



# STANDARD BULLETIN

SETTING THE STANDARD FOR SERVICE AND SECURITY

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## OFFSHORE SPECIAL EDITION



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### IN THIS EDITION

- 2** Cross-border pollution from offshore activities

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- 4** Offshore surveying experience

---

- 5** Lessons from the *Deepwater Horizon* and *Montara* disasters

---

- 8** Limitation of liability for maritime claims

---

- 10** Knock-for-knock contracts are enforceable in the US

---

- 11** Knock-for-knock clauses under Brazilian law

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- 12** Recognition of knock-for-knock clauses in Mexico

---

- 13** Turning turtle on knock-for-knock?

---

- 14** What is a specialist operation?

---

- 15** Singapore arbitration



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Welcome to the sixth edition of the *Standard Bulletin* offshore special edition, which follows a further year of successful development of the offshore entry which now stands at 14% of entered tonnage. The club's growth has primarily been organic, although we welcomed five new offshore members into the club to date in the 2011 policy year, we declined six times as many enquiries as we accepted.

We strive to ensure that levels of service match the expectations of our membership. With an expanding membership, we are projecting to review 540 offshore contracts in the 2011 policy year. This would represent a 25% increase from last year. To keep on course with our service commitments we are pleased to report that the offshore syndicate has strengthened in underwriting and claims. On the underwriting team we are pleased to welcome Eddy Morland who will work alongside Claire Wheeler and John Croucher as the front line underwriters. Eddy's appointment follows a three year placement in New York as a claims executive for the American membership. For the claims team, Rupert Banks and Roger Johnson have joined the club and will work with Sharmini Murugason, Fabien Lerede and Ursula O'Donnell. Both Roger and Rupert are qualified lawyers.

So our mission continues to be to provide our membership with the widest and most cost-effective cover for those risks which we can insure. Our contract review service assists members in identifying and managing exposures which fall outside of P&I cover, in addition to confirming those risks that fall within cover. Contractual allocation of liability is a key risk-management tool of our membership and we hope the articles in this edition will assist members in addressing and controlling their risk exposure. Knock-for-knock enforceability remains an area of considerable uncertainty in many jurisdictions and we look at Brazil, Mexico and the US in particular in this edition. The uncertainty and legal foundation of knock-for-knock has also been the subject of recent judicial review here in the UK and Simon Rainey QC has generously contributed his commentary on recent English case law.

Further key risk management tools of our membership are their crew and the safe operation of the ships. The club is committed to knowing our members' operations and understanding the risks. To complement this Julian Hines reflects on some of his findings from offshore surveys, and whilst *Macondo* and *Montara* still drive insurance market pricing and risk appetite we have decided to focus on some of the political and practical ramifications of these claims in this edition.

It is a truism that 'there is nothing permanent except change', and this particularly applies to the fast moving offshore industry. In this environment, members must not become complacent and assume their past contractual arrangement will protect them in the future. Contractual arrangements should be reviewed regularly and the club is able to offer advice and assistance in this regard.

We hope you find this edition helpful and illuminating and we are always grateful for your feedback.