenborn says loss prevention is not getting easier.

"It can be harder in the current market," he said. "We need to convince members that certain items are required, that they should not be trying to screw down budgets. It is difficult to convince someone to spend money on training if it is difficult to touch the value of that afterwards."

Vandenborn says he is not going to criticise the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW) but the way it is implemented could be improved and additional training provided to make seafarers experts at what they are doing rather than merely being competent.

"We keep seeing the usual human errors happening but we need to look further into why mistakes are being made and what we can do about it rather than blaming the seafarer," he said.

Education the best hope

Although Vandenborn has a shipmanagement background, he pins much of the responsibility for things that go wrong at sea on what goes on in offices ashore, with education the best hope for achieving an improvement.

"I'm not saying the seafarers are without fault because, in the end, it is the seafarer that makes the mistake that causes the incident," he said. "But why did he make that mistake? If you look further into that question, nine time out of 10 you will end up in the ship-management office. Be it a resource reason, be it a commercial pressure reason, be it a lack of understanding by the office of what it is the seafarer is doing. It is an education process."

"We need to look at how systems are managed and more training for office staff, so they can assist seafarers more and help prevent them making the same errors over and over again."

However, crew competency remains a core concern, with changing seafarer demographics adding to concerns.

Reduced crew numbers and technical advancement mean, for the first time in history, there are now more officers than ratings.

Of the 1.5 million crew employed in international shipping, 51% are officers and 49% are ratings.

But progression through the ranks is now much faster than in earlier times, so those in command or in senior roles may have limited experience.

There is also an acceleration in crew members coming ashore, therefore those taking on important roles in shipping and shipmanagement companies have less experience.

So has the competency of crew declined?

"It's difficult to say," said deputy loss-prevention director Captain John Dolan.

"The supply side of good mariners is stressed. That manifests itself in all sorts of challenges — like less time in rank and more rapid promotion. These days seafarers want to get their tickets faster so they can get a shore job — and all this has an impact."

Dolan harks back to his maritime training in Plymouth nearly 40 years ago and one of the first lectures from the late Professor David Moreby, a renowned figure in maritime education.

"Long before the human element became a fashionable topic, he stood in front of the class and said, 'listen, shipping's about two things: people and money. Forget the money, that takes care of itself, it's about people'.

"Well, we now know a lot more about people — how they work, why they work, why they make decisions, why they do stupid things."

The Standard Club was the claims leader on perhaps the most notorious casualty of recent years, the Costa Concordia, where an outrageous failure of seamanship by Captain Francesco Schettino appears to be the cause of a disaster that cost \$2bn and claimed 32 lives.

But it is not a subject Vandernborn or Dolan feel comfortable with as there is ongoing litigation.

"It's sub judice but it wasn't Schettino's finest hour," Dolan conceded.

There may also be a lesson in loss prevention from Signal Mutual, a sister mutual to the Standard Club, focused on US longshore risks. It promotes safety with the compelling slogan "arrive home alive".

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Frank loss-prevention sessions help yield results

The Standard Club has been undertaking member risk reviews for many years, with this process involving not only new fleets or those of concern but big operations including those that have been insured for a long time.

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"We go and have a frank chat that takes more or less a whole day," said Captain Yves Vandenborn, the Standard Club's director of loss prevention. "It's not an audit and there is no negative outcome from the meeting. We go through their whole management procedure. We look at their crewing, their safety, their maintenance side, their operational side, we look at how they run the ship, how they communicate with the ship and we give them our thoughts about it.

"So there's no right or wrong but there will be areas in which we say we think you could improve by doing A, B, C or D.

"It doesn't affect the premium they pay. I don't think we've ever kicked out a member because of a bad risk review. We want to work with members to improve matters.

'Better off after reviews'

"There will be members where we pushed them rather harder than they wanted but, in the end, they appreciated the effort and are now better off. It saves them time, money and disruption, and works for the mutual benefit of the membership as a whole."

Close to 500 ship reviews are also carried out each year, involving a look at both the hardware and software sides of a vessel. There has been a recent focus on bulker hatch covers, where concern has been raised about maintenance in the current market and the risk of potentially costly cargo damage claims.

But the clearest ongoing focus is on the crew, their activities and behaviours, the safety culture and systems — anything that might give rise to a protection-and-indemnity (P&I) claim, including the very obvious risk of slips, trips and falls.

After many years of safety campaigns across the P&I clubs, is loss prevention chasing diminishing returns?

"There are emerging risks, the fleet is growing, we're still in a hostile environment," said deputy loss-prevention director Captain John Dolan. "We may be in a vaporised market right now but there is no economic substitute for shipping.

"Whenever we change the worst part, there will always be something else that becomes the worst," Vandenborn said.

The Standard Club's loss-prevention operation is run from Singapore, where Vandenborn is based. But more of the 11-strong team is based in London, where the operation is led by Dolan.

Vandenborn is a former Exmar gas carrier master, who has been a surveyor and shipmanager.

Dolan was a BP master, who has spent much of his career since coming ashore in shipmanagement with D'Amico Tankers and Paccship, the UK arm of Singapore-based Pacific Carriers.

So both men have salt water in their veins rather than being career insurance managers with the perspective that gives them on loss prevention.