Standard Bulletin

September 2013

Setting the standard
for service and security

The Standard

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In this edition

Standard Club Hull

The launch of the Standard Club Hull facility has met with a great deal of positive interest from both owners and brokers.

Launched in April this year, the Standard Club Hull facility has already attracted orders from members and has provided a number of competitive quotes.

The facility combines the best of London market underwriting and club-style service provided by Charles Taylor, with limits up to $100m for hull, increased value, loss of hire and war risks. We are looking forward to business in the facility growing as more hull renewals come up for review in the coming months.

Supported by Swiss Re and Lloyd's syndicates, Catlin and Torus, the facility has been designed exclusively for club members. The insurance cover is supported by a claims service, provided by the syndicate claims personnel with whom members are already accustomed to dealing with, coupled with technical support from within the Charles Taylor group.

Our facility is open to club members either on a direct basis or through Hull brokers and offers up to $45m of capacity for Hull and Machinery and Increased Value and War Risks, and also up to $4.5m of capacity for Loss of Hire. It can support all market wordings.

Members can request a quotation through their normal club contact and terms will be obtained and cover evidenced through the Charles Taylor group.

We cannot guarantee that we will be able to offer members the most attractive terms in all cases. Terms will be dependent upon, amongst other things, fleet composition, values at risk and loss record.

Our facility is now fully operational and we look forward to the opportunity to consider members' first-party insurance requirements.

To request a quotation, contact your normal club underwriting contact or **Robert Drummond** (on +44 20 3320 8942) or **Martin Fone** on (+44 20 3320 2249).

- Can provide Hull, Increased Value, Loss of Hire and War Risks cover in a lead capacity
- Claims are managed by club claims team

MARPOL fines in the US

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This article is a reminder that club cover for fines arising from breaches of MARPOL is discretionary and, given the well-known enforcement practices of the US authorities, the huge penalties and the absolute requirement to have effective shore-side and on-board management systems, members should not expect the board to approve reimbursement of such liabilities, save in very exceptional circumstances.

In December 2007, the club published a special ***Standard Bulletin*** highlighting the increasing number of multimillion dollar fines imposed on ships entering US ports for breaches of MARPOL requirements relating to oil waste management. This problem is by no means confined to the US, but the zero-tolerance attitude of the US Coastguard to the enforcement of MARPOL legislation has resulted in an unprecedented number of such fines being imposed on shipping companies of every nationality, flag, trade and size of operation.

Illegal practices

The illegal practices that result in MARPOL investigations and prosecutions usually involve:

- Bypassing the oily water separator when dealing with bilge water or the discharge of sludge overboard rather than by incineration or disposal ashore
- Unauthorised alterations to the piping arrangements in the engine room
- The use of flexible hoses or so-called 'magic pipes'
- Suppression of alarms designed to detect concentrations of oil in excess of the permitted 15ppm

Other aspects to be aware of:

- Few prosecutions involve illegal discharges in US waters: nearly all stem from false entries in oil record books for ships entering US ports that falsely document compliance with MARPOL requirements or fail to record illegal discharges that have taken place in international waters
- False statements by crew members to Coastguard inspection teams and prosecutors, destruction or concealment of bypassing equipment, and incriminating records are a feature of many prosecutions and add considerably to the level of fines incurred
- Whistle-blowers are a vital source of evidence in many cases. Their motives vary from genuine concern for the environment to disaffection borne of employment disputes, as well as the undoubted financial benefits that can be obtained following the imposition of substantial fines of which they may receive up to a 50% share

Financial impact

The following are examples of the fines and other penalties that have been imposed over the past 15 years for MARPOL breaches:

1988	Cruise operator	False statements, false records, conspiracy, obstruction of justice	$27m fine for fleet-wide violations, 5 years probation and EMS plan
2001	Container ship operator	False statements	$3m fine, 3 years probation and EMS plan
2002	General cargo operator	Obstruction of justice, false statements and witness tampering	$5m fine, 5 years probation and $0.5m for EMS plan

2004	Container ship operator	False statements	$4.2m fine, 3 years probation and EMS plan
2005	Container ship operator	Obstruction of justice, false statements	$25m fine, 3 years probation and EMS plan
2006	Container ship operator	False statements, obstruction of justice, conspiracy, destruction of evidence	$10m fine, $0.5m community service, 3 years probation and EMS plan
2006	Car carrier operator	False statements, false records, conspiracy, obstruction of justice	$5m fine, $1.5m community service and EMS plan
2006	Tanker operator	Conspiracy, false statements, false records	$37m fine
2010–2012	Container ship and tanker operator	Four ships implicated in illegal discharges of sludge and oily bilge waste, falsification of records	$10.4m fine, 4 years probation
2010	In May 2010, a Norwegian ship was banned from US waters for one year and further calls at US ports, subject to development of an environmental compliance plan acceptable to the Coastguard		
2011	In April 2011, an owner found guilty of various MARPOL violations was banned from trading to the US for five years		
2012	Container ship operator	Illegal discharge, equipment malfunction falsification of records	$2m fine

Basis of shipowners' liability

In many cases, an owner/operator blames the crew for MARPOL breaches, citing laziness or wilful disobedience with laid-down procedures by engineers who are considered to have failed to live up to the high standards of the company. This may or may not be true, but it is important to understand the nature of the obligations imposed on the shipping companies under US law. The concept of corporate vicarious liability means that the owner/operator is liable for the acts of its crew where a court considers that:

a) Those acts were performed for the 'benefit' of the company (generally considered by reference to any operational cost savings), and
b) They were directly related to the duties that the crew member was employed to perform.

If both of these requirements are met then the owner/operator will be vicariously liable for the acts of its crew even where these are in direct contravention of written procedures and the owner/operator had no knowledge of such illegal practices prior the criminal investigation. The burden is not on the prosecutor in such cases to prove the lack of an effective environmental compliance plan as the basis of criminal responsibility. Rather, it is for the defendant to establish the existence of an effective plan either as a means of showing that one of the two requirements for a finding of vicarious liability are not present or, alternatively, as mitigation in relation to any penalties imposed following a successful prosecution.

MARPOL best practice

As with all aspects of safe and efficient ship operations, the key to ensuring successful compliance with MARPOL regulations lies in recognition of the importance of strong and proactive management. This goes well beyond the imposition of written procedures and involves the core culture of the shipping company.

The 2007 ***Standard Bulletin*** provided an outline of MARPOL best practice. This must be given the highest priority rather than be treated as just another operational process. Members should therefore address the following areas in their Safety Management Systems (SMS) in order to avoid huge fines and other financial losses for which they are very unlikely to be reimbursed by the club:

- Clear environmental statement that places proper oil waste management practices above cost savings and operational expediency
- No-blame culture, with open reporting of all illegal practices
- Shore-side management supervision, with a senior person in the company responsible for environmental compliance reporting to the chief executive and/or the board
- Recognition of the critical role of ship superintendents in monitoring compliance with environmental procedures and, in particular, detailed analysis of discharge records through oil record books and the ship's documentation
- Effective on-board management of oil waste systems by chief engineer and master (whose role is often ignored in this context)
- Installation of the most up-to-date equipment with an effective maintenance programme, prompt procurement of spares, adequate holding tank capacity and shore-side discharge facilities, if required
- Periodic testing of all such equipment and tamper-proof measures to make bypassing difficult and detectable
- Accurate and honest documentation of oil waste management practices, with prompt reporting of any problems to shore-side management for possible escalation to flag or port authorities
- Formal training on MARPOL requirements, both on-board and ashore. This should be provided on a regular basis and supported by safety publications
- Audits and inspections for MARPOL compliance should be conducted by superintendents and external inspectors, with proper testing of equipment and interviews with engineering crew. Results should be clearly documented for review by senior management, with recommendations for improvements
- The club will run a series of articles in 2014 on all the MARPOL annexes to review new regulations in various jurisdictions and their safety and loss implications

MLC update

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Maritime Labour Convention

The MLC 2006 came into force on 20 August 2013 and the club has extended club cover to help its members comply with their new obligations under the convention. Club cover now includes additional crew repatriation liabilities and by extending cover in this, the club has enabled members to avoid having to buy a new insurance cover.

The International Group of P&I Clubs has been working with convention flag states to obtain agreement that a ship's normal P&I certificate of entry will be sufficient evidence of the financial security for crew repatriation costs required under the convention. So far, all states that have responded have agreed to accept club certificates of entry and none has refused to do so.

Enforcement of the convention is controlled by flag states, with Port State Control , or other competent authority, checking compliance. At this time, 47 countries representing 76% of the world's gt have ratified the convention, but it is possible that any state may seek to enforce compliance even if their national authority has yet to ratify the convention. Members are required, as part of club cover, to comply with flag states' requirements, but the club also recommends voluntary compliance of MLC even if their flag state has not yet ratified it, to minimise potential problems.

To view up-to-date list, visit our website **www.standard-club.com**

Piracy update

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Update

Piracy off the coast of Somalia (including the Gulf of Aden) is at its lowest level for six years, with nine attacks (including two hijackings) so far in 2013, according to the latest figures from the ICC International Maritime Bureau. This quarter, only one attack has taken place off the coast of Somalia.

1. The countermeasures applied to counter piracy off the coast of Somalia and the Gulf of Aden have successfully reduced the number of attacks
2. A uniform standard is being piloted to help shipowners identify competent PMSCs
3. Armed guards are not permitted in West Africa but there are alternative countermeasures that shipowners may implement

The reduced number of piracy attacks off East Africa is attributable to the naval presence in the region, the use of private maritime security companies (PMSC) and the successful application of the latest Best Management Practices (BMP).

In comparison to East Africa, efforts to prevent piracy off West Africa do not appear to have been as successful. Twenty-two attacks have taken place off the coast of Nigeria alone in 2013, of which one was successful.

A uniform standard

The International Organisation for Standardisation (ISO) has developed a uniform standard to assist shipowners to identify competent PMSCs. The standard – ISO/PAS 28007:2012 – addresses rules for the use of force, licensing of arms, management responses, rules of authority and vetting of PMSCs.

A PMSC seeking to comply with ISO/PAS 28007:2012 will need to apply to an accreditation body for certification. The accreditation body will review the standards adopted by the PMSC in light of the standard and, if found compliant, will certify the PMSC.

A pilot scheme for the accreditation process started in June 2013 and is expected to be completed by December 2013. PMSCs should then be able to apply for certification.

Whether or not a PMSC is certified should form part of a shipowner's due diligence in the selection of a provider of safe, effective and legal security.

Guards off West Africa

Unlike off the coast of East Africa, shipowners are not permitted to have armed guards on-board when sailing through territorial waters off West Africa, including the Gulf of Guinea. Instead, Nigeria, Togo and Benin have made military resources available to provide armed security to shipowners.

PMSCs have adapted to these legal constraints by offering unarmed guards who will supervise the armed guards provided by the military. The unarmed guards should also ensure that BMP is followed.

For the purposes of liability, a contract between a shipowner and a PMSC under the above circumstances should include the local military as part of the PMSC's group. If a shipowner contracts on knock-for-knock terms, this would mean that the local military are considered in the same way as the PMSC's own employees. Also, the liability insurance procured by the PMSC should cover the local military in the same way as it covers its own employees. An amended version of the BIMCO GUARDCON contract can be used and the club can advise in relation to this.

Countermeasures in West Africa

A Code of Conduct has been formally adopted by 22 states across West and Central Africa to prevent piracy and armed robbery in the region. The Code aims to develop a regional strategy to counter piracy and armed robbery between the states themselves, military forces and the International Maritime Organization.

The Code incorporates parts of the Djibouti Code of Conduct, which assisted in the fight against piracy in the Indian Ocean and Gulf of Aden. The Code will operate alongside a Memorandum of Understanding (the MOU) that was adopted on 30 July 2008. Whereas the MOU is widely drafted and includes guidelines regarding illegal fishing, drug and weapon trafficking, illegal migration and oil theft, the Code is specific to acts of piracy.

Kidnap & Ransom Cover

The club launched its Kidnap & Ransom policy in July 2012. It is available to members of the club and covers ransom payments, the delivery and insurance of ransoms, loss of hire and fees, including those of specialists who are on hand to assist members in the successful resolution of a piracy incident. A key advantage of the policy is that payments may be made in the same way as in the case of other risks covered by the club.

Social media – good, bad or ugly?

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We all know that in tough freight rate times such as these, spending money on a media team by the company is understandably a low priority.

A competent crew member or diligent member of the shoreside team will know that on receiving a call from the media during an incident in which your ship may be involved, he will need to be careful not to comment and to pass the enquiry on to the company's incident team or key spokesman.

However, what about when crew members are sitting in their cabin or out of hours checking on their mobile device for the latest Facebook posting or Twitter feed and they see critical or disparaging comments online?

Sometimes the red mist will descend and a short, sharp, pithy message with a personal retort may seem like a good idea at the time. Or perhaps, more dangerously, responding to an innocent looking question posed to the company may cause significant problems later on. That simple question and answer may seem harmless until they get published, and extra damage control is then needed by the company. What happens if this goes 'viral' on the internet?

It is therefore important that all on-board crew members and shoreside staff are trained on how to handle social and mainstream media in every sense.

Each and every company employee is a public relations representative and thereby a crisis manager for your company – whether you want them to be or not. Any word from any employee can become the voice of the company in stressful times.

In this age of 24-hour media and social media, we recommend the following:

- Establish guidelines for what can and cannot be said during a crisis. This should apply to both traditional and social media
- Identify under what circumstances staff or crew are allowed to respond to enquiries and what types of questions they are permitted to answer – even when the enquiries come from a member of their own social network or inner family and circle of friends, who could pass it on innocently to the media
- Make sure crew and shoreside staff have easy access to the company's media management guidelines so that they know where and to whom they should refer potential enquiries, such as to a visible member of the communications team, incident response team or a dedicated web page. Make sure they know who is looking after your digital media for the awkward questions.

Consider possible worst case scenarios. Work out what the consequences might be for breaching these media management guidelines for you, your commercial partners and the individual. Remember that it is now far easier for the media to approach any one of your crew members or employees than ever before in a crisis. It is up to the responsible company to make sure that all staff understand what their particular role is within a crisis, as well as what is expected of them.

Ship arrests in the Netherlands

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The Netherlands is a relatively easy jurisdiction in which to arrest, but the arrestor must ensure that he is arresting assets from his actual debtor in order to avoid facing a wrongful arrest counterclaim. Once an arrest has taken place, a Club letter is usually considered as sufficient security, however the Rotterdam Guarantee Form 2008 may also be accepted.

The Netherlands has always been considered as a favourable jurisdiction in which to arrest ships.

The below article considers the current position and some recent developments.

The Netherlands is a party to the Arrest Convention 1952 and stipulates that when a ship flies under the flag of one of the Contracting States, the claim of the creditor must qualify as a 'maritime claim'.

Under the Convention, the following claims can be considered as maritime claims:

- Costs incurred in respect of a ship's sale and of the goods carried on-board, as well as costs incurred in connection with wreck removal
- In the event of a ship arrest, the costs incurred to preserve the ship
- Claims in respect of crew contracts of employment
- Cost and claims in respect of salvage and GA contributions
- Port fees and associated costs to ensure the safety of the port and third parties
- Claims brought under Bills of Lading
- Claims against the owners as a result of collisions, death or injury, damage to goods and/or objects
- Lien on cargo from claims resulting from salvage and/or GA contributions

When a ship is not flying under the flag of one of the Contracting States of the Convention, the creditor can arrest the ship regardless of the nature of the claim (that is, it is not necessary that the claim is regarded as a maritime claim).

Points to consider when arresting in the Netherlands

In practice, it is fairly easy to arrest a ship in the Netherlands and to obtain security. The courts of the port where the ship will call will have jurisdiction to deal with the arrest petition. It is also possible to file a petition in the jurisdiction of the port where a ship is due to arrive. This means that it is possible to obtain leave to arrest days/weeks/months before the ship actually arrives in port. When filing the arrest petition, the arrestor needs to be certain that the assets that will be arrested are owned by his debtor. In the event the counterparty whose assets have been arrested is successful in proving wrongful arrest (for example, he is not the debtor of the claim) then the arrestor is strictly liable for the consequences of the arrest if the claim for which the arrest was made is found to be completely unfounded.[1] However, if the claim for which the arrest was made is partially awarded, this does not mean that the arrest was wrongful.

The petition

Arrest applications are made ex parte and no evidence is required when making the application. Since 2011, under the Dutch arrest regime certain conditions must be satisfied before a judge will grant leave to arrest. Further updates to the arrest regime were made in January 2013, stating that an arrest petition must include:

1. The nature of the dispute
2. The basis on which the claim is brought
3. The claim amount
4. A description of the ship and whether it is a seagoing or inland ship-reference must be made to the ship's flag state and whether that flag state is party to the Arrest Convention 1952 and, if so, why the claim is considered to be a 'maritime claim'
5. An application to determine quantum
6. Disclosure of other pending cases in different jurisdictions in respect of the same claim

1 Dutch Supreme Court, 5 December 2003, NJ 2004, 150

Security amount

When a claimant files a petition, it is the practice in the Netherlands to ask for an uplift of around 30% on the principal claim amount to cover costs and interest. The Dutch courts maintain a system for the security amount that will be granted that depends on the principal claim amount.

What to do once an arrest has been made

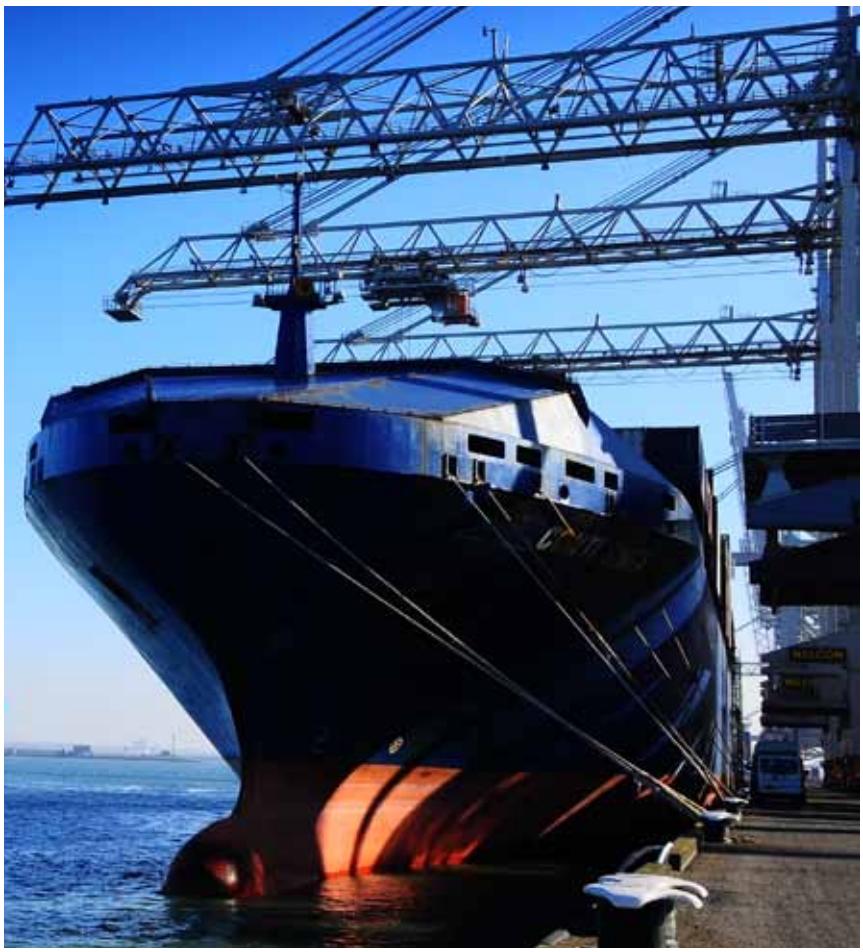
Pursuant to article 705 (2) of the Dutch Civil Code (DCC), an arrest must be lifted against "sufficient security". According to the DCC, sufficient security is a form of security that covers the claim, interest and costs, and should allow the creditor to obtain the money without too much trouble. There are several types of securities that can be offered when a ship is arrested in the Netherlands.

Rotterdam Guarantee Form 2008

This form is considered as acceptable security and should therefore keep discussions concerning the wording of the form to a minimal. A point that may cause discussion is whether the words "is no longer subject to appeal" should be included or not. The judgments rendered are usually declared "provisionally enforceable", which means that the judgment can be enforced regardless of whether the judgment is still appealable.

Club letter

It may happen that a Club letter is rejected as not being sufficient security, but case law relating to this issue appears to stipulate that Club letters from IG P&I Clubs that have reinsurance in place with well-established insurers are considered as sufficient security.



A closer look at ship arrests in South Africa: more than just association

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South Africa continues to be a popular jurisdiction for maritime creditors to obtain security for claims.

This is primarily as a result of the well-known associated ship arrest, which allows a creditor to go beyond the traditional sister ship arrest by piercing the corporate veil of one-ship companies.

The purpose is to find a common beneficial owner or controller of a fleet of ships that may be susceptible to arrest. The term 'control' relates to overall control, as is exercisable by a majority shareholder of the assets or the power to control destiny of the shipowning companies.

Although the associated ship arrest is a key component of South Africa's arrest regime, there are a number of other aspects that contribute to its potency:

- Creditors have the freedom to arrest property in South Africa as security only for a claim that is subject to arbitration or court proceedings elsewhere
- It is not necessary for the claimant to have commenced the claim already; proceedings may merely be contemplated
- It is not necessary for the claimant to put up counter-security as a precondition for commencing arrest proceedings
- A claimant is free to arrest any property owned by the defendant within the jurisdiction of the South African court for providing security for foreign proceedings
- The associated ship provisions may be utilised to arrest ships as security for claims not only against shipowners but also against charterers - a claimant may look behind the confines of the owning entities of the ships in question until a common owner or controller is found
- For claims against charterers, associated ships and bunkers may be arrested to secure, for example, unpaid hire and early redelivery claims
- A subsequent setting aside of the arrest does not result in an automatic damages claim
- Arrested property may be released against the provision of a P&I Club letter, a bank guarantee or an escrow arrangement

This summary is by no means a complete exposition of the law and procedure of the arrest regime in South Africa, but serves to highlight its liberal nature and `the possibilities open to creditors in the current distressed market.

Forum shopping: collision course

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Any shipowner that has been unfortunate enough to be involved in a ship collision will know that dealing with the incident can be a huge drain on resources. Apart from the damage to the ship and potential loss of life, there may be third-party claims and assistance required from professional salvors.

Although it may not be at the forefront of a shipowner's mind in the days following a collision, this article explores what may be the most significant decision required to limit financial exposure and/or maximise recovery – securing the 'right' jurisdiction.

Forum shopping

Under the Collision Convention 1952, a collision claim can only be commenced in the court where the defendant has its habitual residence, where the ship (or an associated or sister ship) is arrested or, if in territorial waters, the place where the collision occurred. Commencing proceedings in an alternative forum is likely to result in a forum non conveniens application.

Forum shopping exists because each country has its own rules on inter alia the level of damages that should be awarded, interest, disclosure of documents and recoverability of legal costs. Therefore, within the parameters listed above, a shipowner has a choice of where to commence legal proceedings.

Once proceedings have begun, it is generally up to the defendant to take proactive steps to try and avoid being sued in that form. This can be a time-consuming and costly procedure even if ultimately successful. Therefore a shipowner's lawyers should start considering the most favourable jurisdiction for their client's claim as soon as they receive instructions.

Limiting any claims

Arguably the most important consideration for the discerning forum shopper is limitation of liability and the bearing that any particular jurisdiction will have on a shipowner's claim.

The principle of limitation allows a shipowner to limit its liability for loss or damage for which it might ordinarily be expected to be responsible.

The main liability conventions are those of 1924, 1957 and 1976, together with a 1996 Protocol to the 1976 Convention. The different limits that these conventions provide is significant as too are the circumstances in which the right to limit can be broken. There are also jurisdictions where there is no convention incorporated and so, at first glance, no right to limit at all. The US also merits particular attention as its limitation regime is based upon the concept of 'abandonment', whereby the limit of liability is the value of the ship plus any outstanding freight.

Competence and sophistication of the courts

Provided a shipowner is confident that it will be the 'receiving' party, it is likely that it would prefer to have its claim heard in a court with substantial Admiralty Court experience and higher limits. For example, the English legal system contains a separate Admiralty Court, which has jurisdiction over maritime claims.

Alternatively, if a shipowner considers that it is likely to be the 'paying' party, it may be tactically preferable to commence proceedings in a less sophisticated jurisdiction with little maritime experience. A shipowner may also wish to consider where there is any 'home court advantage' in bringing the claim in the courts where its owning company, or managers, are domiciled.

Key considerations
A decision as to jurisdiction may need to be taken within a matter of hours of a collision. As a matter of best practice, shipowners are recommended to:

- Engage in early discussions with their club and lawyers following a collision
- Make immediate investigations to determine whether they are likely to be the 'receiving' or 'paying' party
- Identify the 'right' jurisdiction to hear their claim

Remember, any counterparty will be doing exactly the same thing with the same objectives, so time is of the essence!

Singapore bunkering update

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Singapore remains one of the largest bunker fuel markets globally. According to the Maritime and Port Authority of Singapore (MPA), around 42.6m tonnes of bunkers were sold in 2012 and, with an average of 3.4m tonnes sold each month in the first half of 2013, sale volumes are projected to remain steady at 2012 levels.

This brief article will recap on some of the claims risks for bunker buyers, whether shipowners or charterers, against the highly regulated backdrop of bunkers supply in Singapore.

The regulatory backdrop

Bunkering standards are high in Singapore. The Singapore Standard Code of Practice for Bunkering (SS600) is an obligatory code ensuring those MPA-licensed bunker suppliers follow strict documentation and equipment requirements during bunker delivery. Furthermore, the Singapore Standard Specification for Quality Management for Bunker Supply Chain (QMBS) (SS524) implements procedural controls over bunker quality and there are additional minimum operating standards for bunker tankers. It is this strong regulatory safety net in Singapore that affords bunker buyers some comfort.

Indeed, strict regulation enforcement has led to the MPA revoking three suppliers' licences to date this year. All the suppliers were found to have breached a licence condition by permitting another supplier to use their Bunker Delivery Notes (BDNs). Between 2011 and 2013, the number of accredited suppliers has fallen from 79 to 68. This, perhaps, represents a consolidation driven by the strict operating standards.

Despite this extensive regulation and enforcement, buyers should remain alert to bunkering claims risk.

Bunker Supply Agreement (BSA)

The BSA's terms and conditions tend to favour supplier evidence on quantity and quality. Due diligence should be undertaken pre-contracting and the BSAs reviewed to ensure they are not too onerous. With competition fierce amongst suppliers in Singapore, there is scope to negotiate with, or switch to, an alternative supplier.

Buyers should be aware of the short time bars (often between seven and 30 days from delivery). Any complaint on quantity and quality should be notified via a Letter of Protest immediately to the supplier and evidence gathered early. A buyer will likely have no recourse against the supplier if the BSA's claim notification clause is not complied with.

Quality

Bunkers supplied should meet the BDN's quality parameters. Owners wish to avoid engine damage and charterers tend to have an absolute obligation under charterparties to supply bunkers that are suitable for the ship's engines and match agreed specifications.

Since June 2012, Singaporean suppliers must now follow ISO 8217:2010 (Petroleum Products – Fuels (Class F)). This should ensure that high-quality standards are met; however, buyers should remain vigilant on quality because a large number of suppliers are putting pressure on a finite premium fuel supply locally. There is also evidence of failure by routine analysis to pick up contaminants. A representative sampling and testing system should ensure that buyers are best protected in the event of a quality dispute.

Top tips

Undertake due diligence on the bunker supplier – who is the contractual counterparty: supplier or trader? How long have they held their licence? Are there any past reported problems with the counterparty?

- Review the bunker supply agreement and be aware of the short time bars for claims against the suppliers.
- During bunker supply operations, ensure close monitoring and precise record-keeping to ensure that good-quality routine evidence is gathered.
- In the event of a bunker dispute, notify the club early so that non-routine evidence gathering can be undertaken proactively and effective notices can be issued to protect the member's position.

Quantity

Bunker quantities supplied should match the BDN's figures. An expert, independent surveyor is a useful aide to the chief engineer in monitoring quantities supplied, especially through their knowledge of the barges' cargo tanks' calibration scales. As of August 2013, there are 61 accredited bunker survey companies in Singapore and the MPA recommends that they are engaged pre-delivery to undertake monitoring and compliance to ensure suppliers are fulfilling their SS600 and SS524 obligations.

Industry malpractices do continue globally. Buyers should look out for the use of inaccurate or false measuring devices and added contaminants such as water and air frothing. For example, water may be mixed with the bunkers just before the bunkering takes place.

Club assistance

According to the Singapore Shipowners Association, there were only 32 reported bunker disputes in 2011 out of some 37,573 ships bunkering in the port. Whilst these figures demonstrate the relative rarity of bunker disputes in Singapore, risk does nonetheless remain. Where bunker disputes do arise, the club's managers, with local claims staff support, are well positioned to respond promptly in appointing surveyors and other experts to gather evidence to best protect members' interests in any future bunker dispute.

The future...

With the new, Jurong Island-based, LNG terminal coming online this year, Singapore is well-positioned to diversify its bunker fuel market through the supply of LNG as a marine fuel, which is expected to start in 2015. This diversification will support Singapore's position as a regional bunkering hub. Whilst Singapore's regulatory environment and its innovation in the field of bunker supply are to be praised, owners, charterers and operators should always be aware of bunker dispute risk, which if managed proactively can be reduced and or eliminated at an early stage.

2013 member and broker survey

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We would like to express our appreciation to those members and brokers who took time to complete the member survey which we conducted in June.

Member satisfaction is a key driver of the club's success and it is therefore essential that we meet and if possible exceed the expectations of our members whenever we can.

We make it a priority to understand our members' requirements and views on our performance. There is an on-going programme to capture the assessment of the satisfaction of members visited by senior colleagues during the course of each year. In addition we carry out a formal survey of members' views from time to time to make sure we are on track. We would be surprised if the formal survey told us something significant which we weren't already aware of. Nevertheless, it is useful from time to time to check our own evaluation, to assist us in our drive for continuous improvement.

The results from the survey have now been processed. They are generally encouraging; satisfaction overall was high and improved slightly on the results in the last survey two years ago. We have analysed the findings, as well as the useful individual feedback provided by many members and brokers. This information assists us in our planning so that we can build a stronger club.

What the survey shows

- Before we look at the ways to improve we should acknowledge that members and their brokers are generally very satisfied with the Standard Club. This is more often than not a reflection of the quality of the people with whom they deal and the commitment our people demonstrate to doing whatever they can to support our members. I would like to express my appreciation to everyone in our team who contributes to this success.
- Claims service is still the key driver of member satisfaction and we should continue our focus on making sure we provide proactive help, with skilled knowledgeable colleagues offering assistance as soon as it's needed
- One of the key findings from the survey was that we sometimes fall short of expectations because the people who look after members entered in the club are moved between departments too frequently. Of course a part of this is because we are keen to provide our colleagues with challenging and interesting careers and we think that this is in the best interests of the club's members. We aim to be a dynamic club, and that means there will be some movement! Nevertheless, we fully appreciate that members and brokers prefer to deal with people over a period of time who know their business and with whom they are able to develop a relationship of trust. We need to continue our focus on providing continuity, reducing the extent to which we move people around

The club thanks all members and brokers who took part in the survey, and in particular those who provided additional comments and suggestions. We continue to welcome feedback on all aspects of club performance.

New colleagues

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

John Reay has joined the Atlantic syndicate as a Claims Executive
john.reay@ctplc.com
+44 20 3320 8826

Emilie Lewis has joined the Atlantic syndicate as a PA/Team Administrator
emilie.lewis@ctplc.com
+44 20 3320 5674

Archie Drummond has joined the Europe syndicate as an Underwriting Assistant
archie.drummond@ctplc.com
+44 20 3320 8986

Harriet Foster has joined the Europe syndicate as an Underwriting Assistant
harriet.foster@ctplc.com
+44 20 3320 7556

Alexander Stylianou has joined the Mediterranean syndicate as a Claims Executive
alexander.stylianou@ctplc.com
+44 20 3320 8403

Sarah Wallace has joined the offshore syndicate as a Claims Executive
sarah.wallace@ctplc.com
+44 20 3320 8900

Victoria Jenkins has joined the offshore syndicate as a PA/Team administrator
victoria.jenkins@ctplc.com
+44 20 3320 8964

Mark Gentle has joined the Loss Prevention department as a Marine Surveyor
mark.gentle@ctplc.com
+44 20 3320 6489

Rahul Sapra has joined the Loss Prevention department as a Marine Surveyor
rahul.sapra@ctplc.com
+65 6506 1435

Julia Davis has joined the compliance department as Compliance Manager
julia.davis@ctplc.com
+44 20 3320 2247

Sireena Mistry has joined the compliance department as Risk and compliance administrator
sireena.mistry@ctplc.com
+44 20 3320 6468

Marie Goldsworthy has joined the finance department as an Actuarial Assistant
marie.goldsworthy@ctplc.com
+44 20 3320 2251

Maribel Juaregui has joined the finance department as an Actuarial Assistant
maribel.juaregui@ctplc.com
+44 20 3320 5641

Intern week

Standard Club Summer Internship Week
London, 1 – 5 July 2013
Ten interns were selected to take part in a summer internship week at the Standard Club in London. The week involved a full schedule of presentations, practical workshops and syndicate participation. There was an equal apportionment of claims and underwriting focus. The interns were asked to prepare and present a short talk, on a focused P&I topic from a selection of titles, to senior management. The week concluded with a drinks evening and a tour of the Lloyd's building.

New website

www.standard-club.com

We are pleased to present the new standard-club.com website. As well as improving the design, we have re-structured how the information is presented to make the site easier to navigate and the key information easier to find.

Who we are
You can now more easily find a club contact, check whether a ship is entered in the club, or find the latest key information about the club.

Where we are
We have management offices in a number of the major shipping centres, and correspondents in 150 countries, and this section allows you to easily find the right person, in the right place, to help.

What we do
You will find detailed cover information for core and additional products and services for operators of different ship types. You can also find out about the club's extensive safety and loss prevention and educational activities.

News and knowledge
The section gives you the latest information on industry hot topics and access to the club's publications, news releases and event details and important industry information and legislation.

Member area
Members and their authorised brokers can access their own account information as before. We are planning to review and enhance the member area in 2014.

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**

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