



# AGM 2020

## A break with tradition

**COVID-19 Focus:**  
**Eyewitness reports from the Teams**  
**First Loss Prevention Webinar**

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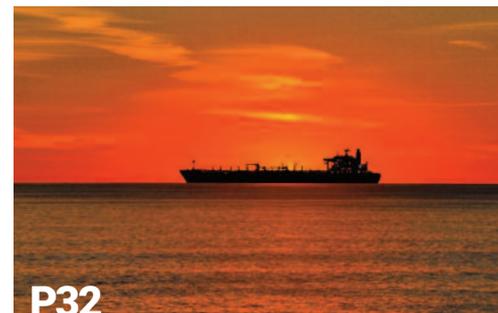
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# Digital business

At the time of writing, the COVID-19 pandemic continues to be omnipresent, even though societies and businesses are beginning to open up. I sincerely hope you are all in good health and safe.

The pandemic has produced unprecedented challenges for members. Disruptions, quarantine requirements and delays have made crew changes and operations particularly demanding. The long-term effects are more unpredictable. Economists debate whether the recovery will be 'V' or 'U'-shaped. What we do know is that consumer confidence has taken a big hit in addition to the effects of lockdown.

At the Club we shall continue to do our part in response to the virus. Club staff are paying close attention to social distancing requirements at the offices

and elsewhere. The Club's day-to-day services have been running efficiently by digital means and by working remotely. However, we do miss meeting members and business partners in person. Marine insurance in general, and The Swedish Club's business in particular, are people's businesses. Many Club events have been cancelled or postponed. We will be back in full force once circumstances permit.

The Swedish Club's 148th Annual General Meeting was digital, the first time ever – and hopefully the last. It was broadcast in real time and followed by many members. Our Board has also held its meetings digitally in both the spring and summer. Such meetings are effective in terms of attendance and travel time, but again, the real 'touch' and networking are not there.

Many interesting topics and articles are featured in this edition of Triton, providing an insight and a helping hand during the COVID-19 situation we are all facing. There are never two Tritons alike, and this one certainly isn't. I hope you enjoy reading it and please stay safe. 🙏

**Lars Rhodin**  
Managing Director



# A break with tradition

For 147 years members of The Swedish Club and its business partners have been meeting together to review the year's performance and share plans for the future of the Club. Little did anyone know when the 2019 AGM was closed – hands were shaken and goodbyes were said, that AGM 2020 would be unlike any the Club had ever known – yet still serving as a testament to the determination of the Club to serve its members whatever the circumstances.

Global coronavirus measures meant that the Club's 2020 AGM was run as a virtual event. Those who were able to represent the Club in person sat socially distanced in the prescribed manner, and members of the Board and Club members participated from locations around the world using state of the art virtual conferencing facilities and automated voting software.

The event was chaired by Per Settergren of law firm Per Settergren AB, replacing the Ordinary Chairman Lennart Simonsson who was unable to attend in person and joined the event from another Gothenburg location. As he introduced those present, and welcomed shareholders and stakeholders around the world he reflected on the unusual circumstances, explaining that the Swedish government had passed a law earlier in the year to allow the Club to run a digital AGM.

"Parliament forgot the social programme, the networking and the business insights that are the hallmark of every AGM," he said, reflecting it was: "The first virtual AGM in almost 150 years and the last one if I am able to rule."

## Managing Director's Report

Recognising the unprecedented challenges and disruption to shipping faced by members so far this year, Lars Rhodin, Managing Director of The Swedish Club, remarked on the unusual circumstances and reiterated the importance of business with the personal touch. Back to the subject in hand, he then said: "2019 was a good year for the Club. The year ended with a profit of USD 24.6 million due to excellent investment income, and every month but one produced profit."

The Club's underwriting result, a combined ratio of 106%, was in line with the anticipated claims outcome model. "What you can expect under these market conditions," he said, explaining that Marine claims had performed exactly as projected and that P&I had experienced

more claims than anticipated, 11 in the USD 1 million to USD 7 million category.

"Free reserves increased by 12% and both Standard and Poor's and AM Best reconfirmed their ratings of A- with stable outlook and A- (Excellent) respectively," he said.

## Notable casualties

Lars Rhodin referred to the traditional house buyers' mantra – 'location, location, location' when he spoke about two notable Club casualties from the year.

The first, and most expensive for the Club in 2019 concerned the Suezmax tanker, the *Densa Whale*, carrying crude from Nigeria to Brisbane, Australia. On arrival the vessel experienced engine trouble, but strong currents made it

**"2019 was a good year for the Club. The year ended with a profit of USD 24.6 million due to excellent investment income, and every month but one produced profit."**



*British oil tanker Stena Impero surrounded by speedboats of Iran's Islamic Revolution Guard Corps (IRGC) in the Strait of Hormuz, Iran.*

impossible to tow the vessel to port. The region's environmental agencies would not allow ship to ship transfer of the cargo, resulting in the vessel having to be towed all the way to Singapore to carry out engine repairs.

This was nothing however compared with the notoriety of the second incident, the interception and seizing of the *Stena Impero* by the Iranian authorities in the Strait of Hormuz. "This time the solution was not about money," said Lars, as he complimented Stena for the way they resolved the case. "Discussions were held at the highest level with even the Secretary of State in Iran involved." After 71 days the *Stena Impero* was released.

**Pool claims**

In 2019, the International Group saw the third largest case in the history of P&I when the car carrier *Golden Ray* grounded and capsized in Brunswick, Georgia, in the US, resulting in very high pollution and environmental compliance costs. Another case of 'location location location.'

**Year of progress**

"It was a year of progress for the Club in both business development and loss prevention," said Rhodin. The Club experienced increased volumes and improved premium adequacy, "although we still have some way to go and need to adjust in tandem with development of claims" he added. He then spoke about the success of the Club's unique Trade Enabling

Loss Prevention (TELP) programme which was launched at the end of 2019, saying: "We urge all our members to sign up."

**Environmental, social and governance agenda**

Introducing Malin Högberg in her new role as the Club's Director, Corporate Legal, Lars Rhodin highlighted her role in formulating an environmental, social, and governance (ESG) agenda for the Club. He stressed that it was "all about implementing values into day to day

actions" and confirmed that the policy would be formalised during the course of the year.

**Outlook**

Referring to the fact that thirteen clubs started renewal with a requirement to address rates, Rhodin noted the Club's 5% general increase in February and stressed the importance of the industry keeping abreast with claims development, following no general increases for 4-5 years.

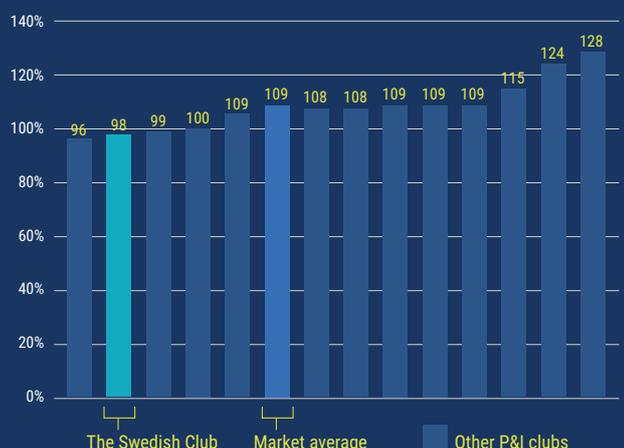


*Malin Högberg, Lars Rhodin and Per Settergren in discussion after the meeting.*

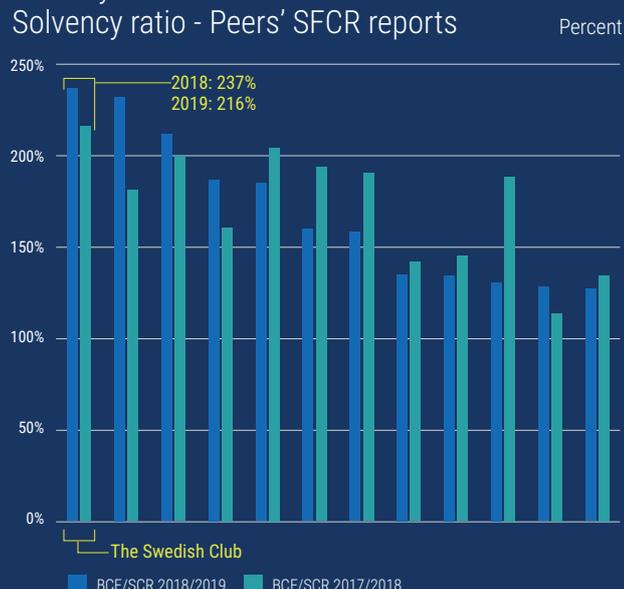
### The Swedish Club - free reserves



### Combined ratio P&I - seven year averages



### Stability of the Club Solvency ratio - Peers' SFCR reports



There are a lot of opportunities for The Swedish Club in a hardening Marine market," he said. "We are also very well positioned to continue to grow in P&I. Our target is to grow a little bit ahead of the growth in the merchant fleet. But we need to start with quality. Get the quality right and you can grow."

### Results

Rhodin shared a number of graphs demonstrating "a very solid performance." The combined ratio of the Club stands at a 99% average over seven years and official solvency reports show The Swedish Club as amongst the strongest club in the International Group.

### Enterprise Risk Management

With COVID-19 very much at the forefront of everyone's minds, Lars Rhodin was keen to demonstrate the strong stability of the Club, following Enterprise Risk Management (ERM) analysis. Considering capital requirements for the key four areas of risk – underwriting risk, market risk, counter party risk and operational risk - the Club's available capital corresponds to the AAA value S&P capital model", explained Rhodin.

Concluding the report Lars thanked the Club's members for providing him with the opportunity to serve the Club. "We look forward to meeting the challenges ahead together," he said.

## NEW BOARD MEMBER

### Herbert Xu

*Vice President of China Merchants Energy Shipping*

Following a bachelor degree in Research and Statistics from the Management College of Shanghai Fudan University, and a masters degree in Shipping Economics from Shanghai Maritime University, Herbert Xu has held executive roles in the shipping industry for more than 20 years.



He is Vice President and General Counsel of China Merchants Energy Shipping Co Ltd (CMES) which owns a variety of VLCC, VLOC, LNG carrier and RoRo vessel fleets, ranking second among non-financial shipowners worldwide. When acting as Deputy General Manager of Associated Maritime Co. (HK) Limited (AMCL), which owns the world's largest fleets of VLCCs, Mr Xu headed the company's legal & insurance department and its shipping department. As the Vice President and former Assistant President of CMES, Mr Xu has taken responsibility for a variety of insurance issues and capital market related issues since CMES became a Shanghai listed company.

Please see page 39 for The Swedish Club Board of Directors.

# Countdown to the Club's first virtual AGM

Interview: **Eva van Heek Lilljegen**, Executive Assistant and AGM Project Manager.

When the Board made the decision on 26 March that the traditional AGM would not be possible the venues had been booked far in advance, the programme was finalised, the invitations were ready to send out and the dates were already firmly in many people's diaries.

"It is always a highlight of the year to meet our members and other stakeholders when they come to Gothenburg. No matter how disappointing, it became clearly evident that the 2020 AGM in its traditional format was simply not doable," says Eva van Heek Lilljegen.

"We start planning the AGM two or even three years ahead. We were at the point where we could push the button for the invitations to go out. Of course, the last couple of months before the AGM involve a lot of detailed final planning – but everything was really ready and in place."

For Eva, the work was about to begin all over again. "We had only a few weeks to get everything ready to run the AGM by digital means instead."



## Legal challenges

“There were many challenges; first of all, we had to take national legislation and our own articles of association into account. During the spring, the Swedish government implemented new laws to allow companies to hold digital AGMs.

Underwriting departments. “It was an extremely good team and everyone really contributed. Things happen when you put together people from different disciplines – they don’t only bring their own competence and knowledge to the team but they also challenge other team members to think outside the box.

“A lot of very good ideas came up and we have learned a lot as an organisation – this has also provided an opportunity to improve some of our internal processes.”

## Member feedback

The result was a professional, polished, user-friendly TV-broadcast style AGM, beamed out from the Clarion Hotel Post. The production company rigged up a studio setting and provided a team of eight on site.

Online voting went smoothly. “Members were happy – we had spontaneous feedback that everything had gone very well.”

Even in this brave new digital world, some traditions must be preserved. After the AGM, a small group of those involved and staff sat down for a symbolic lunch – a downsized version of the AGM dinner, with the traditional menu of salmon, asparagus and strawberries. “It gave us an informal opportunity to evaluate the AGM while it was still fresh in our minds,” says Eva.

And next year? “We are hoping we can at least execute some of the plans that we had for this year – depending on availability, etc. We had a very interesting programme lined up and some fun events too, of course. We really look forward to getting back to a world where we can start meeting people again.” 🙌

**“A lot of very good ideas came up and we have learned a lot as an organisation – this has also provided an opportunity to improve some of our internal processes.”**

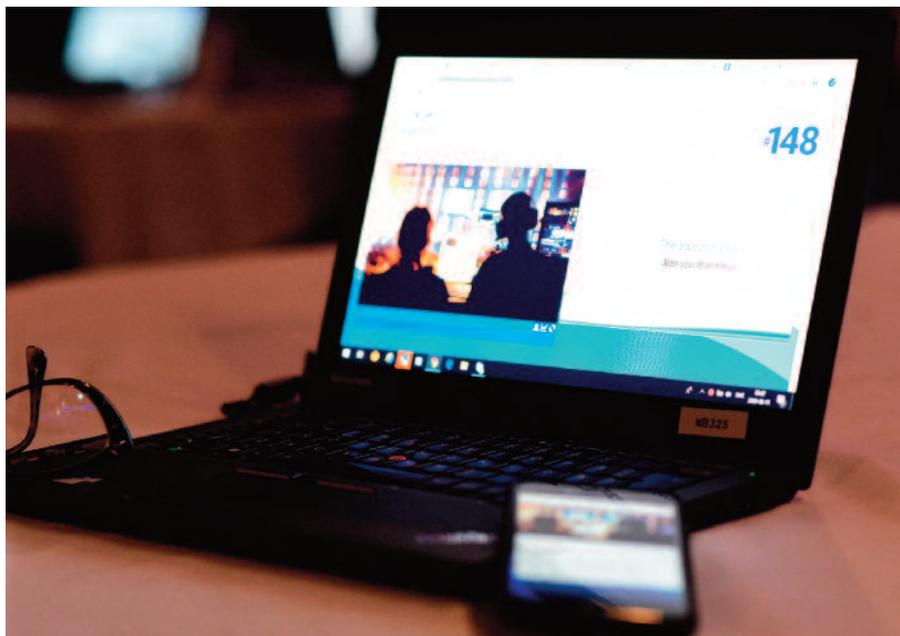
Things were moving and changing so rapidly. We had to keep track of what the legislators said and make sure we stayed in line with that.”

## Technical challenges

The next challenge was technical. “We needed to find a technical solution that we could use but also we wanted to work with a company we felt could understand our voting process and match it.”

## Thinking outside the box

A task force, headed up by Eva, brought together representatives from the Club’s Legal, Communications, IT and



Jeanette Törnqvist and Nina Johansson monitoring the online voting.

# COVID-19 FOCUS

The last months have been unlike any we have known. Around the world communities have pulled together to face coronavirus. We talk to the Teams and business colleagues for the inside story on how the pandemic affected their home and working lives.



## Eyewitness report: HONG KONG

# At the forefront of the curve



**Brian Png,**  
Deputy Managing Director, Team Asia

**Team Asia was, of course, the first of The Swedish Club's offices to be pulled into the COVID-19 crisis.**

### Managing workload

"We followed government guidelines and at the end of January started working from home," says Brian Png, Deputy Managing Director of Team Asia.

"However, this was of course in the middle of the P&I renewal season, when we are always at peak work levels. The timing was a unique problem for our Team, as the other offices were hit later.

"We decided that we would keep the office open in case of any emergency situation that needed to be dealt with. So we actually managed to find a balance – we had a skeleton staff in the office on a rotating basis. But of course, there was no business travel."

The small size of Hong Kong means that no one is far from the office, so it was relatively easy to be flexible with home or office working, says Brian. In the middle of February the office was reopened for staff on a rota system. "Staff came in at 10am instead of 9am, to avoid the busy rush hour. On 2 March, we were back to a normal working office, although we still kept the 10am start. However, on 20 March we went back to working from home again, in accordance with government guidelines."

### Working from home

How did home working go? "All of us have a personal laptop in the office, which is usually plugged into two monitors. It is easy to take the laptop home – it is all set up and straightforward, as long as you have a wifi connection, and in Hong Kong everyone has wifi."

Staff with young families at home have faced challenges, he says. "But they still managed to deal with it, while hoping their children didn't start shouting when they were on the phone!"

### Learning from the past

Face masks do not cause the same debate in Hong Kong as they have in some European countries. More than 90% of Hong Kong residents wear face masks in the street, says Brian.

"I think the reason we managed to contain COVID-19 so well in Hong Kong is the experience we had already had with SARS: Rules were strict and adhered to," he says. On 27 March, the government banned gatherings of more than four people and introduced social distancing. Restaurants were reduced

"I think the reason we managed to contain COVID-19 so well in Hong Kong is the experience we had already had with SARS."

“We have 22 people in the office. Slowly, slowly we have got back to business as usual.”

do, in terms of underwriting and trying to get in touch with potential new members, I think a physical meeting is still very important,” says Brian.

As he says: “Marine insurance is still very much a people business. You like to go and see your business partners, members and prospective members. When you actually meet a shipowner, you gain a proper understanding of how they operate their ships and what kind of shipowner they are. I think videoconferencing is fine when you are talking to people you know – for example our brokers and members – but to do that with a prospect isn’t the same, and it isn’t easy to sell underwriting for the first time in that



to half capacity to maintain distance between the tables. Later on, as restrictions were eased, businesses that had been closed were allowed to reopen and, two months on, schools resumed.

### Business as usual

On 4 May, the office officially reopened. “We have 22 people in the office. Slowly, slowly we have got back to business as usual. We had meetings outside at first, but more recently we have even managed to have lunch or dinner with business partners.”

### Missing the human touch

Of course, Team Asia isn’t only about Hong Kong – normally the team will be travelling across the region to meet members and business contacts. “While webinars have been a good way to promote The Swedish Club and what we

context. However, of course we will make it work with whatever means we have.”

### Audio is king

Brian believes there are key differences between Team Asia and the other offices when it comes to scheduling meetings. “We tend to use landline telephone, or WhatsApp, or WeChat – we do have some meetings via Skype, Webex or Zoom, but videoconferencing is more popular among Europeans than in Asia, where in general people don’t seem so comfortable with this,” he says.

“Of course we have had a few videoconferences but it pales in comparison with other offices. I think it is a culture thing – some of the shipowners, especially the older generation, don’t like all this IT stuff!”

## COVID-19 Hong Kong: The story

- The Hong Kong administration acted swiftly. At the beginning of January, it ruled that anyone who had visited Wuhan within 14 days must inform the health authorities.
- The first case in Hong Kong was confirmed on 22 January.
- The administration declared the outbreak as an emergency on 25 January, and parks and attractions were closed.
- On 28 January all administration employees were ordered to work from home unless providing essential emergency services.
- Hong Kong recorded its first death from COVID-19 on 4 February.
- On 25 March, Hong Kong closed its borders to all incoming non-residents. No transiting through Hong Kong was allowed and any returning residents – regardless of where they had been – were subject to compulsory 14-days quarantine.
- On 27 March, Hong Kong banned gatherings of more than four people and introduced social distancing.
- A gradual relaxing of COVID-19 measures started on 5 May – up to eight people were allowed to gather together, some businesses were allowed to reopen, and schools resumed on 27 May.
- However, there have been second and third waves.
- On 19 July, the Hong Kong administration announced it would make mask-wearing mandatory in indoor public spaces.

## Latest figures/20 July

Cases of COVID-19 to date: **1,777**  
Deaths: **12**

[Sources: Johns Hopkins University, WHO and health authorities]

**Eyewitness report: GOTHENBURG**

# Standing out from the crowd

The COVID-19 response in Sweden attracted a great deal of interest from other countries, as the Swedish government opted for a different approach compared to the strict lockdowns elsewhere.

That doesn't mean it was 'life as usual', but certainly it was 'closer to usual' than it was in other countries affected by the virus. A whole lot of responsibility was put on individuals to comply with the regulations from the government.

"The overall approach in Sweden has been different to other places," says Johan Kahlmeter, Area Manager of Team Gothenburg. "Shops and restaurants were never fully closed; they were forced to implement measures in order to reduce the risk of spreading the disease. For example, you had to be seated and not stand in the bar; there had to be enough distance between tables. Hairdressers also continued to operate. At first, gatherings of up to 500 people were allowed – then it was reduced to 50, so all theatre, sports events, concerts, and so on, were cancelled."



**Johan Kahlmeter,**  
Area Manager,  
Team Gothenburg



“We split into two teams and each team worked three days in the office, three days at home.”

### Measures put in place

Team Gothenburg implemented measures in March to protect staff and avoid the risk of spreading COVID-19. “We split into two teams and each team worked three days in the office, three days at home. So only half of us were in the office at any given time. The idea was that should one person become infected, it might spread within their team, but would be unlikely to spread to the other.”

### A close shave

In fact, the entire Kahlmeter family came down with a cold and symptoms that were possibly COVID in mid-March. “So we all had to stay at home together for a period of two weeks, and that was a challenge. Most difficult was the fact that there was never a real ‘on’ and ‘off’ – work started early in the morning and went on until 11pm, with the looking after and feeding of children, and other tasks, to be fitted in between work. But after that it went back to normal, the children returned to nursery school, and all went fine. And with zero tolerance at nursery, the children have actually been healthier, with no colds since then!”

Johan says the half-and-half approach to office work has been successful. “Of course I have only seen half of the team – but it has been good to meet those colleagues regularly. We are fortunate to all have our own offices with the ability to shut doors and I think it has worked very well. People who normally come in by tram or bus have been able to drive in instead, to avoid public transport.”

### Keeping in touch

The main challenge, says Johan, has been keeping in contact with the rest of the world – other team members, Club members and partners. “We haven’t been able to see anyone. But what we did manage very quickly was the move from working in the normal way to finding digital solutions for everything. Many of the meetings we otherwise would have held in Hamburg or London or elsewhere, we managed to run digitally. That has also worked surprisingly well.”

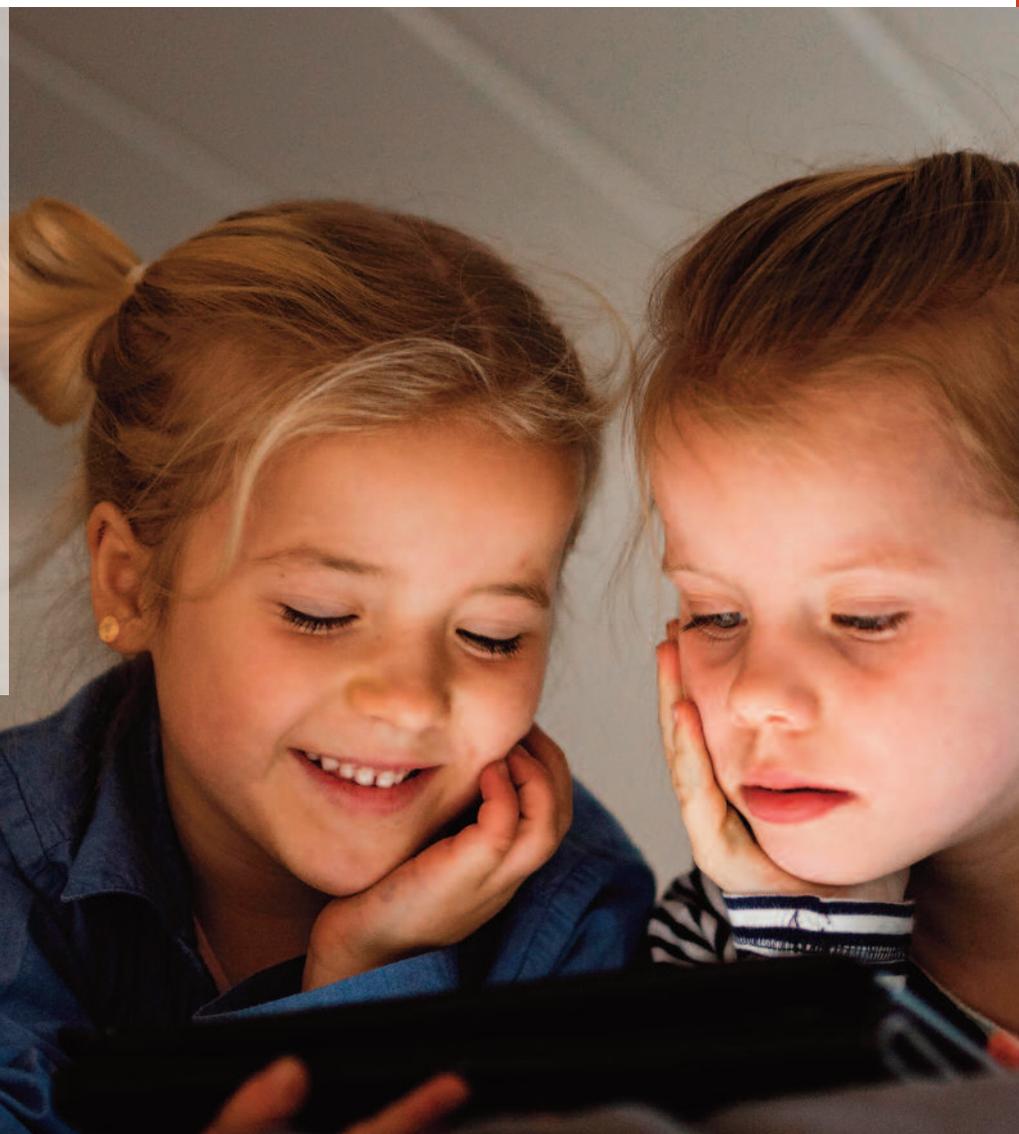
However, he adds: “Obviously it is easier to contact people we already know well to have online meetings. Meeting new contacts and making new friends is more difficult. And we are missing our members and business partners.”

Johan also points out that in pre-COVID times he would have been travelling pretty much every week – that in itself could be challenging.”

### Education

Upper schools and universities switched to digital education early on – but lower schools and nurseries stayed open throughout. That was crucial for Johan and his wife, who was also working at home.

“We have two children aged two and five. They usually go to nursery school between 8am and 5pm every weekday. However, there was a difference. Normally the nursery would accept children with a runny nose or a cough – but it was zero tolerance for any symptoms whatsoever. If healthy and well, a child was permitted to stay at the nursery full-time – but as all parents know, a two-year-old often has a runny nose!”





“So there are some positive effects. Digital meetings are efficient – meetings that would have taken a whole day, including travel, are now done in a morning. I think there will be changes in the future. Both we and others around us have adapted and learned new ways of working with digital solutions. People can see the benefits of these and will no doubt use them when it makes sense.”

With few flights in and out of Gothenburg at present, he also wonders when flights will get back to anything like previous levels.

“Digital meetings are efficient – meetings that would have taken a whole day, including travel, are now done in a morning.”



“I am sure we will be travelling again. Yes, many of the meetings we used to have in person we could do electronically in future. But in our business there is a clear need to meet people and have relationships to discuss business, and meeting people is important when it comes to new acquisitions. I think we will do a mix in future, with a focus on physically meeting new contacts face to face.”

### Missing old friends

Speaking of meeting up, the great disappointment was obviously the cancellation of the AGM in Gothenburg this year. “There were other events we also had to postpone or cancel, including our Marine Insurance Course and other Club events,” says Johan. “That has been a shame – these events are always a good opportunity to meet friends both old and new.”

### Making new friends

And finally ... a new friend. Johan and his family have welcomed a puppy, a

## COVID-19 Sweden: The story

- Sweden took a different approach to other countries, by not imposing a strict lockdown. Shops, restaurants and hairdressers remained open but were required to implement measures in order to reduce the risk of spreading COVID-19.
- The population was told to avoid unnecessary travel, keep their distance and stay home if ill, including two more days after they are well.
- At first, gatherings of 500 were allowed but this was soon reduced to 50, so all theatre, sports and music events were cancelled.
- Upper schools and universities shifted to digital working from home but lower schools and nursery schools remained open throughout.
- Workplaces remained open but employees who could work from home were strongly recommended to do so.
- Risk groups, mainly those aged 70 and over, were told to stay at home and avoid social contact. There was a ban on visiting nursing homes.
- Johan Carlson, Director General of Sweden’s public health agency, said that the strategy had been “a consensus to avoid forced lockdown, penalties, etc., based on our tradition.”

### Latest figures/20 July

Cases of COVID-19 to date: **77,281**  
Deaths: **5,619**

[Sources: Johns Hopkins University, WHO and health authorities]

flat-coated retriever, to the household. “We realised that with no travelling to be done, there was never going to be a better opportunity than now! Iza arrived on 1 June. That has been a real positive, along with spending more time with the children than I otherwise would. We have enjoyed much more family life.” 🐾

## Eyewitness report: LONDON

# Empty streets

**In London, the COVID-19 lockdown brought a change of pace and a new way of life, in both work and personal terms, says Underwriter Kristoffer Lindqvist.**

“My job involves meeting people and networking and that, of course, has changed radically,” he says. “It has been a transformation from being physically in the city meeting people to being at home,

“There are only three people in our office normally, so it is very easy for us to adjust to what is happening.

calling people and trying to stay connected through video and phone calls. It has worked out – perhaps because the situation has been the same for everyone. We are obviously sharing this situation not only as an industry but as a planet.”

### A new home life

He also notes that although technically ‘isolated’ at home, life outside work the past few months has involved a great deal of interaction with friends and family through phone and video calls.

“The early days of lockdown felt a bit chaotic but then you start to find a new rhythm and routine. The small things really mattered during this time – daily exercise, for example. It was so important to go out for walks. Cooking also suddenly became one of the highlights of the day.”

Kristoffer took long walks through central London, an experience he will never forget. “I had never experienced it so quiet – London was like a ghost town, Oxford Street was empty. That was actually a once in a lifetime experience, something that I will bring with me. When things started to open up again and people started coming back, I could sometimes miss my walks through the old ‘lockdown London’ when it was quiet and empty!”



**Kristoffer Lindqvist,**  
Underwriter, Team London





“London was like a ghost town.”



### Changing work patterns

Kristoffer is following what’s happening in the City of London and what he hears from brokers and business partners. It seems most people expect to continue working from home at least in the short-term – and some don’t expect to be back in their offices until autumn at the earliest, he says.

“There are only three people in our office normally, so it is very easy for us to adjust to what is happening around us. But we work with larger organisations and it will be interesting to see how they will adapt to the new reality. It’s probably going to take some time and the new normal will most likely look quite different.”

### A bright future

Overall, however, he says he is excited about the future. “I believe a lot of positive things will come out of this and I think that everyone is looking forward to the future. When things are taken away from you, you really miss them and appreciate them even more. COVID-19 has definitely brought us closer together in that regard.” 🙌



**Lansee Man,**  
P&I and FD&D Claims Manager,  
Team Asia

### For London-based Lansee Man, the COVID-19 way of working required a whole new level of organisation.

I have two young girls, aged 5 and 9, at home and it has been quite demanding and hands-on working from home,” she says. And this hasn’t been a simple case of childminding – there has been no school since March, so home schooling has had to be fitted in as well.

### Working in shifts

As Lansee is part of Team Asia and working for the Hong Kong office, the answer has been some very early starts. “As I do not have to commute, I can start work much earlier and log-in at 6am to check and respond to emails. I get quite a bit of work done before the children wake up,” she says.

“At the beginning it was a struggle to manage everything between me and my partner, but when you realise that this arrangement is going to last much longer than expected, then you become much more patient and adept with the working from home & home learning combo, and find a new routine.”

### Business as usual

Domestic arrangements apart, Lansee says that her work has been very much 'business as usual'.

"We can message and call our colleagues easily through our internal system. Also, our members normally correspond by email and phone call anyway, and because I am mainly handling claims for Team Asia, I am working with people who have been back in the office for quite some time already, so it really does seem like business as usual. Also, with no commute, I am able to communicate with Team Asia members much earlier, given the time difference."

### Moving forward

The London office has continued to follow the UK government guidelines.



## Eyewitness report: PIRAEUS

# Easter cancelled

The first case of coronavirus in Greece, at the end of February, was that of a 38-year-old woman who had recently returned from a trip to northern Italy. "This had hardly been announced, before we saw people in the supermarkets loading their trolleys with staples like pasta, rice, milk, baby and powder milk, toilet paper and detergents," says Hans Filipsson, Area Manager for Team Piraeus.



Hans Filipsson,  
Area Manager, Team Piraeus

## COVID-19 UK: The story

- The first official response to COVID-19 in the UK came when the Foreign and Commonwealth Office (FCO) advised on 25 January against all travel to China's Hubei Province, and then extended this to the rest of mainland China.
- The first two cases of COVID-19 in the UK were confirmed on 31 January and the first death from COVID-19 was confirmed on 5 March.
- On 16 March, the government advised everyone in the UK against non-essential travel and contact with others, to work from home if possible, and to avoid social venues. The following day the FCO advised against all non-essential international travel.
- Schools were closed from 20 March, except for those looking after the children of key workers and vulnerable children. Cafes, pubs and restaurants were also ordered to close.
- A total lockdown was announced on 23 March.
- Prime Minister Boris Johnson tested positive for COVID-19 on 27 March
- The government started to ease lockdown from mid-May. Some children started to return to school from the beginning of June. Face masks became compulsory on public transport from 15 June, and in shops and elsewhere later.

"We have to play it by ear," says Lansee. "Although I don't miss the stress of commuting, I do miss going into the office; I miss the team relationship and being able to bounce ideas / opinions off each other."

### Lessons learnt

What lessons has she taken away from the pandemic? "Flexibility is key; fully embracing and taking advantage of technology; and, of course, finding positivity in these changing times," she says. 🙌

### Latest figures/20 July

Cases of COVID-19 to date: **296,358**  
Deaths: **45,385**

[Sources: Johns Hopkins University, WHO and health authorities]



"The government started to act very quickly here. Greece has about 11 million citizens, half of whom are in Athens. Athens, of course, was most affected. The natural 'social distancing' of the Greek islands was a positive factor because they are separated from Athens. However the government was really worried about COVID-19 reaching the islands, because their hospital and health infrastructure is at a very low level, except for the larger islands like Crete or Corfu. The islands really focused on keeping the virus out."

### Hidden impact

The first step was the closure of all kindergartens, schools and universities. Initially this was only for 14 days but closure was extended several times.

This had an immediate impact, says Hans: "Most working parents in Greece depend on grandmothers and family members to help take care of children. We have quite a number of parents of younger children in the team, and suddenly they had to be at

"The government started to act very quickly here."

## COVID-19 FOCUS

home to look after the children and help them do their lessons online, while working themselves.”

Even when schools eventually reopened on 1 June, difficulties remained. “To obtain social distancing, classes were maximised to 15 students. That has meant many attending school every second day. If you are a parent of two or three children, you can be sure they are not all going to be in school on the same day. So it has been really difficult for parents and several team members are still working at home as the only option.”

### Strict lockdown

When total lockdown came into force “We were only allowed to go into the office with reason and permission. From that day we decided to have a skeleton crew. I spent a couple of days in the office and a couple working from home during this period,” says Hans.

Enforcement of the lockdown was extremely strict, he says. “New laws were introduced which meant people were arrested, prosecuted and fined if they

violated the measures. It has been so serious. Even churches were banned from having services – that was very controversial in Greece, where the church plays a central role in the Greek community.”

### Easter ‘cancelled’

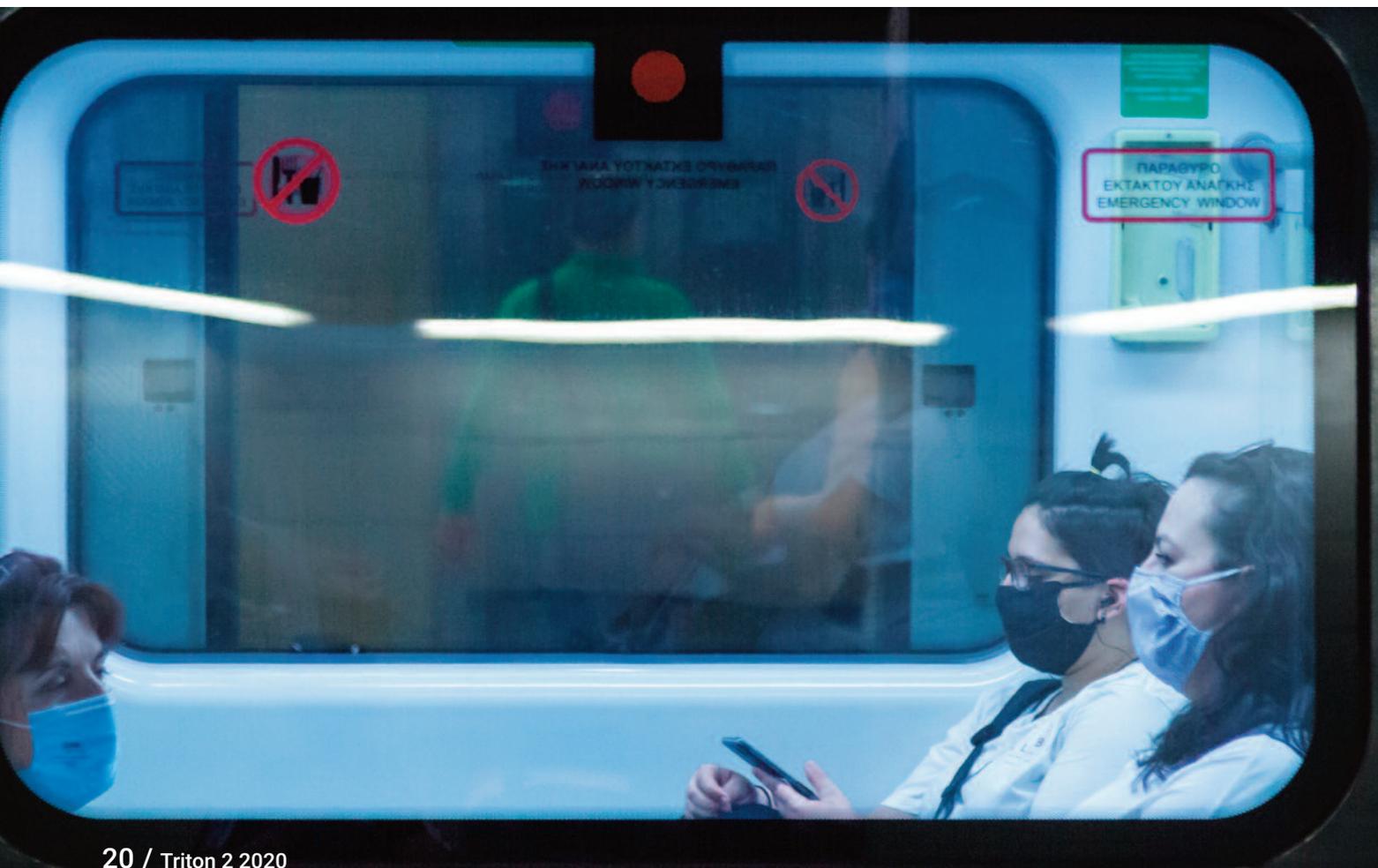
All this was in the run-up to the Greek Orthodox Easter, of course. “In a normal year, thousands of Greek people return to the islands and villages they come from – they go to church, they sit together, they drink wine together and have lamb on the barbecue. Churches are normally packed during Easter. But this year the message was ‘there will be no Easter exodus from Athens’.

Strict police controls were in place to stop cars leaving the cities and toll roads were closed. In any case, travel to the islands was tightly controlled during lockdown – only permanent residents were allowed to embark on ferries, and they had to carry documents confirming their permanent address.

“Greece is not normally a quiet country! But the Greek people really took this seriously, and they are still serious.”

### A careful recovery

What was it like in the city? “You can imagine, it was really quiet in Athens – it was a little bit scary to be out and going to the office. Greece is not normally a quiet country! But the Greek people really took this seriously, and they are still serious. When Greece announced it was ready to accept foreign visitors from 1 July, many Greeks were shocked and there were protests about this.”



While most restrictions were effectively lifted when the country opened to tourists, there were still social distancing and other safety measures in place, from restrictions on the number of people gathering in one place to the spacing out of tables in cafes and sunbeds on the beach.

### Technical solutions

There are total of 17 people in Team Piraeus and keeping the business going involved the same challenges as other offices, says Hans. "Brokers used to travel frequently, especially to Greece, and we have seen no one from the UK since the beginning of March. There have been a lot of Skype and Zoom meetings to keep up with members, clients and brokers – and not forgetting each other. Our whole team has been having a weekly meeting via Skype, so we see each other and talk about things, and then we have also had online departmental meetings – of underwriters or the claims team, for example."

The technical side of the office has been 'stress tested', he says: "And it has worked better than we might have thought. If this had happened five or ten years ago, we

### COVID-19 Greece: The story

- The first case of COVID-19 in Greece was confirmed on 26 February – a 38-year-old Greek woman who had recently returned from North Italy.
- All kindergartens, schools and universities were closed on 10 March.
- Greece confirmed its first death from COVID-19 on 12 March.
- Measures introduced by the government were strictly enforced – for example, the Bishop of Kythera Seraphim was arrested for opening a church and holding mass in the presence of a crowd of people. Authorities on Mykonos imposed a fine of €20,000 and shut down for 60 days one of the famous beach bars on the island for 'facilitating' crowding.
- Total lockdown came into force on 23 March. Greece's Civil Protection uploaded Movement Permits for work or other specific activities.
- On 28 April, Prime Minister Kyriakos Mitsotakis announced a roadmap for gradually lifting lockdown, starting on 4 May and extending over a period of 45 days.
- Schools opened their gates again on 1 June.
- Greece started accepting foreign tourists again on 1 July.
- At the end of June, health authorities confirmed three consecutive days with no COVID-related deaths.

### Latest figures/20 July

Cases of COVID-19 to date: **4,007**  
Deaths: **194**

[Sources: Johns Hopkins University, WHO and health authorities]

might not have coped on the technical side. But I think we can say that despite all the problems and practicalities, it has been working well."

### Missing the personal touch

The downside, he says, is that seeing someone in person is very different from seeing someone on Skype or Zoom.

"On the claims side they are normally working on a day-to-day basis on claims all over the world – that involves a lot of email correspondence, so a lot of the work on the claims side is as usual. However, here in Greece, owners very often want us to go and sit down in person and discuss claims with them, and that has not been possible.

"For underwriters, it has been phone calls. We haven't seen brokers. All the tavernas, cafes, etc., were closed. Being on the underwriting side and not seeing people is very strange."

### Restrictions easing

By the beginning of July, about two-thirds of Team Piraeus was back in the office, with the rest of the staff either working at home or on vacation. "From the beginning of September, when the holiday season is finished, we do expect to be back to normal. Meetings with brokers and shipowners can start again. We are now allowed to see each other, although we are not expected to kiss and hug each other. So we can sit together and have meetings – but, having said that, a lot of the shipowners don't want that yet."

Posidonia 2020 was a direct casualty of COVID-19 – it has been postponed until 2022. But 'closer to home' for Team Piraeus is the fact that 2020 marks the fortieth anniversary of The Swedish Club's office in Greece. "COVID-19 has made everything uncertain," says Hans. "But we definitely want to do something special to mark this important anniversary."

"We were only allowed to go into the office with reason and permission. From that day we decided to have a skeleton crew."

## Eyewitness report: OSLO

# Tanker madness



**Tore Forsmo,**  
Area Manager, Team Norway

**Will we ever go back to normal? “It will never be the same. We will be affected by this – including in the way we work,” says Tore Forsmo, Area Manager for Team Norway. “We will gradually return to a new type of ‘normal’. For example, by mid-June we were working 50/50, between home and office. It obviously works well. Why would you not continue to do that?”**

**He adds: “I would imagine going forward that a lot of the work we previously thought could only be carried out in the office will be carried out from home or somewhere else. We don’t need everyone commuting into the city every day – I think it will be much more flexible in the future.”**

### Maintaining productivity

His own experience during the COVID -19 pandemic – and what he has heard from others – is that productivity from office workers has not dropped when they are working at home. Quite the contrary. “Of course there are a number of things we can’t do but that is because of the travel restrictions – we can’t meet people as we did in the past.”

### Shutdown

In Norway, the first shutdown was announced on 12 March and Team Norway switched to home working from the following Monday, 16 March.

“During this time, one of us would head into the office more or less every day to keep an eye on things, and if we needed something printed or manually signed,” says Tore. “We had daily online meetings and briefings to keep the team together.”

The restrictions allowed people to go out for a walk and to go shopping for essentials. Social distancing was set at two metres. Buses were running but hardly anyone was on them. Queues formed outside shops as numbers inside were limited.

“Everywhere there were sanitisers for hands and for wiping shopping baskets. Travel stopped; the airports were basically closed with nothing going in or out. Schools closed and children were at home doing work on their ipads and laptops.”

### A balanced approach

Two months later, when restrictions were eased, including reopening of schools, a decision was taken to divide the Oslo staff into two distinct teams, which would rotate between office and home working every three days.

“The challenge was that the government said we could go back to the office but should keep one metre social distancing and not put too much pressure on public transport – they don’t want overfull subway trains or buses. We have an open plan office, so the one metre rule is an issue – we have to spread out in the office to achieve it.”

The team of six was divided to reduce the risk: “We are a close-knit team but also very vulnerable. By splitting the team, we avoid both claims handlers or both underwriters being in the office at the same time.”

“We had daily online meetings and briefings to keep the team together.”

Working from home was easily arranged from the start. "Most people are used to working wherever they are – we were already able to access all our systems from our laptops whether at home or in a hotel somewhere around the world," says Tore. "The only problem is that in the office we are used to working with two 25 or 27-inch screens. Looking at Excel spreadsheets on a laptop can be tiring. So we also had an option of some extra flat screens that people could take home if they needed to. Apart from that, everything has been smooth in terms of electronic systems and working online has not been an issue."

The most dramatic fallout of COVID-19 for Team Norway was the freefall of oil prices early on.

### Virtual meetings

Team Norway has been keeping in contact with members and brokers via Skype, Teams and Zoom and that has worked "surprisingly well", says Tore, including online renewal meetings with members. "Of course you don't get the interaction you get with a physical meeting but it is the second best thing, it is doable, and it works."

However, he says, while online meetings work well when you are talking to people you already know for renewal or discussions about additional business, it is more difficult for first-time meetings. "Meeting new people and trying to explain what we are all about – that has been put on hold. If you want to discuss things with people you don't know, I really think you need to be physically meeting."

He has mixed feelings about the proliferation of webinars – these, he says, are completely different to a seminar that brings people physically together. "In a seminar you can relate to the people because you are standing in front of them and you can see if they are sleeping or texting! A webinar is more like a TV production. There is no sort of interaction. That is difficult."



## COVID-19 Norway: The story

- Norway confirmed its first case of COVID-19 on 26 February – a female patient who had just returned from China, she was asymptomatic and in good health.
- On 12 March, Norway announced a national lockdown, and also announced its first death due to COVID-19.
- All schools and educational institutions were closed, sports activities were stopped and cultural events were cancelled. Bars, pubs and clubs were closed unless they served food – any establishment serving food had to ensure visitors stayed at least one metre apart.
- Non-residents were banned from entering Norway from 16 March. Quarantine rules were imposed for people returning home to Norway.
- People were encouraged to work at home and avoid public transport.
- The Norwegian health minister announced that the outbreak was ‘under control’ on 6 April.
- The Norwegian government has told residents to plan for a domestic holiday – foreign holiday plans have been cancelled by many.
- Lockdown was gradually eased in May. The reopening of schools after two months was the first sign of an opening up.
- As Norway eased restrictions and people were allowed to move about again, a 1 metre social distancing rule remained.

### Latest figures/20 July

Cases of COVID-19 to date: **9,028**

Deaths: **255**

[Sources: Johns Hopkins University, WHO and health authorities]

## Oil prices

The most dramatic fallout of COVID-19 for Team Norway was the freefall of oil prices early on.

“It hasn’t made all that much of an impact on our portfolio yet,” says Tore. “But our members are struggling as a result of lower activity due to the lower oil price – all of those related to the oil & gas industry, including mobile offshore units and OSVs. They are looking at downsizing their fleets and restructuring their lines and a return to the happier days doesn’t seem likely in the near future. Most people are looking at 2020 as ‘gone’ and probably not much is expected in 2021 either. If there is a return to a better situation in oil & gas it will possibly be 2022 at the earliest but no one really knows.”

Having been stable at around USD 60 a barrel for about two years, oil prices fell to below USD 20 a barrel at their lowest, subsequently rising to around USD 40 to USD 41. “Who knows whether we will return to 60 dollars or whether we are looking at a long-term 40?”

The knock-on effect was ‘madness’ in the tanker market for a few months, says Tore. As demand for tanker storage rose, a Suezmax could earn USD 125,000 a day at the peak in May. By the end of June, that had fallen to USD 12,000. VLCC rates similarly rose to USD 250,000 then fell back to USD 50,000.

## Crew change

As with every office, the difficulties of arranging crew changes became a major

issue for Team Norway’s clients. “Everything has been going in slow motion, everything takes time. Getting people somewhere takes time. Crew change has been so cumbersome and problematic, if not impossible, to organise. A lot of crew have stayed on board much longer than they are supposed to and the mental challenge is very considerable for them.”

## Surveys

In parallel, there has been great difficulty getting spare parts delivered all over the world and organising necessary surveys – several flag states have been stepping up the use of remote/virtual surveys and inspections, says Tore. “We have to rely on class granting extensions and doing remote surveys – in cases where it doesn’t compromise safety, we are able to grant an extension. But after this, I think in the future much more can be done electronically.”

## Life goes on

By the end of June, restrictions were notably relaxed in Norway, although social distancing was still set at one metre, and the public were still told to avoid public transport, stay at home if they had any COVID-19 symptoms, and ‘plan for a domestic holiday’ and cancel their plans for overseas travel.

“Right now the situation is still stable and under control,” says Tore. “We are located by the waterfront in Oslo. Outside our office doors, people are lying in the sunshine and swimming.” ☀️



# View from the correspondents

The Swedish Club's network of correspondents has become even more valuable during the pandemic as they have continued to provide vital information and updates from ports around the world. This information has been fed back to the Club's members through the Club's Trade Enabling Loss Prevention (TELP) tool, delivering timely and relevant information about their next port of call.



## INDIA

### Reena D'souza

*P&I and H&M correspondent*  
GAC India

GAC Shipping (India) Private Ltd has a network of 26 offices providing shipping, logistics and marine services throughout the country, covering all Indian ports, terminals, anchorages, holding areas and repair yards.

Since the COVID-19 outbreak in India, ports – categorised as 'essential services' – continued to operate with very minimal resources, says Reena. "With all states under lockdown, workers had difficulty accessing the port premises. Vehicular movements involving trucks, trailers and more were badly affected. This resulted in a slowdown in the movement and evacuation of cargo within and outside port premises. Cargo operations were also affected by the low worker turnout."

At first, the lack of clarity in the definition of 'essential service' led to delays in vessel clearance, because agency services were not classified as an essential service – this was subsequently rectified.

The lockdown, which was extended to control the spread of the virus in each district, brought the domestic manufacturing supply chains to a grinding halt, says Reena.

"Regulatory changes were made to ensure greater clarity in port operations, crew change and sanitisation guidelines, exemption/remission of penalties and issues relating to force majeure."

The government also introduced guidelines to help cushion the impact of the lockdown on port and shipping operations, including allotting additional land for storage to meet the need of port users facing issues with cargo movement, as well as the waiver of penalty charges on port users for delays caused by deferred loading, unloading or despatch of cargoes. Other measures included the deferment of payment of vessel-related charges by shipping lines and the waiver of some lease rentals and license fees.

Lockdown began easing from mid-April but the crisis was far from over. "The extent of movement restrictions varies from state to state, and so port to port, depending on the number of cases, hotspots, containment zones, and so on," says Reena. "The states



have different quarantine, containment and sanitisation strategies depending on their situation."

Reena has been working from home since lockdown began: "P&I matters are well coordinated/handled from home with the support of our various in-house departments, facilities and expert services present at the location of the incident," she says. The shipping industry continues to operate, says Reena. "The situation still varies. While operations at some ports may be less affected, other ports experience more challenges. Our teams continue to work hard to collect timely and updated port information to share with our stakeholders." 🇮🇳



## URUGUAY

### Captain Alejandro Laborde

*P&I and H&M correspondent*  
**Chadwick Weir Navegación SA**

Chadwick Weir Navegación SA is based in Uruguay and covers all the country's ports – mainly Montevideo, Nueva Palmira, Fray Bentos and José Ignacio (SBM). It also has an office in Paraguay.

In Uruguay a series of regulations are in place for shipping, explains Captain Laborde. For example, vessels must report if they have crew or passengers on board who are nationals of/ or that have embarked in countries declared at risk by the World Health Organization. Reminders have been issued that the Master of a ship is responsible for the Health Declaration – in case of misdeclaration, even unintentional, the Master could face criminal charges for endangering the public health.

Disembarkation of sick crew members (whether due to COVID-19 or not) for



treatment ashore is allowed on a case-by-case basis, but sometimes authorities require that a local doctor boards the vessel to evaluate the patient before granting permission.

Sanitary corridors have been organised for repatriation purposes – recently almost 200 passengers and crew were repatriated to their home countries through sanitary corridors from the port to the airport.

“It is important to highlight that all commercial ports in the country are operating normally,” says Alejandro.

“Working from home was a new and challenging experience because we were not sure how things were going to turn out and if we could continue keeping our level of services as before the pandemic.

“We have contingency plans in place for different situations – this was an opportunity to test them out in practice. Fortunately, and despite some routine matters running somewhat slower than usual, we believe that every time our intervention was requested, we were able to provide with our assistance to the clubs and their members satisfactorily. 🇺🇷”





**SPAIN**

**Alicia Montañés**

*P&I and H&M correspondent*  
**Muñoz & Montañés**

Muñoz & Montañés has its head office in Valencia and another office in Bilbao. The company provides correspondent services across Spain and other ports in the Mediterranean area.

Alicia Montañés explains that back in March the first legal steps the Spanish government took in response to COVID-19 related directly to shipping. Passenger ships from Italy and cruise ships from anywhere were prohibited from entering Spanish ports. “Until that day, there was no public awareness that the pandemic would hit Spain,” she said.

“Only two days later, with 6,252 infected, the State of Alarm was declared, imposing the strict confinement of all citizens, who were only allowed to leave home to go to banks, pharmacies or food stores. All economic sectors were affected and only activities declared essential were allowed – including the transport of goods by road/sea/air.”

Ports continued operating, she says, but at first there was a lack of clarity as to which activities and goods were ‘essential’ and which were not.

“As only companies carrying out essential activities could open and take delivery of their goods, the immediate consequence was congestion in some ports, as it was impossible to transport goods to their destination if they were not intended for essential sectors,” says Alicia.

“We received a lot of phone calls from forwarding agents, shipping agents and others wanting to know which activities were allowed – even the port authority didn’t have a clear idea on the first few days.”

In the early confusion, police officers were stopping truck drivers at the port gates, asking what type of cargo they were carrying and where it was going – and were preventing some lorries from leaving the



port. “If it related to food, sanitary or medical supplies obviously they could move about in total freedom but there was confusion about other goods.”

After a few days, the situation eased at the ports, but there were still strict controls on the country’s roads. An important development was that port terminals were able to continue operating even if they did not meet the minimum number of vessels to be handled under their contractual obligations with the port authorities.

As independent lawyers, Alicia and her colleagues were able to move around freely, although they closed the office and worked from home. Muñoz & Montañés reopened its offices in June, when the State of Alarm was lifted.

“As an example of how this confinement has affected our work, our assistance was required to arrange the towage of a vessel with main engine problems to the Port of Valencia. We were able to coordinate the operation with the Spanish Coastguard and all ran as smoothly as expected in a normal situation.”

A tricky aspect was arranging a visa and documents to permit an expert to travel from Portugal to inspect the engine failure. He was stopped at the Portuguese/Spanish border – Alicia coordinated with the border police to allow him to enter Spain and move around the city. “So in spite of the COVID measures, we were able to handle not only normal correspondent’s assistance, i.e. cargo inspections, but also emergency situations.” 🇵🇹🇪🇺



# Practical advice from The Swedish Club helps crews face COVID-19

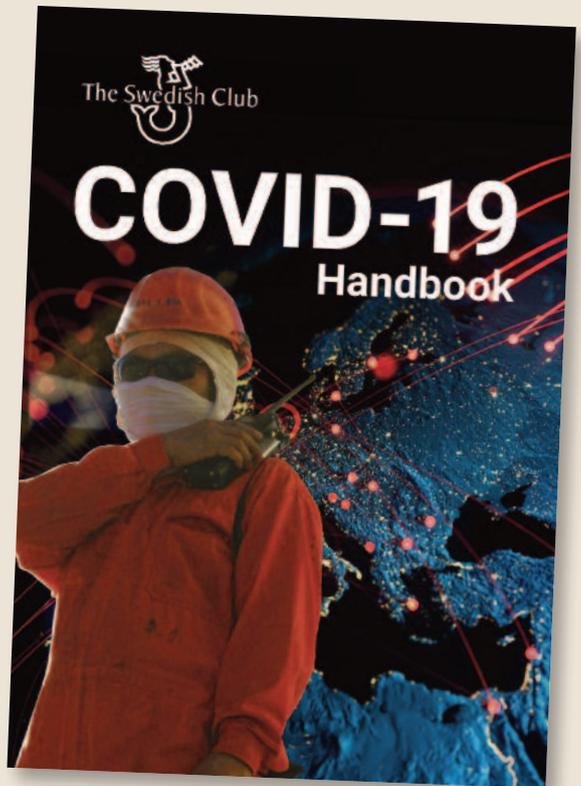
**The Swedish Club has launched its COVID-19 handbook, offering clear, simple, and practical advice to members and business partners to help both those at sea and those on shore to face the day to day challenges posed by the pandemic.**

These challenges have caused the whole shipping industry to pull together and provide a quantity of high quality and informed advice to those formulating policies in these new and difficult times. Yet with such a volume of information, and such a complex industry, the Club has been told that it can be hard for some at sea, and some based at shore offices to find the level of information they need to safely fulfil their job roles.

The COVID-19 handbook aims to meet the needs of those in positions of responsibility at sea and those supporting them on shore, providing simple guidance and concise information on understanding and implementing the practices and procedures which the COVID-19 pandemic has made necessary for safe and successful operations on board ship.

“We have seen the pandemic cause unprecedented operational challenges for our members,” said Lars Rhodin, Managing Director of The Swedish Club. “Crew changes, quarantine requirements, disruptions and delays, have become day-to-day issues in these difficult times. Whilst the wider long-term effects are more unpredictable, what we do know is that those on board and ashore must put procedures in place to ensure the continuing safety of crew and the ongoing protection of their business activities.”

Part One of the COVID-19 handbook focuses on keeping the crew safe, looking after the crew’s mental wellbeing, coming into port, and dealing with visitors to the ship. Part Two focuses on Club cover and



provides advice on some of the most common situations a vessel could face in this new environment.

The Swedish Club would like to thank those organisations who have contributed source material for this handbook, including the International Chamber of Shipping and ISWAN.

The COVID-19 handbook can be downloaded at <https://bit.ly/34CXPeJ>



# Stalemate: Crew change post COVID

## The invisible humanitarian crisis



Interview:  
**Dimitrios Fafalios,**  
Chairman, INTERCARGO

As many of us slowly begin to re-engage with the world – returning to the workplace, visiting friends and family and enjoying a restaurant meal, it is easy to think that we are returning to normal after the measures to slow down the spread of COVID-19 begin to relax.

Yet we must not forget that other nations are at the beginning of their own epidemiological curve – bringing in restrictions and implementing measures to control a virus which has only just reached their own shores.

This is the background to an invisible humanitarian crisis which has been unfolding around us, and which is showing no immediate signs of abating. Crew change has been very much taken for granted until now – a seamless transfer of about 150,000 seafarers every month, moving on and off ships in a perfectly choreographed pattern of visas, flights, hotel stays and international cooperation.

Chairman of INTERCARGO, Dimitrios Fafalios, explains that the process came to a virtual halt with the arrival of COVID-19, with only about 25% of normal crew changes taking place.

“We estimate that 30% of all seafarers on cargo ships are still serving on ships even after completing their Seafarer Employment Agreement (SEA), and at

least 5% of all seafarers have been on board for over 12 months in breach of the Maritime Labour Convention (MLC),” he says. “Indeed, many of them have now spent 15-16 months on board. The industry is fortunate that it has not yet seen a spate of fatal accidents at sea.”

Most flag states have been issuing exemptions from the maximum service periods prescribed within the (MLC) and in response to the crisis the International Transport Workers’ Federation (ITF) agreed to the extension of Seafarer Employment Agreements.

“Despite intensive lobbying from the shipping industry, today it is estimated that there are still 200,000 workers who have overrun their contracts and are currently stranded on ships, with another 200,000 on shore, waiting to start their



tours of duty," he says. "There are governments that are pushing seafarers to their limits by preventing crew disembarkation and joining in their ports. We are still seeing travel restrictions, non-availability of frequent commercial flights and countries not providing visa free access to seafarers to join and leave ships in order to fly to or from their home country via any international hub airports and any airline which is operating."

**"Not only must we consider the severe effect on the mental health and well-being of seafarers, but also the very real danger to safe operations posed by exhausted and mentally fatigued crew on board."**

Now, more than halfway through 2020 some sectors of the industry are saying 'no more'. In an attempt to put pressure on governments to facilitate crew change, the International Transport Workers' Federation (ITF) and its affiliated seafarers' unions have announced it will support seafarers who wish to exercise their right to stop working amid the COVID-19 pandemic after what it called insufficient action by governments over concerns for workers' safety.

"Not only must we consider the severe effect on the mental health and well-being of seafarers, but also the very real danger to safe operations posed by exhausted and mentally fatigued crew on board," explains Fafalios. "We need governments to recognise the commitment that seafarers have made during the pandemic, provide them with key worker status and open the borders, allowing seafarers to return home."

## Bringing seafarers home: An innovative approach

The shipping industry is pooling resources and sharing information in order to return stranded seafarers to their homes. InterManager, the international trade association for ship and crew managers has set up a 'Maritime Champions Club' to demonstrate to seafarers the efforts the industry is taking on their behalf, and CF Sharp Crew Management currently tops this league, bringing home more than 12,000 crew members over the past three months, with some 1,000 others due back soon.

Roger Storey, Marketing Director of the company explained: "Working with our Principals, particularly Norwegian Cruise Lines (NCL), we use a combination of commercial and charter flights and cruise vessels to bring crew members to the Philippines, where we then organise all the necessary quarantine measures and required virus testing.

"With such large volumes of crew to be repatriated, we have had to think outside the box, and turned to cruise liners to bring them home," explained Storey. "We used the NCL cruise ship Norwegian Joy to bring 467 Filipino seafarers and 312 Indian seafarers back from the west coast of the US to the Philippines, then flew the Indian crew members home to Goa and Mumbai. The ship also carried a number of Chinese seafarers, who returned home to China on a further vessel.

"Upon arrival the 350 seafarers who were off-signing had to undergo swab tests, and we are pleased that results now arrive back within 2/3 days which is a great improvement on the delays of up to 30 days we were experiencing earlier in the pandemic," he said.



**Roger Storey,**  
Marketing Director,  
CF Sharp Crew Management

## The international maritime virtual summit on crew changes

Early in July, a virtual summit hosted by the UK government resulted in 13 governments expressing their appreciation to seafarers and pledging to urgently resolve the crew change issues that have arisen due to the COVID-19 pandemic.

The pledge encouraged all IMO states to designate seafarers as key workers and to implement the Protocols for Ensuring Safe Ship Crew Changes and Travel. during the Coronavirus (COVID-19) Pandemic. The joint statement also recognised the importance of considering the possibility of waivers or exemptions from visa or documentary requirements for seafarers, and to help increase access to commercial flights to and from the principal countries of origin of seafarers.

Guy Platten, Secretary General of the International Chamber of Shipping represented the world's shipowners at the virtual session. He warned delegates that "red tape and bureaucracy must not be allowed to trap our seafarers or lead to economic problems in your own countries.

"The industry stands ready to support you and we are happy to work with you on rapid implementation of programmes that will facilitate crew change, which will benefit all," he said.

Speaking after the meeting he said: "We now need to see that the positive words and commitments translate into actions. The seafarers that serve us deserve nothing less."

## Ship crew change protocols

In May, the shipping community issued a series of protocols designed to address these issues. Endorsed by IMO and drawn up by a broad cross-section of global industry associations representing various sectors of the maritime transport industry, the 12-step plan sets out general measures and procedures designed to ensure that ship crew changes can take place safely during the COVID-19 pandemic.

At their heart is a call that, provided shipping companies broadly comply with and adhere to measures applicable to them, governments and their relevant national authorities should, for their part, do everything possible to allow crew changes to happen.

The wide-ranging protocols contain recommendations to maritime administrations and other relevant national authorities such as health, customs, immigration, border control, seaport and civil aviation authorities. They address the roles of shipping companies, agents and representatives, including crew agencies and seafarers, and extend to seaports, airports and airlines involved in travel operations for ship crew changes.

## A changing picture – the Club perspective

There is no doubt that this was an unprecedented situation, said Jakob Oswald, Senior Manager, Underwriting. "More than mid-way through the year China, South America and Africa remained largely closed to crew exchange, and only a limited number of European Union missions were open in India, China or the Philippines to issue the visas needed for the Schengen Area to allow seafarers to join ships and relieve crew.

"In addition to these choke points, we saw a wide variation in regulations across different countries," he said. "As

many of these were temporary, the danger was that our members began to work around them, and then they changed without warning."

Jakob advised members to take precautionary steps to ensure all travel documentation was correct before any repatriation was attempted. "We had to tell people not to just take people to the airport," he said. "Once you know exactly what is needed by the authorities for the journey then steps can be taken – for example, purchasing travel insurance for the seafarer, or COVID-19 testing. These solutions are



**Jakob Oswald**  
Senior Manager Underwriting

not necessarily costly but just required a clear understanding of the individual requirements of the point of departure and the country of arrival."

# Court usefully construes standard LOI wording

Trafigura v. Clearlake and Clearlake v. Petrobras (*Miracle Hope*) [2020] EWHC 995 (Comm)

A disponent owner in a charter party chain has obtained an injunction compelling its charterer to provide the security promised in a letter of indemnity (LOI).

The vessel had been time-chartered by the Owners to Trafigura, who had in turn sub-chartered to Clearlake. Clearlake had sub-sub-chartered to Petrobras for the carriage of a cargo of oil from Brazil to China.

The two Shellvoy 6 form sub-charters were on materially back-to-back terms and provided for the Owners to discharge the cargo without presentation of the original bills if the charterers invoked the LOI provisions. The LOI provisions provided for English High Court jurisdiction and incorporated certain International Group standard wording, including undertakings by the charterers to provide funds to defend any proceedings brought and also to provide bail or other security as required to prevent an arrest or secure the release of an arrested vessel.

Clearlake specifically invoked the LOI provisions against Trafigura and the vessel discharged the cargo without

presentation of the bills. Natixis, the bank who was the lawful holder of the bills, subsequently arrested the vessel in Singapore, claiming misdelivery and demanding security from the Owners of US\$ 76 million.

## Injunction

Trafigura failed in its attempt to get Clearlake to secure the arrest and provide defence funds, so it sought a mandatory injunction from the English Court to compel Clearlake to honour the terms of its LOI. Clearlake in turn applied for a similar injunction against Petrobras.

Clearlake and Petrobras respectively were ordered to provide security 'forthwith' to procure the release of the vessel from arrest and to provide defence funds to the Owners. This reflected the terms of the LOI, which provided that security should be given 'on demand'.

When the security ordered was not provided, the parties returned to court. Clearlake and Petrobras claimed that they had sought to comply with the injunctions, but had been thwarted by

Natixis' unreasonable demands regarding the terms of a proposed bank guarantee. They also submitted that the defence funds had not been paid because of the Owners' refusal to agree that Petrobras should take over the defence of the claim (rather than merely fund the defence of a claim to which Petrobras was not a party). Meanwhile, Trafigura said that the delay was unacceptable in light of the requirement to provide security 'forthwith'.

## Clarification of terms

In considering the meaning of 'forthwith', the Court held that, in this context, it meant that security must be provided in the shortest practicable time. What was practicable would depend on the circumstances.

As to 'bail or other security as may be required...to secure the release of the vessel', there were three possible meanings: such security as required by the arresting party; or such security as required by the Court of the place of arrest; or such security as required by the Court with jurisdiction to determine disputes between the parties under the LOI. The Court concluded that the

***In considering the meaning of 'forthwith', the Court held that, in this context, it meant that security must be provided in the shortest practicable time.***

answer was such security as required by the Court of the place of arrest.

The Court noted that it was an unusual situation for the Court with jurisdiction to hear disputes under the LOI (i.e. the English Court) to be required to find as a fact whether the security offered would be acceptable to the Court of the place of arrest (i.e. the Singapore Court) since that would normally be decided by the Court of the place of arrest. However, in this case, COVID-19 related delays meant that the Singapore Court could not decide that question promptly.

As it was, the Court accepted that Clearlake and Petrobras had tried to provide security by means of a bank guarantee but, when it became clear that agreement on the terms of the guarantee could not be reached (or, at the latest, when it became clear that the Singapore Court could not promptly resolve the question, due to COVID-19 delays), Clearlake and Petrobras should have made payment into court instead.

## Authors



**Christian Dwyer**

Partner, Global Head of Admiralty, Ince



**Charles O'Connor**

Managing Associate, Ince

The Court, therefore, ordered Clearlake and Petrobras to make a cash payment of US\$ 76m into the Singapore Court, together with the payment of defence funds to the Owners. This was necessary to ensure that the injunctions were effective and achieved their aim.

## Independent obligations

At a subsequent hearing, the Court rejected Clearlake's attempt to stagger its payment obligations on the basis that it was Petrobras – the party at the bottom of the charter party chain – who ought to be the party making the payment into court and that there would be an unnecessary duplication of costs if Clearlake had to make arrangements to pay cash into court by the same date as Petrobras, just in case Petrobras did not do so. The Court held Clearlake owed independent obligations to Trafigura, which would be damaged by further delay, and which outweighed the risk of wasted duplicate costs.

## Comment

The Court's guidance on the wording of International Group LOIs is helpful and likely to be of wider application. For those seeking to enforce obligations under LOIs:

- the judgments reinforce the Court's willingness to grant relief to ensure an indemnifying party honours its commitments;
- there is now guidance on how quickly an indemnifying party must act. It is obliged to provide security in the shortest practicable time (and what is practicable will depend on the circumstances);
- it is likely to be only in rare cases that the English Court will be willing to determine what is acceptable security to the Court in the place of an arrest; ordinarily this issue will be determined by the local Court in the place of an arrest;
- the judgments reinforce the fact that a party who gives an LOI, even if in the middle of a chain of charterparties on back-to-back terms, owes independent obligations to the recipient of the LOI and will be held to those obligations. That intermediate party, therefore, faces an exposure and, as ever, the extent of the exposure depends on the quality of the LOI that it in turn receives;
- although the Court refused to order staggered payment obligations in this case, there may be circumstances in another case where the risk of wasted costs for multiple parties outweighs the potential damage to the claimant, such that staggered payment obligations are appropriate.

*Note: Ince acted for Trafigura.*

# Safety scenario



## Excessive speed when approaching berth



By Joakim Enström, Loss Prevention Officer

Each month the Club's Loss Prevention team issues a new safety scenario to assist members in their efforts to comply with international safety regulations and to follow best practice. Visit Swedish Club OnLine (SCOL) for more examples.

### CASE STUDY

It was morning with clear skies and NW winds at 25-30 knots. The 200 metre RoRo vessel picked up the pilot and then carried out a short pilot briefing where the pilot informed the bridge that the vessel would berth starboard side to berth A which had a course of 285°. The approach in the fairway was 090°. This meant that the vessel needed to carry out a major port alteration of 195°. The port had no breakwater and was open to the sea.

The pilot had the conn and the vessel was sailing down the fairway on a 090° course at a speed of 9 knots.

Two tugs were standing by but were not connected. At the position where the pilot decided to start the alteration there was less than 500 metres of space between the berths in the port basin. The pilot ordered the vessel to come around to port and stop the

engines. The vessel was still making 9 knots and was sensitive to the wind because of its large hull and super-structure. This caused the strong NW wind to push the vessel away from the berth.

#### Danger ahead

The vessel started to alter to port, but when the vessel was facing the berth at a 90° angle it was only 50 metres ahead. The pilot now realised the danger and ordered 'slow astern' and 'hard to port', followed instantly with 'full to port on the bow thruster'. As the

speed was excessive for the bow thruster, nothing happened.

At the same time the Master realised that the vessel was not slowing down, so he ordered the port anchor to be released, and 'full astern' on the engines. It was too late, and the bulbous bow hit the quay at a 90° angle.

After the contact the tugs were connected and berthed the vessel.

The vessel had to dry dock to repair the bulbous bow. The berth also had to be extensively repaired. 🚧

***The approach in the fairway was 090°. This meant that the vessel needed to carry out a major port alteration of 195°. The port had no breakwater and was open to the sea.***



## Discussion

When discussing this case please consider that the actions taken at the time made sense for all involved. Do not only judge, but also ask why you think these actions were taken and could this happen on your vessel?

### Ask yourself:

1. What were the immediate causes of this accident?
2. Is there a risk that this kind of accident could happen on our vessel?
3. How could this accident have been prevented?
4. How do we ensure that we keep track of the current and wind, and how is this communicated within the bridge team?
5. Do we have assigned roles for the bridge team?
6. If not, would this be beneficial?
7. Do we have limits on what speed is acceptable to approach a berth?
8. If we are uncomfortable with the pilot's approach, what are our procedures?
9. If the berthing arrangement is very different from that planned, what are our procedures?
10. If the pilot's information is not as planned, how should we proceed as a bridge team?
11. If tugs are available, do we use them?
12. Are there any specific environmental limits to when we should use tugs?
13. What sections of our SMS would have been breached, if any?
14. Does our SMS address these risks?
15. How could we improve our SMS to address these issues?
16. What do you think was the root cause of this accident?

# First Loss Prevention Webinar

## TELP in the COVID age

The Swedish Club's Loss Prevention team were keen to take advantage of new technology, when they ran their first webinar on 24 June. This focused on the Club's Trade Enabling Loss Prevention programme (TELP) and how it is being used to support vessels' berthing during the pandemic, in addition to the team's development plans for the future.

"It has been very much a rollercoaster ride for TELP," said Lars Malm, Director Strategic Business Development &

Since COVID-19, pretty much every port has become a hotspot with different rules and regulations, and correspondents have been invaluable in flagging this information to our members.

Client Relations. "We knew it was a powerful product, but following successful trials at the back end of last year we had no idea how important it would prove to our members in helping them to deal with the many different port restrictions they face when coming into port during the COVID-19 pandemic.

"We wanted to engage with existing users and reach out to new users – the webinar format provided the ideal medium to connect with members around the world," he said.

Peter Ståhlberg, Senior Technical Advisor, gave an insight into the sheer volume of statistics that are gathered by the Club on a day to day basis and shared some of the maps that had been used to identify claims hotspots.

He praised the efforts of the Club correspondents: "The involvement of our correspondents has been a huge success. Since COVID-19, pretty much every port has become a hotspot with

### TELP

#### The mechanics behind

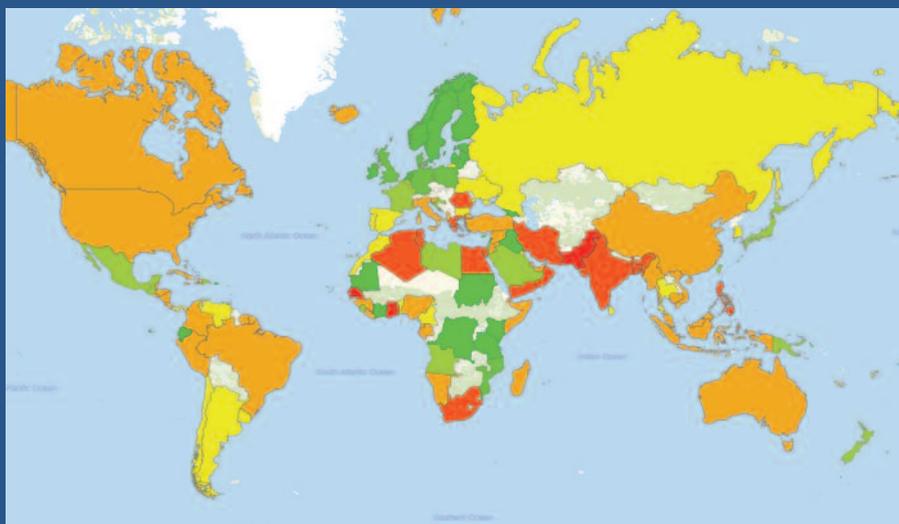
-  Definition of hotspots
-  Profiling and feeding notifications to delivery system
-  Constant monitoring of our insured vessels' AIS system
-  Checking when insured vessel sets hotspot destination
-  Loss prevention advice is sent to vessel

different rules and regulations, and correspondents have been invaluable in flagging this information to our members. We must give thanks to our pilot scheme participants for highlighting the value of the local approach."

Ellinor Borén, Claims & Loss Prevention Controller, was responsible for sharing the results of the recent TELP survey sent to all participants. As a result of this feedback the Club will be creating a new site on SCOL to hold the TELP alerts. "We are working on several improvements based on feedback," she said.

Joakim Enström, Loss Prevention Officer, handled the Q&As from the webinar delegates, covering the frequency and content of alerts and the Club's claims experience to date.

Lars Malm closed the session, wishing delegates a safe summer - a new traditional greeting in this post COVID world. 🇸🇪



Risk ranking of countries and individual ports varies depending on vessel type, cargo and insurance class (image for illustrative purposes only).

# Notice board

## Update on the Democratic People's Republic of Korea (DPRK) sanctions

Following the recently published 2019/2020 UN Panel of Experts of North Korea Sanctions Report members were advised that sanctions monitoring and surveillance continues at a pace and through the co-operation of UN Member States more evidence is being collated and reported where there has been such a breach.

The report notes a continuing use of non-DPRK flagged vessels that are used to perform illicit ship-to-ship (STS) cargo transfers at sea.

Any activity assessed to be in breach of sanctions will result in the withdrawal of insurance cover. All Club members are therefore strongly urged to mitigate the risks of undertaking any business with North Korea, including but not limited to STS operations, and exercise the fullest possible due diligence to ensure that they do not knowingly or inadvertently perform prohibited activities with North Korean entities.

*Ref P&I Circular 4 May 2020*

## Use of tankers as floating storage – arising legal issues

Due to collapsing oil prices as a result of an excess in supply and a corresponding decrease in demand there is an increasing market for oil tankers to be used as floating storage for excess capacity.

The Club outlines a number of legal issues that may arise under a charter party or bill of lading contract, where owners accept charterers' requests to employ their tankers as floating storage.

*Member Alert 26 May*

## Mexico alert: Smuggling of illegal narcotics – risk of ship detention and crew arrest

Since July 2019, international industry organisations have recorded a number of cases where ships have been detained upon arrival in Mexican ports where illegal narcotics have been found on board. In some cases, such detentions and crew arrests have followed when the illegal narcotics have been discovered on board by the crew and reported in advance at the earliest opportunity to the local authorities at the port of arrival in Mexico. The case of the *UBC Savannah* is of particular note.

Where there is any doubt about specific preventative measures that can be taken by ships both pre-loading, especially if loading from a port in South America, and pre-arrival in Mexico, then contact should be made with the Club.

*Ref: P&I Circular 21 February 2020*

## US Global Maritime Advisory

On 14 May 2020 the US issued a Global Maritime Advisory aimed at a range of industry sectors including marine insurers such as P&I clubs and shipowners and charterers. It provides detail on the level of due diligence and other compliance related activities expected by the US Government of parties whose business activities run a risk of engaging in trades that may breach US sanctions. It applies specifically to the sanctions' regimes surrounding Iran, Syria and the DPRK and provides information relevant to both US and non-US companies.

Of particular note is the focus on the use – or misuse – of a vessel's AIS equipment.

The consequences of not complying with US primary and secondary sanctions legislation can be severe. However, many will find some of the requirements difficult to comply with for both practical reasons and because in certain circumstances they run contrary to existing legal obligations.

*Ref P&I Circular 25 May 2020*

# Staff news

## GOTHENBURG



### Fredrik Bergqvist

Fredrik Bergqvist has taken up the position of Underwriter in Team Gothenburg, following on from Filip Isaksson, who resigned in May 2020.



### Lorraine M. Hager

Lorraine M. Hager joined our Loss Prevention team in July 2020 as Loss Prevention & Marketing Advisor. Lorraine previously worked for The Swedish Club Academy for eight years.



### Victor Johansson

Victor Johansson has been appointed as Head of Claims, P&I and FD&D in Team Gothenburg as from 1 June 2020.

## PIRAEUS



### Konstantinos D. Kakatsos

Konstantinos D. Kakatsos joined Team Piraeus in May 2020 as Marketing Coordinator. He has ten years of experience from different broking companies.

## HONG KONG



### Sylvia Shi

Sylvia Shi joined Team Asia in July 2020 as Senior Claims Executive, FD&D and P&I. Sylvia is a qualified solicitor (England and Wales) and has previously worked for another P&I club in Hong Kong.



### James Tian

James Tian joined Team Asia in August 2020 as Senior Claims Executive, P&I and FD&D. James has previously worked for Hapag Lloyd in Singapore.

# Club Quiz

1 – 1. How much of world trade is seaborne??

- 1 50%
- X 70%
- 2 90%

2 – Which ship is connected to the Norwegian ethnographer Thor Heyerdahl?

- 1 Sverre
- X Kon-Tiki
- 2 Aker

3 – When did 'Triton' start serving as a symbol for The Swedish Club?

- 1 1872
- X 1962
- 2 1972

Mail your answer to [quiz@swedishclub.com](mailto:quiz@swedishclub.com) The first correct answer pulled out of the hat will win a prize.

### Winner of Quiz No 1-2020

Björn Thorman,  
Atlantic Offshore,  
Norway.



The right answers to Club Quiz No 1-2020 are:

### 2 Jiggermast

(Sometimes ships have more than three masts. What is the fourth, much smaller mast known as?)

X From fingertip to fingertip if you outstretch your arms  
(How long is a fathom approximately?)

### 2 1981

(When did The Swedish Club become a full member of the International Group of P&I Clubs?)

# Club Calendar 2020

For the safety and wellbeing of our valued members, business partners and staff members, we have cancelled all Club events this autumn.

We are running a programme of virtual events and will keep you notified personally of any which we believe you will find of interest.

We sincerely hope you keep well and we look forward to meeting you again when circumstances permit.

## Board of Directors

**Lennart Simonsson**  
Chairman of the Board

**John Coustas**  
Deputy Chairman  
Danaos Shipping Co Ltd., Piraeus, Greece

**Khalid Hashim**  
Deputy Chairman  
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Costamare Shipping Co. S.A., Athens, Greece

**Michael Bodouroglou**  
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**Ryan Chan**  
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Genting Cruise Lines, Kuala Lumpur, Malaysia

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Republic of China

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Erik Thun AB, Lidköping, Sweden

**Andonis Lemos**  
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**Anna Fjaervoll**  
Elected by the employees  
The Swedish Club, Gothenburg, Sweden

**Karoline Rydelid**  
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**The Swedish Club** is a mutual marine insurance company, owned and controlled by its members. The Club writes Protection & Indemnity, Freight, Demurrage & Defence, Charterers' Liability, Hull & Machinery, War Risks, Loss of Hire insurance and any additional insurance required by shipowners. The Club also writes Hull & Machinery, War Risks and Loss of Hire for Mobile Offshore Units and FPSOs.

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