

Member training bulletin

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The Standard



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Member Training Week Duncan Howard

Member Training Week is a bi-annual event, hosted by the Standard Club, to provide the club's members with an update on current P&I issues through a mixture of lectures, discussions and workshops. The 2013 event included presentations from the club as well as leading industry bodies and law firms.

Member Training Week was held in October 2013 and focused on a wide range of topics, including an introduction to marine insurance and an overview of the shipping market. Highlights included a presentation on the influence of the human element in vessel collisions and updates on addressing piracy in West Africa and on pollution. There were also three interactive workshops on the challenges faced by owners dealing with charterers in distress, handling a major casualty and navigating offshore club cover, which were particularly well received.

Member Training is one of the many ways that the Standard Club helps its members to deal with the real-life issues they face in today's difficult economic climate. The record number of attendees demonstrates the level of importance members place on understanding current P&I issues and meeting the club's London managers.

Copies of many of the presentations made at Member Training Week are available **on our website**.

Day 1

Introduction to marine insurance and the Standard Club

Alistair Groom, Chief Executive Officer

Alistair Groom presented an introduction to marine insurance and the Standard Club.

Shipping market overview

Stephen Gordon (Clarksons)

Attendees were provided with an informative and useful overview of the shipping market. Stephen Gordon reviewed the latest market position, considered trade patterns as well as ownership and shipbuilding trends.

Commodities and shipping

Haris Zografakis (Stephenson Harwood)

Haris Zografakis provided an insight into commodity trading issues affecting members. He considered the relationship between sale contracts, documentary credits and contracts of carriage.

Day 1 (continued)

Dispute resolution

Claire Boddy, Claims Executive

Claire Boddy considered the role of the club in assisting members manage and resolve disputes. She highlighted some common obstacles in the dispute resolution process and focused on mediation as a mechanism for resolving multi-party, multi-jurisdictional disputes. Claire also explained the benefits of making an early assessment of the legal and commercial position, recognising settlement opportunities when they arise, with a view to ensuring that the member is placed in the best negotiating position in the shortest time.

Arrest regimes

Matthew De Plater, Claims Executive; Sacha Christopher, Claims Executive; Fabien Lerede, Syndicate Claims Director

The presenters considered the role of ship arrest within the maritime industry, noting that it remains one of the most powerful means by which a member can protect their position in a maritime dispute. There was a focus on the key variances between different jurisdictions, particularly in the implementation of the various arrest conventions. Fabien Lerede discussed civil law countries, including France, while Matthew De Plater looked at the common law position. Sacha Christopher reviewed the position in South Africa, which is noted as a favoured jurisdiction when parties are seeking to arrest related assets or pierce the corporate veil.

Sanctions

Roger Johnson, Syndicate Claims Director

Roger Johnson gave an update on sanctions, focusing on steps taken by the club to try and avoid breaches of sanctions, whilst also looking at due diligence considerations for members.

Chartering in troubled waters

Sacha Christopher, Claims Executive
Julian Pierce, Rory Grout and Alessio Sbraga
(Holman Fenwick and Willan LLP)

A group of presenters from HFW and Sacha Christopher from the club conducted an interesting and engaging workshop on the legal and practical issues and options available to owners dealing with charterers in distress.

Day 2

Electronic bills of lading

James Bean, Syndicate Director

James Bean gave an overview on the subject of electronic bills of lading and provided guidance to members on the club's position on cover, noting that the club has received an increasing number of enquiries from members who are being asked to use electronic bills of lading by their charterers. The presentation was based upon the club's *list of FAQs* on this topic published in August 2013.

Maritime Labour Convention 2006

Iain Cassell, Syndicate Claims Director

Iain Cassell considered the status of the recently adopted Maritime Labour Convention 2006 and its effect on members. He focused on the distinction between the definitions of 'shipowner' and 'seafarer' in the convention. The members present appreciated the club support on extending cover and also in getting Flag States to accept a P&I certificate as sufficient evidence of financial security for crew repatriation. The club will continue to closely monitor developments on both interpretation and implementation of the convention, plus its future evolution, to best assist members.

Personal injury

Richard Stevens, Claims Executive

Richard Stevens reviewed the status of personal injury claims handled by the club, focusing on the Philippines as the largest supplier of seafarers in the world, contributing approximately 20% of all seafarers employed. Previously, the Supreme Court of the Philippines had ruled that seafarers who were unable to work for more than 120 days as a result of an illness or injury were deemed permanently disabled and were entitled to full contractual benefits under the POEA contract of employment.

Richard spoke about rulings of the court from 2005, which increased that period to 240 days, and explained the difficulty of subsequent cases in which the Supreme Court has not followed its own jurisprudence, with the 120-day period still being adopted. This inconsistency has caused, and continues to cause, real uncertainty for members and the club as it cannot be said with any certainty what the law on this particular issue is, which makes it difficult to predict future decisions from the courts. The presentation highlighted the importance of the 2010 POEA contract, which removes references to illness/injury duration, introducing some much needed certainty to this issue.

Day 2 (continued)

Safety and loss prevention update

Eric Murdoch, Chief Surveyor

Following a series of high-profile marine losses linked to human error and the breakdown of safety procedures, the IMO developed a standard aimed at improving safety management to be applied throughout the marine industry, the International Safety Management Code. Eric Murdoch gave an overview of the implications of this code and the requirements for compliance.

The presentation highlighted the importance of creating a compliance culture to ensure that approved safety management systems are effective in preventing accidents, enabling the member to reduce their P&I costs or simply stop accidents. The club's safety and loss prevention department engages in visiting members to discuss risk, management and loss prevention and surveys entered ships for quality.

Legal update

Andrew Taylor (Reed Smith)

Andrew Taylor gave an update on some of the recent highlights from the English High Court, including *The Astra*, *The Bulk Chile*, *Aquafaith* and *Kyla* cases. Andrew also considered the developments in the ongoing matter of *Kairos Shipping Limited v Enka & Co LLC*.

General average and hull insurance

Robert Tomlinson (Richard Hogg Lindley)

Robert Tomlinson's presentation looked at the key differences between hull and machinery insurance and P&I insurance, focusing on particular average claims with discussion of insured perils and proximate cause.

He gave members an introduction to general average, covering its definition under English law and under the York Antwerp Rules, which govern the adjustment of general average claims.

The presentation discussed how general average cases develop and the actions taken by shipowners and the general average adjusters, and also the enforcement of general average adjustments and the defences available to cargo interests to avoid paying.

Crisis management

Mark Clark (Navigate Response)

Mark Clark provided some food for thought for members on how best to manage emergency situations in today's media-busy world. This followed up his recent article in the club's *bulletin*.

Major casualties workshop

Sam Kendall-Marsden, Syndicate Director;
Enam Hussain, Syndicate Claims Director
Peter Glover (Norton Rose)

Enam Hussain and Sam Kendall-Marsden, who have both had experience in dealing with major casualties, conducted a joint presentation with Peter Glover of Norton Rose looking at the issues arising following a collision incident, many of which were covered in the presentations earlier in the day.

Day 3

West African piracy

Sam Kendall-Marsden, Syndicate Director; Alex Gray, Claims Executive; Brett Hosking, Claims Executive

Alex Gray considered the latest piracy trends in East Africa and West Africa, noting that the latter has shown a tendency to include violence towards the crew and theft of the cargo, rather than deprivation of the ship or cargo. He then considered the operation of P&I cover and the club's newly introduced Kidnap and Ransom cover in piracy scenarios.

Brett Hosking reviewed the latest work being undertaken by BIMCO to update GUARDCON, which is now the industry standard contract to use when engaging private maritime security companies. This work is seeking to respond to heightened security concerns in the Gulf of Guinea.

Small crafts

David Williams, Underwriter

David Williams discussed the background, makeup and statistics of the club's small craft section, the London class, emphasising its historical importance and current position within the club.

Day 3 (continued)

Limitations of liability to 1996 protocol

Rupert Banks, Claims Executive

Rupert Banks considered the increased limits under the 1996 protocol to the Convention on Limitation of Liability for Maritime Claims 1976 that are due to come into force in 2015 and the possible implications in the future as regards bunker spills and limitation.

Inter Club Agreement amendment

Simon Hart, Claims Executive

Simon Hart looked at the 2011 amendment to the Inter Club Agreement, the mechanism designed to deal with cargo liabilities under NYPE and Asbatime charterparties. Following the amendments to the ICA, it is now easier to obtain security from charterers before a claim crystallises. The club recommends that the amendments are incorporated into a charterparty where applicable.

International Group issues

Andrew Bardot (International Group)

Andrew Bardot considered the current and future issues and challenges affecting the industry that the IG is currently working on, including an increase in claims severity, piracy, sanctions issues and increasingly stringent solvency and regulatory compliance requirements.

Pollution update

Henk Renken (ITOPF)
Colin de la Rue (Consultant)

Henk Renken from ITOPF gave an overview of the role of ITOPF and the services it provides for its members and associates. He provided an overview of its origins and how ITOPF is organised and funded, plus some basic statistics on incidents as well as additional services provided by ITOPF. Colin de la Rue provided an update on current legal issues involving pollution, including the latest changes to MARPOL, and looked at sanctions issues in relation to pollution.

Poolability of cover

Will Robinson, Syndicate Director; Ian Billington, Underwriter

Will Robinson and Ian Billington delivered a presentation on the scope of International Group poolable cover, highlighting some of the areas that typically require members to purchase an additional extension of cover. There was a discussion about the club's own extensive non-pool programme, which can provide fixed limit solutions for everything from straightforward contractual P&I assumptions of risk to complex drilling and production operations.

Offshore workshop

Offshore syndicate

A group of presenters from the club's offshore syndicate reviewed the extent of cover offered by the club. They conducted a workshop and quiz looking at the way in which club cover responds in the context of towage, specialist operations and drilling and production.

For further information about any of the presentations given at Member Training Week 2013, please contact Duncan Howard, Member Training Week Chairman.
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