Standard Bulletin

Club News

Setting the Standard for Service and Security

June 2013

The P&I year tends to run to a clear pattern, and this time of year – after renewals and year-end financial reporting – is when we review our operations and plan for the future. These are some of the key current themes:

- our financial results and ***Review of the Year*** were recently published, showing an overall surplus of $10m, taking free reserves to a record level of $363m
- underwriting was in deficit, but another strong investment return demonstrated good use of members' funds
- two new directors joined the club board – Yoshihiko Nakagami, Iino Lines and Emanuele Lauro, Scorpio Ship Management
- the club's tonnage continues to grow, in tune with our policy of underwriting for quality
- we have seen strong interest in the club's new hull insurance product, launched in collaboration with London market underwriters, and we will continue to develop other covers to help members with their insurance needs
- internal projects are under way, focused on creating efficiencies and better service delivery
- our member survey has been launched to gauge satisfaction with the club and to learn what more we can do to provide excellent service
- the forthcoming entry into force of the Maritime Labour Convention is being monitored carefully and discussions continue with States concerning acceptance of club certificates of entry.

This edition of the Standard Bulletin includes a feature on the club's specialist London class for European small ships, updates on several important legal and technical issues in different jurisdictions and we remind members of our member training seminar later in the year. Trading conditions remain tough for many shipowners and we shall continue to do everything we can to support members' operations.

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In this edition

The Standard

England and Wales litigation update – Jackson reforms

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In 2010, Lord Justice Jackson issued a report to address the ever increasing burden of litigation costs. This report has now, in the main, been implemented through the Jackson reforms, which came into force on 1 April 2013. Whilst aimed primarily at personal injury litigation, the reforms also affect commercial litigation. Both the club and members will be affected by the numerous changes being introduced by the Jackson reforms and should be prepared for these reforms, including ensuring that the relevant systems are in place to handle claims. It is hoped that the budgeting and disclosure reforms will result in earlier, better and more cost-effective outcomes for litigation.

In brief, the following changes will be seen:

- **Disclosure**
  Under the Civil Procedure Rules (CPR), the customary requirement was for standard disclosure; now it is expected that the court will try to limit disclosure and may even prescribe the scope of disclosure, including that of expert evidence, so that it is kept to a proportionate cost. The court can also dispense with disclosure entirely.

- **Budgeting**
  Parties are now expected, at the outset, to specify what costs a party will be liable for if it loses the case, with these articulated through a litigation budget submitted to the other side and the court. If parties do not accept the budget, the court can amend and approve them. The budget, as approved by the court, will provide a cap on the costs that the successful party can recover.

- **Settlement offers**
  Claimants are being more incentivised to make Part 36 offers by the introduction of the following regime. If a claimant's offer is rejected and a more favourable judgment is obtained, the claimant will be entitled, unless considered unjust, to an additional sum. The additional sum is calculated as 10% of the damages awarded (up to £500,000). For awards in excess of £500,000 up to £1m, the additional sum will be 10% of the first £500,000 and 5% of any amount above that figure. This may lead to an additional liability up to £75,000.

- **Litigation funding**
  Conditional Fee Agreements (CFAs) remain in place, going forward the losing party no longer pays the success fee. Also, the losing party will not have to pay insurance premiums to cover costs liabilities. The winner will pay its lawyer's success fee out of its own recovery. This may lead to increased settlement demands. In addition to CFAs, lawyers can now enter into damages-based agreement (DBAs), where they agree to accept a share of their client's damages, contingent upon the success of the cases. The lawyer's fees are capped at 50% for civil litigation and 25% for personal injury cases. Again, a losing defendant will not pay the contingency fee.

- **Personal injury**
  To compensate claimants for having to pay success fees, general damages have been increased by 10%. There is also a newly introduced qualified one-way costs shifting (QOCS), meaning that claimants will not be liable for the other side's costs even if they lose, absent of fraud. For personal injury claims valued at less than £25,000 and those which occurred after 1 April 2013, a new portal is due to be introduced, where all claims must be registered (similar to that used for road traffic accidents). To date, the implementation of the portal has not been finalised.

ECDIS – navigation and the law

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Obligations
- due diligence test for a 'seaworthy ship'
- staged implementation and training requirements
- causal link between ECDIS failings and damage/loss

Practical guidance
- know your systems
- uniformity of systems across the fleet
- general and type-specific training

The use of ECDIS (Electronic Chart Display and Information System) is here to stay. Members are advised to be aware of the practical and legal issues arising therefrom. The following article considers the legal framework underpinning the use of ECDIS in today's digital age.

The introduction of ECDIS is an opportunity to enhance operational standards if embraced properly; nevertheless, it also represents a risk if it is not. It is recommended that members adopt a proactive approach to ECDIS implementation and training.

Carrier's contract of carriage obligations

It is well known that a lack of or deficiency of navigational aids, equipment or charts can affect a vessel's seaworthiness under marine insurance policies. When considering the obligations imposed on carriers under international law, and in particular the Hague/Hague-Visby Rules (HVR) in relation to ECDIS, the starting point is to consider the obligation on the carrier to provide a seaworthy ship. The HVR set out a requirement for the carrier *'before and at the beginning of the voyage to exercise* ***due diligence*** *to make the ship seaworthy'* (our emphasis added) *and 'properly man, equip and supply the ship'*.

The requirement of due diligence is roughly equivalent to the common law duty of care under English law. Whilst the carrier could seek to pass on some of the onus for installation and maintenance of ECDIS to the equipment manufacturer, for example by way of indemnity, the carrier will regardless be obliged to show some due diligence on its part.

Should there be an allegation of unseaworthiness, due in whole or in part to failings of on-board ECDIS or seafarers using it, then there must be a causal link established between the failure and the damage or loss suffered.

Navigation exception?

Article IV HVR provides for certain exceptions, including the navigation exception under Article IV Rule 2 (a). Should the carrier seek to rely on this exception, the burden of proof rests with it to show that it exercised due diligence.

If and/or when the Rotterdam Rules are ratified, the position in respect of the navigation exception is likely to change as the Rotterdam Rules will do away with the navigation exception. The Rotterdam Rules will only come into effect 12 months after 20 countries have ratified them. While the International Group of P&I Clubs' official stance is that it is 'in favour' of the Rotterdam Rules, the loss of this exception is likely to have quite a substantial impact on carriers and cargo interests.

International law requirements

The recent amendment to the International Convention for the Safety of Life at Sea (SOLAS) Chapter V (Safety of Navigation) Regulation 19 requires mandatory carriage of ECDIS for certain new ships built on or after 1 July 2012 and sets out a subsequent timeline plan through to 2018 for retrofitting ECDIS to existing applicable ships. The precise implementation of ECDIS is determined by flag states.

Under the Manila Amendments to the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers (STCW), applicable since 1 January 2012, ECDIS training is a requirement for all navigational officers sailing with ECDIS on-board ships. It is therefore crucial that deck officers are properly trained and know how to effectively operate ECDIS and all its associated functions. Additionally, section 6 of the International Safety Management Code requires that seafarers are provided with familiarisation training. However, there is no uniform system of training or minimum standards, with many flag states reliant on some form of computer-based training software.

Members are advised to carry out generic and type-specific ECDIS training and include ECDIS familiarisation as part of their Safety Management Systems to ensure compliance with their statutory obligations.

Arctic transit – a unique risk matrix

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The club is keen to continue to support members operating, or members considering future operations, in the Arctic. We are aware of the additional challenges involved in Arctic transit and will continue to monitor the development of best practice guidelines and international codes applicable to the region.

Reports of decreasing ice levels in the Arctic Ocean are hardly ground-breaking. Climate change has been a global topic for a long time. Yet the prospect of new or more accessible existing Arctic routes has been attracting attention recently. University of California research into climate models for the years 2040 to 2059 has concluded that open-water ships should be able to travel along the Northern Sea Route without the need of icebreaker escort by 2050, saving time and reducing operating costs substantially.

The year 2050 is still a way off; however, shipping and offshore energy operators have a more immediate interest in the region, as demonstrated on 15 May 2013 when the Arctic Council granted observer status to six nations, including China and India. While shorter sea routes are appealing, there are a series of specific regional challenges of which operators, and their P&I clubs, should be aware.

The environment

The harsh environment creates a set of unique operating circumstances for ships, certain types of cargo and crew. Ships, machinery and equipment must be specifically adapted and crews must be appropriately trained. Icing can cause machinery to seize up and ships to be more top-heavy. Melting permafrost, rapid weather changes with relatively sparse weather stations, low temperatures and long nights all have implications for operating procedures and costs.

Remoteness and inadequate local infrastructure can seriously impede the management of incidents such as groundings, pollution, wreck removal, salvage or emergency evacuations, as well as ship repair and bunkering, and suitable ports of refuge.

Communications networks can be limited due to magnetic and solar phenomena, which create serious problems for communications, navigation, search and rescue, access to accurate and up-to-date weather information and weather routing proposals.

The lack of adequate charts in some parts of the Arctic can create areas of unknown danger for operators who do not maintain their own up-to-date charts. This can create difficulties in preparing voyage feasibility studies. This is most critical in the Canadian Archipelago and the Beaufort Sea.

Political considerations

The Arctic Council is comprised of the eight Arctic states, along with permanent participants and observers. The Arctic Council is the central decision-making body in the region. Jurisdiction over the Arctic is determined primarily on land ownership and is mostly undisputed. All of the Arctic states, with the exception of the US, have ratified the UN Convention on the Law of the Sea (UNCLOS), which regulates rights and responsibilities applicable to the exclusive economic zones, with some states having or claiming jurisdiction over the extended continental shelf and its hidden mineral, oil and gas resources. The environment is a sensitive political issue and policies are changeable. There also remains the simmering issue of the legal status of the Northwest Passage.

Liability regimes

Each of the Arctic states has its own domestic regulatory approaches and liability regimes. There is the potential for future international legislation, such as that proposed by the EU and the Arctic Council, to override national jurisdictions. There are also international standards and regulations to consider, such as the International Maritime Organisation's Polar Code, which is scheduled for implementation by 2014. The Polar Code will create a set of mandatory regulations covering the full range of design, construction, equipment, operational, training, search and rescue, and environmental protection matters relevant to ships operating in waters surrounding the two poles.

London class update

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The class continues to focus on its core membership comprising Europe-based operators of inland and coastal ships up to 5,000gt.

The London class reported a positive result for the 2012/13 policy year at its recent committee meeting in Vienna on 9 May 2013, with overall growth and increased reserves.

The specific highlights are:

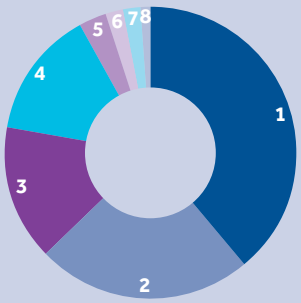
- overall surplus of approximately €1m, helped by strong investment returns in excess of €1.5m
- free reserves up to €19.7m at 20 February 2013 – an increase of almost €1m since the same time last year
- strong growth through 2012 and at renewal February 2013, with the class now insuring more than 2,500 ships
- excellent premium stability with no general increase at renewal February 2013 and no unbudgeted call history
- S&P 'A' rating with stable outlook.

Although the sector itself is experiencing the inertia of continuing economic difficulties across Europe, it has not deterred new P&I providers from entering an increasingly crowded marketplace to bid for their share. In this context, it is particularly encouraging to see the London class continue to grow strongly from both existing and new members, whilst remaining true to the Standard Club's core principles of first-class service and financial stability, with premiums that are both fair and sustainable. The chart below illustrates the mix of business.

The Charles Taylor team managing the business has recently undergone some changes with the promotion of a new dedicated class underwriter, David Williams, and the strengthening of the claims staff led by Nick Williams. Michael Brun, who has been the manager and more recently class director of the London class, has left after 37 years of committed service, and Will Robinson, director of the Europe Syndicate, is now responsible for general management of the class.

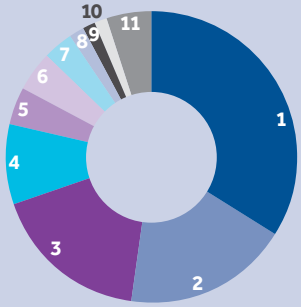
Ship types entered, owned tonnage

1	Short sea – dry	39%
2	Dry barge	24%
3	Tank barge	15%
4	Short sea – wet	14%
5	Tugs, pushboats	3%
6	Passenger	2%
7	Work	2%
8	Specialist	1%



Country of management, owned tonnage

1	Russia	35%
2	The Netherlands	19%
3	Germany	18%
4	Turkey	9%
5	Hungary	4%
6	Belgium	4%
7	Slovakia	3%
8	Italy	1%
9	United Kingdom	1%
10	Baltic States	1%
11	Rest of Europe	5%



Project Horizon

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The club is aware of the need to have in place adequate systems to support seafarers. In this way, the 'human element' associated with many incidents and near-misses can be minimised, see ***The Human Element book*** and ***DVD***.

Proper rest periods are vital, with few of us fully understanding the affect fatigue has on our performance. It is much more than simply feeling sleepy or having difficulty keeping awake. Even for those who remain awake, fatigue will affect their judgment, temperament, perception, mental processing, alertness and reaction time. As one fatigue expert explained, *"having three or four hours lost sleep affects performance in the same manner as being over the legal alcohol limit to drive a car. Yet we stop people driving a car after drinking alcohol but we don't stop them if they have had no sleep, even though the effect is the same."*

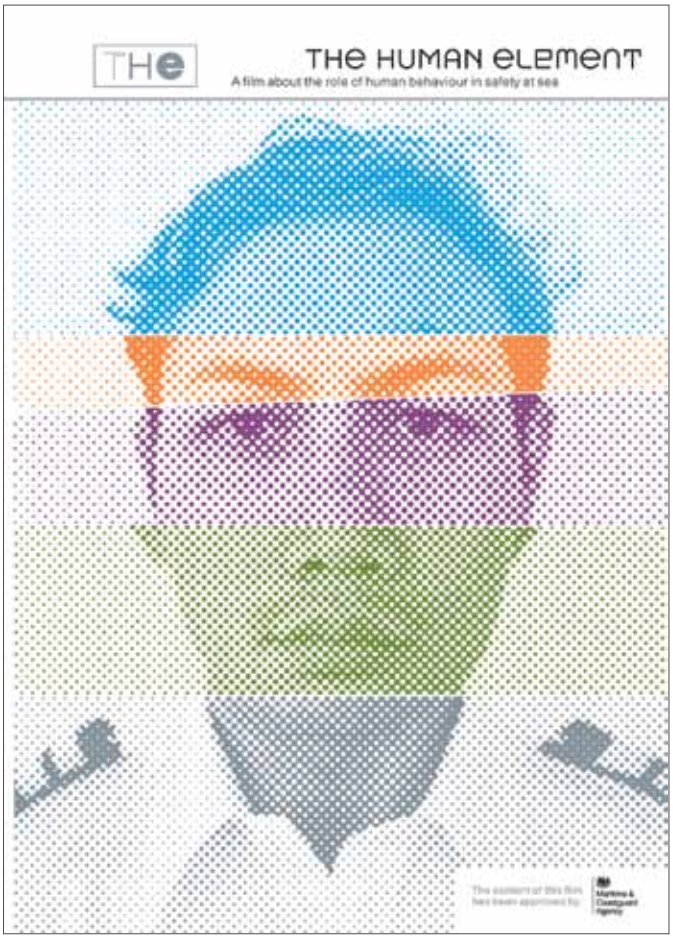
The United Kingdom Maritime and Coastguard Agency submitted a paper to the 44th session of the International Maritime Organization (IMO) subcommittee on Standards of Training and Watchkeeping, which reported the outcome of Project Horizon, a research programme into seafarer fatigue. The results were startling and included finding a high incidence of watchkeepers falling asleep when on duty, especially during the night watch.

The results, in very simple terms, demonstrate that whenever sleep is disrupted or sleep is lost, the individual will have a sleep deficit and difficulty staying awake during a night watch. This is especially true for those working a 6-on, 6-off watch pattern, when off-watch periods are less than eight hours. Fatigue was not found when seafarers work regular watch patterns associated with deep sea navigation, but it was found during coastal navigation watches because of the disruption caused when entering or leaving port, or when changing between sea and port watches. Consequently, it is essential to operate a ship to minimise disruption of crew rest periods. For example, will entering or leaving port during a change of watch cause less disruption than during the middle of a rest period? Would flexible watch patterns help? It is worth considering that a sleep deficit is cumulative and can only be eliminated by sleeping.

The most important outcome from Project Horizon was the development of a prototype fatigue management toolkit (MARTHA), which can be used to predict and manage fatigue. It can be downloaded for free from the Project Horizon website.

For more information on fatigue, see ***www.project-horizon.eu*** for publication of the final project report and to download the fatigue management toolkit (MARTHA).

For further reading on the human element, see the club's publication ***The Human Element, a guide to human behaviour in the shipping industry*** and the Walport video ***The Human Element***.



Safe berth court findings

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This article considers a recent and very important finding in the US courts in relation to what constitutes a safe berth and approach.

The facts

Approaching its berth at a terminal near Philadelphia in 2004, the tanker *Athos I* struck a submerged anchor. The ship's hull was punctured and some 263,000 gallons of crude oil spilled into the Delaware River. The clean-up operations cost approximately US$180m.

First instance

The owner interests of the *Athos I* brought an action against affiliates of Citgo, one of which owned the terminal and another of which was the voyage charterer of the ship. Owner interests contended that Citgo breached its warranty to provide a safe port/safe berth for the ship to discharge the cargo and was therefore liable to reimburse the owner interests for the costs of the clean-up paid by the owner.

The district court ruled in favour of Citgo and dismissed the claim. Among other things, it held that Citgo was obliged to exercise due diligence only in providing a safe berth/safe port and that Citgo had done so. It also held that the anchor was submerged in an area outside the control of Citgo.

On appeal

In its decision issued 16 May 2013, the US Court of Appeals for the Third Circuit reversed the district court's decision and sent the case back to the district court for further factual findings with respect to the draft of the ship.

While the court addressed and resolved several technical points, the significance of the case for the club's members is twofold:

1. The court's decision affirmed the rule that a port is safe when '*the particular chartered vessel can proceed to it, use it, and depart from it without, in the absence of abnormal weather or other occurrences, being exposed to dangers which cannot be avoided by good navigation and seamanship*'. The court aligned itself with other circuits, including the Second Circuit. Meanwhile a case decided in 1990 by the Fifth Circuit was not followed, whereby that court held that a due diligence standard should be read into a charterer's warranty of a safe berth/safe port.
2. The court took a practical view to defining approach, noting that '*when a ship transitions from its general voyage to a final, direct path to its destination, it is on an approach*'. The submerged anchor was some 900 feet from the berth, in an area not under the direct control of Citgo, but between the main ship channel and the berth. The ship was 748 feet long.

Further appeal?

It remains to be seen whether Citgo will ask the US Supreme Court to review the case. It also remains to be seen whether, on remand, the district court finds that the ship's draft was not an issue. If the draft is not an issue and the decision stands, the owner interests will be in a position to recover from Citgo all or a significant portion of the costs they paid for the clean-up.

Conclusion

With many charterparty disputes being resolved in arbitration, US courts of appeal rarely decide safe port/safe berth issues. Should the decision stand, it will reaffirm the traditional rule applied in the US and England that a safe berth warranty is a warranty, not watered down by a due diligence standard. Also, the decision makes clear that an 'approach' is defined by the custom and practice at the port and is usually the most direct path. The decision will also assist commercial parties, clubs and lawyers in predicting how such disputes will be decided and will help arbitrators to decide them consistently and in line with the parties' expectations.

US Federal court to address issues of gross negligence and wilful misconduct in BP Gulf of Mexico oil spill litigation

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- the judge has issued an order asking each party to address a list of issues regarding gross negligence
- the OPA and CWA have no clear standard for negligent actions that rise above the level of ordinary negligence, i.e. gross negligence
- this litigation is an opportunity to develop a framework for applying these terms to future toxic spills
- the judge has stated that he may not issue a judgment on fault and gross negligence before phase two of the trial which is scheduled to begin on 16 September 2013

The judge overseeing the BP Gulf of Mexico oil spill litigation has directed the parties to address key issues from the first phase of the multi-district civil trial, including the concepts of gross negligence and wilful misconduct. The first phase of the trial, which concluded on 17 April 2013, lasted eight weeks and featured testimony about whether BP or its drilling partners should be held liable for the 2010 incident.

The litigation was commenced by the federal government and other parties, including the states of Alabama and Louisiana, and lawyers representing Gulf Coast businesses and residents, under the Oil Pollution Act of 1990 (OPA) and the Clean Water Act (CWA). The OPA authorises the imposition of all removal costs and damages of up to $75m, including damages for injury to property, natural resources, revenues, profits and public services. However, the $75m limitation does not apply if the incident was proximately caused by the responsible party's 'gross negligence or wilful misconduct' or the violation of an applicable federal safety, construction or operating regulation. The CWA provides two levels of civil penalties. The standard level is $1,100 per barrel of oil discharged. That number rises to $4,300 per barrel if the incident was the result of 'gross negligence or wilful misconduct'.

The regulatory regimes under the OPA and the CWA have no clear standard for negligent actions that rise above the level of ordinary negligence.

The court directed the parties to address the following questions:

1. What is the standard for finding 'gross negligence' or 'wilful misconduct' under the CWA and the OPA?
2. What is the standard for a finding of punitive damages under general maritime law? Is this a different standard than under the CWA or the OPA, and if so, how is it different?
3. In order to find that a party acted with gross negligence, is it necessary to find that there was at least one single act or omission that equates to gross negligence, or can such a finding be based upon an accumulation or a series of negligent acts or omissions?
4. Can an act or omission that is not itself causal of the accident nevertheless be considered in determining whether a party engaged in conduct constituting gross negligence?
5. In order to find gross negligence, is it sufficient if only employees on the rig are guilty of such conduct, or is it necessary to find that this level of conduct was attributable to shore-based or management-level employees?
6. Does compliance with Minerals Management Service (or other applicable) regulations preclude a finding of gross negligence regardless of whether a defendant knew or should have known that its conduct or equipment was unsafe or violated accepted engineering standards?
7. Does the fact that a party acted in accordance with 'industry standards' preclude a finding of gross negligence?

Whether the defendants were grossly negligent will have a significant impact on the extent of damages or fines assessed. The uncertainty surrounding the definition of 'gross negligence' and 'wilful misconduct' has made it difficult for defendants to make informed decisions about defences and settlement offers. For the oil and gas industry, the decision will be significant as these same terms are included in a variety of insurance contracts, as well as other states statutes, and also in private contracts between parties in the industry.

Limitation of liability – marine pollution perspective

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- Standard Asia took part in the Singapore Forum in April 2013
- new limits under the 1996 Protocol to LLMC 1976 come into force in June 2015
- Hazardous and Noxious Substance Convention 2010 has been adopted but is not yet in force

Singapore Forum
Singapore Maritime Week hosted a variety of maritime conferences, including the International Chemical & Oil Pollution Conference & Exhibition (ICOPCE) 2013 from 9 to 11 April 2013 at the Pan Pacific Hotel, Singapore. Standard Asia participated in a training workshop with the Singapore Maritime Port Authority (MPA), the IOPC Funds and ITOPF on the various international compensation conventions and the way in which pollution claims are dealt with.

Limitation

As many readers will be aware, there exists a series of *international conventions* dealing with limitation of liability within the context of marine pollution. All the conventions mentioned below allow a shipowner to limit liability according to the tonnage of the ship.

The most notable are the Civil Liability Convention (CLC) 1992 and the Fund Convention 1992, which provide a liability and compensation system. The Fund Convention is administered by the IOPC Fund. With their two-tier system of compensation for oil pollution from trading tankers, these two conventions limit liability for loss/damage caused by spills from these ships. The key features are strict liability, limitation of liability, compulsory insurance and direct action against the insurer. These key elements are replicated in the Bunkers and HNS Conventions mentioned below.

The Convention on Limitation of Liability for Maritime Claims 1976 (LLMC) as amended by the 1996 Protocol allows shipowners to limit their liability for certain categories of claims, including arguably claims arising from a pollution incident involving a seagoing ship. The LLMC can be distinguished from the other conventions mentioned in this article as its regime recognises the right to limit in the event of a clear liability while all the other conventions are pure liability (strict liability with few defences) and compensation regimes.

The Bunkers Convention 2001 provides a liability and compensation system for damage caused by bunker spills from seagoing ships. It allows a shipowner to limit based on its tonnage as set out in the 1996 Protocol of the LLMC 1976, in the absence of any national law.

The Hazardous and Noxious Substance Convention 2010 has been adopted but is not yet in force due to insufficient ratifications. It is a liability and compensation regime for damage caused by the carriage of hazardous and noxious substances, which would predominantly include chemicals as well as LNG/LPG cargoes. It also contemplates a two-tier system of liability, the second tier being most likely to be administered by the IOPC Fund.

There is now some debate as to whether current limits of liability are sufficient. The relatively recent *Pacific Adventurer* casualty is an example of claim costs exceeding limitation. This ship was damaged by a cyclone off Queensland, Australia in 2009, and 270 tons of bunker oil escaped into the sea. The cost of the clean-up operation was reportedly around US$27.5m, but under the current 1996 Protocol, the shipowner's liability was limited to about US$15.5m. This led to political and commercial pressure being exerted by both the state and federal governments of Australia on the shipowner to pay the difference, rather than leaving the excess to be borne by the taxpayer.

1996 Protocol increase

This casualty also led to the Australian government submitting a proposal to the IMO Legal Committee for the 1996 Protocol limits to be increased. The Legal Committee agreed to this in April 2012, via the tacit acceptance procedure, whereby an increase of 51% will be applied to the limits. These new limits are expected to come into force in June 2015.

However, the problem remains that, in time, these increases will again be insufficient to cover the full costs of large clean-up operations and, when this happens, shipowners liable for large pollution claims will again face pressure to waive their legal rights to limit their liability and pay the shortfall, which would not as of right be covered by their insurance. Whether by the International Group of P&I Clubs (IG), the governments of the states themselves, or whomever else, consideration must be given to a system to cover the excess costs on those hopefully rare occasions.

Interestingly, the present limits and the new higher limits of the 1996 Protocol are still lower than those of the CLC.

Definition of ship

The applicability of these conventions to offshore craft such as FPSOs and FSUs is explored in detail in our ***Standard Bulletin*** of October 2012. While the working group of the IMO is debating whether to extend the definition of ship from trading tankers to FSUs only, it is unclear for the remaining conventions whether offshore craft such as FPSOs and FSUs would be defined as ships, and the key to this would lie within the national law enacting the respective conventions.

Club assistance

The IG clubs are the main providers of financial guarantees for claims pursuant to the CLC and Bunkers Convention through the issue of CLC and Bunker Blue Cards. The Standard Club will continue to take a reasoned view of shipowners' liability and work with the IG to ensure that adequate protection is afforded to members.

Standard Club events

FPSO Conference
London, 6–7 March 2013

Fabien Lerede, Offshore Syndicate Claims Director, recently spoke at the 3rd FPSO Vessel Conference organised by ACI and reflected on the latest developments in the FPSO market from a P&I insurer's perspective. The conference was held in London between 6 and 7 March 2013 and was attended by approximately 100 delegates in the industry, in particular marine contractors and oil company representatives.

24th biennial Admiralty Law Institute
Tulane, 11–13 March 2013

Robert Dorey, Offshore Director, LeRoy Lambert, Regional Claims Director and Becky Hamra, Claims Executive attended Tulane University Law School's 24th biennial Admiralty Law Institute, which was held between 11 and 13 March 2013. The biennial seminar was attended by more than 200 maritime attorneys and shipping executives from around the world. The focus of this year's Institute was marine insurance. Topics included developments in the US and London marine insurance markets, as well as insurance issues that arise in pollution and bankruptcy cases. LeRoy Lambert spoke on procedural strategies and options in marine insurance. LeRoy co-presented with Charles De Leo of De Leo & Kuylenstierna P.A. from Miami, Florida. Their paper looked at litigation from the perspective of a marine insurer and discussed various strategies and options the practitioner should bear in mind. The paper will be published in an upcoming edition of the Tulane Law Review. Robert Dorey spoke on the interface between offshore construction insurance and P&I coverage in conjunction with Tim Taylor of Clyde & Co LLP. The Institute provided an excellent opportunity to participate in the continuing legal education programme and meet with numerous correspondents and members who attended.

Sea Asia
Singapore, 9 – 11 April 2013

Singapore held its annual maritime week this year from 9 to 11 April. This was an important occasion in a country, where the maritime sector represents 7% of GDP. A number of events took place including the International Chemical & Oil Pollution Conference & Exhibition (ICOPCE) at which Sharmini Murugason, Regional Claims Director, Offshore, spoke on behalf of the International Group of P&I Clubs (please see Sharmini's article on page 9 of this *Standard Bulletin*) and the Asian Maritime Law Conference organised by the Maritime Law Association of Singapore of which Nick Sansom, General Manager of Standard Asia, is president. This was the 5th Asian Maritime Law Conference and this year was held in conjunction with the Association International des Jeunes Avocats (AIJA), which is an association for lawyers and in-house counsel aged 45 and under, with 4,000 members from 85 countries. The 7th annual Singapore Maritime Lecture was given that week by James Hughes-Hallet, chairman of John Swire & Sons Ltd, on strategic maritime issues. Previous speakers have included former Singapore premier Lee Kuan Yew and IMO secretary general Koji Sekimizu.

On alternate years during maritime week the Sea Asia Conference and Exhibition is held, which has become Asia's equivalent of Posidonia and Nor-Shipping. The conference and exhibition ran for three days. Conference topics included the Asian Voice in Shipping (at which Standard Club Director SS Teo was a panellist) and special sessions on offshore, finance, gas transportation, green technology and project cargo. The exhibition hosted 400 exhibitors. This year overall participation was 13,167 from some 68 countries.

An Offshore Breakfast Forum was held during Sea Asia at which Robert Dorey, Offshore Syndicate Director, was one of the panellists. The panel was moderated by Marcus Hands, editor of Seatrade Asia Week. Robert Dorey warned that post Macondo, oil majors are seeking to erode knock–for-knock contracts by inserting wilful misconduct and gross negligence exceptions in the indemnity provisions, this was having an onerous impact on the contracting market. Eirik Andreassen of DNV Petroleum Services spoke about the rising cost of bunkers and diesel (principal fuel for offshore support vehicles) and the effects on shipping. He went on to talk about the impact of low sulphur fuel requirements and the cost increase that this will also bring the shipping community. Prompted by the audience, the topics moved towards the potential shift in shipping towards LPG powered ships and though this is being rumoured as happening quite soon, Eirik could not see it really happening before 2018 at the earliest as there is no infrastructure to support widespread refuelling ships.

Captain Mike Meade of M3 Marine spoke on current trends in the offshore market. He then went on to discuss the Maritime Labour Convention (MLC) and the impact on offshore contractors. This generated significant concern from the audience that shipowners will become responsible for 'seafarers' which would include, in the offshore activities, a number of contractors and sub-contractors on-board their ships. The current terms of the MLC may expose offshore shipowners to being in breach of the MLC if their contractors and sub-contractors' personnel are not properly certified. However, the offshore owners do not think they should have such exposure and are keen to support a change to the current definition of 'seafarer'.

The Greek Shipping Open
Athens, 20 – 21 and 25 April 2013
In April 2013, the club's Piraeus office staff teamed up with their colleagues at Richards Hogg Lindley to co-host The Greek Shipping Open 2013. The tennis tournament was exclusively for members of the shipping community and featured men's singles, women's singles and mixed-doubles matches. We hosted 92 competitors representing 62 different companies from the Greek shipping community. The finals were held on the evening of 25 April, in which we watched Apostolos Kaltis (Gleamray Maritime Inc.) prevail over George Sigalas (Trade Fortune Inc.), while the ladies was won by Vera Popova (Roswell Navigation Corp.) over Elpida Skoufalou (Starbulk S.A.).
In the mixed doubles, the winning couple was Ivan Pahigiannis/Paris Panagiotidou (Stealth Maritime Corp. S.A.). The gentlemen's doubles was won by Nikos Hidiroglou and Michael Vlazakis (Parcifal Yachting S.A.) over Makis Karatzas (Minerva) and Stergios Harisiadis (Hermes/Harisiadis). During the tournament, the spectators donated €1,370 for the needs of The Ark of the World, an association supporting abandoned children. David Marock, CEO of Charles Taylor Group, awarded the trophies to the winners and thanked all the players for participating.

Member seminar
Monaco, 15 May 2013
The club co-hosted a seminar on speed and performance claims with Ince & Co in May. This was the first seminar hosted in Monaco and it was well attended.

Presenters from the club were Colin Fowles, Underwriter, Duncan Howard, Syndicate Claims Director, Olivia Furmston, Syndicate Claims Director and Richard Stevens, Claims Executive from the Mediterranean Syndicate. After the seminar, guests and hosts attended a drinks reception followed by dinner.

Following the positive response, we will hold further seminars in Monaco. Should you be interested in more details, please speak to your club contact.

Member training seminar

1–3 October 2013, London
The Standard Club is delighted to once again be running our member training seminar in October. Members will benefit from lectures and discussion workshops led by industry experts including the club's managers and international lawyers. Topics will include current P&I issues including sanctions, piracy and personal injury, as well as workshops on managing a major casualty and negotiating with a terminal. The forum will be held at Inner Temple, close to the club's offices in central London. The forum is free, however, all attendees will pay for their own travel and accommodation and favourable rates have been arranged.

We welcome all club members to the forum; however, it is likely to be more beneficial to those who already have a reasonable understanding of the marine insurance market and P&I.

Space is limited; if you are interested in attending or would like to view the full brochure visit the Events page on our website www.standard-club.com. Alternatively you can contact Suzie Mate by email suzie.mate@ctplc.com or telephone +44 20 3320 8839.

New starters

Elisabeth Naaykens has joined the Europe syndicate as a Claims Executive
elisabeth.naaykens@ctplc.com
+44 20 3320 2279

Laura Atherton has joined the Europe syndicate as a Claims Executive
laura.atherton@ctplc.com
+44 20 7522 7592

Simon Mavroleon has joined the Atlantic syndicate as a Deputy Underwriter
simon.mavroleon@ctplc.com
+44 20 3320 2289

Mark Gentle has joined the Safety and Loss Department as a Marine Surveyor
mark.gentle@ctplc.com
+44 20 7522 6489

Sanjeeve Thakrar has joined the Risk & Compliance department as a P&I Risk Officer
sanjeeve.thakrar@ctplc.com
+44 20 3260 7411

Rebecca Blanks has joined as the Company Secretary
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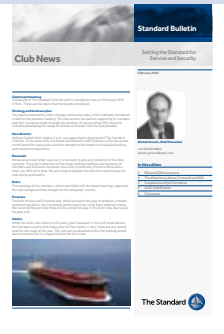
Web alerts

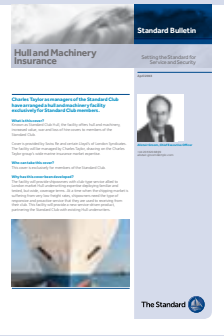
The Standard Club issues a variety of publications and web alerts on topical issues and club updates. Keep up to date by visiting the News section on our website www.standard-club.com

Recent publications



Standard Bulletin, Club News
February 2013

- P&I and CAR insurance
- The Maritime Labour Convention 2006
- Suspension of performance
- Club Events – 2012 club events
- Club News



Standard Bulletin, Hull and Machinery Insurance
April 2013

- Charles Taylor as managers of the Standard Club have arranged a hull and machinery facility exclusively for Standard Club members.

Standard Bulletin, Club News
April 2013

- Renewal
- The MLC 2006
- Offshore wind energy industry best practice
- The Human Element DVD

Review of the Year
2013

- The club has released its review of the year and full directors report and financial statements

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