

Washington DC board meeting

October 2013

Setting the standard
for service and security

The Standard



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The club board, and the boards of its principal subsidiaries, met in Washington DC on 18 October.

The club's AGM took place the same day. On the previous day, meetings of the board's three committees – Strategy, Nomination and Governance, and Audit and Risk – took place. We set out below the key highlights of the meetings.

AGM

All of the proposed resolutions were passed, including acceptance of the Accounts for the year ended 20 February 2013, reappointment of PWC as the club's auditors and re-election of those board members retiring in accordance with the Articles.

New director

We are pleased to report that Stefano Rosina of Premuda SpA was appointed to the board of The Standard Club Ltd.

Strategy

The board reviewed the club's objectives and strategy, and reaffirmed the club's key objectives as being:

- to provide good-value P&I insurance and related covers to the club's members on a sustainable basis
- to provide first-class financial security
- to provide excellent service, and
- to grow both the business and its services, consistent with these core objectives.

The board also reaffirmed the club's strategic direction through the offer of additional and new covers to the membership, and initiated a study into the optimal structure for the club and its insurance operations for the future. We will keep members informed of progress with that initiative.

Discretionary claims

As is often the case, the board considered some claims that are covered only if the board exercises its discretion to reimburse them to the member. The individual claims arose from very different circumstances, but, in each case, the claims fell outside the core cover given by the club under the rules. In all of the cases, the board felt that the member had acted reasonably and that the costs or liabilities were within the scope of the club. It considered that the claims should be supported and accordingly approved reimbursement to the members concerned.

Investments

This has been – and remains – a very difficult year for managing the investments, and the markets in which the club is invested have experienced a great deal of volatility in the first eight months of the club year. The overall result to date is a flat return.



Reserves

The board reviewed the club's overall financial position and the projections for the rest of the club year. The year is performing in line with expectations, and the most likely overall result is a very small deficit.

Renewal

The board considered the club's strategy for the forthcoming renewal. The club is in good shape financially, and the board is determined to maintain that strength. The underwriting result for the current year is forecast to be in deficit, and the investments are expected to produce only a breakeven or very modest return. In these circumstances, the club needs to see premiums rise next year. A **circular** dealing with renewal has recently been sent to members announcing a 12.5% general increase, along with an increase in deductibles of 10%, with deductibles under \$10,000 being increased by \$1,000.

Board succession plans

The board noted with regret that the current chairman, Ricardo Menendez, has indicated his desire to hand over the chairmanship after the next meeting, after 10 years of carrying out that role. It was agreed that Rod Jones, currently a deputy chairman, and president and CEO of Canada Steamship Lines, should succeed Ricardo in the role of club chairman. CSL recently celebrated its 100th anniversary, and 97 years' entry in the Standard Club. It was also decided that Cesare d'Amico, of d'Amico Societa di Navigazione, should become a new deputy chairman, joining Konstantinos Peraticos in that position.

US COFRs

As has been reported in the press, the board and managers have been reconsidering the previous position that the club would not provide US COFRs. The current system has proved expensive for shipowners. The board and managers now believe that the arguments against provision by the club of US COFRs are outweighed by the benefits to members of providing them. The board's view is that the club should in future provide COFRs. This matter is still under consideration and an update will be provided to members in the near future.

Dinner

A dinner was held on the occasion of the meetings for the club's east coast USA members and other guests from the shipping and regulatory community. The club chairman, Ricardo Menendez, in his speech at the dinner, said:

" The Standard Club has insured US shipowners for more than 100 years and we number some of the USA's leading shipowners among our members. We very much appreciate their support for the club.

" The key to retaining our strong position is ensuring that we insure only those shipowners who, while trading successfully, operate their ships with a continuing focus on high standards and a commitment to protecting human life and the environment, and based on a strong safety culture.

" Service quality is paramount, and we strive to ensure that we deliver a first-class service at all times. We continue to focus on providing good value for our members, and we look for opportunities to create efficiencies for our shipowner members."

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



Standard Bulletin September 2013

In this edition we present articles on a variety of current issues and announce the results of our member survey.

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